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MMS Implements Better Business Processes

The U. S. Department of the Interior's Minerals Management Service is reengineering its business processes and accounting systems to improve royalty collection and disbursement. Spurred by aging computer systems, changing energy markets, and the need to implement business cycles and processes that are better aligned with industry and financial institutions, the MMS completely reorganized its Royalty Management Program, including changing the name of the program to Minerals Revenue Management.

Minerals Revenue Management offices are responsible for collecting, accounting for and disbursing revenues from federal and Indian mineral leases. To better accomplish this mission, the organization is implementing new business processes that are projected to provide cost savings to the federal government of about \$75 million over ten years. In addition to being more resource efficient, the new processes will reduce business cycle time, or the time it takes to start and complete tasks, by more than 50 percent. Also, customer satisfaction will be greatly enhanced as the agency expects to provide 24-hour turn-around payments to royalty recipients. In the past, it took two to four weeks for recipients to receive payments.

According to MMS Director Walt Rosenbusch, "The evolution of the oil and gas industry in recent years has presented us with new challenges to improve the way we do business. I firmly believe that we are meeting those challenges by implementing new business processes for managing mineral revenues. Our reengineering initiative will help ensure that this agency remains the best minerals resource manager."

Minerals Revenue Management is highly integrated; fully supported by state of the art technology; process centered; focused on outcomes; less costly; and viewed by both customers and competitors as the best. This reengineering initiative is a dramatic modernization of the agency's financial and compliance systems. Implementation begins in fall 2001.

MMS collects about \$5 billion per year from mineral leases on federal and Indian lands. These revenues are distributed to a number of recipients including certain states with mineral leasing on federal lands, American Indian tribes and individuals, and the U.S. Treasury (General Fund, Land and Water Conservation Fund, and the Reclamation Fund). MMS ensures fair market value is received for these mineral resources while monitoring offshore industry activities for compliance with environmental and safety requirements.

Editor's Note: An organization chart can be viewed on the website at www.mrm.mms.gov

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MMS Internet website address: <http://www.mms.gov>
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