

Additional inspection information can be found in Paragraph 4 of the Accomplishment Instructions of PW SB JT9D-7R4-72-567, dated May 26, 2000.

(c) Replace any disks that have crack indications. Information on replacement of the disk is contained in PW SB JT9D-7R4-72-568, dated May 26, 2000.

#### Terminating Action

(d) Installation of HPT disk P/N 820321 with redesigned HPT 1st stage airseal P/N 820121 is considered terminating action to the initial and repetitive inspection requirements of paragraph (b) this AD. Information on installation of the HPT disk is contained in PW SB JT9D-7R4-72-568, dated May 26, 2000.

#### Definition

(e) For the purpose of this AD, at disk piece-part opportunity is defined as any time the 1st stage HPT rotor is disassembled.

#### Alternative Methods of Compliance

(f) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office (ECO). Operators must submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, ECO.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the ECO.

#### Special Flight Permits

(g) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

#### Effective Date of this AD

(h) This amendment becomes effective on October 4, 2001.

Issued in Burlington, Massachusetts, on August 21, 2001.

**Donald Plouffe,**

*Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.*  
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## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

### 30 CFR Parts 206, 210, 216, and 218

**RIN 1010-AC86**

### Solid Minerals Reporting Requirements

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Final rule.

**SUMMARY:** MMS is updating its solid minerals reporting regulations to implement our reengineered royalty compliance strategy. The new reporting requirements will provide the necessary information to timely verify that mineral revenues due the government are correctly paid in compliance with applicable laws, regulations, and lease terms. The new reporting requirements replace several existing information collections and decrease the reporting burden for solid mineral reporters.

**EFFECTIVE DATE:** This rule is effective October 1, 2001.

#### FOR FURTHER INFORMATION CONTACT:

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**SUPPLEMENTARY INFORMATION:** The principal authors of this rule are Glenn W. Kepler, Sr., Cynthia Stuckey, and Herb Vincentsen, of Solid Minerals and Geothermal Compliance and Asset Management, Minerals Revenue Management, MMS, and Geoffrey Heath of the Office of the Solicitor, Department of the Interior.

#### I. Background

Beginning in 1996, MMS embarked on an initiative to reengineer its royalty compliance operations and develop a process to assure that royalties and other mineral revenues are properly paid in accordance with applicable laws, lease terms, and regulations. As a result of this initiative, we set a performance goal of assuring royalty compliance in the shortest time possible, but not more than 3 years from the due date of the payment, in contrast to our current 6-year audit-based compliance cycle. This goal led us to adopt a contemporaneous compliance strategy. The contemporaneous compliance strategy is designed to detect and resolve compliance issues in the early stages of the compliance cycle and target audits accordingly, rather than waiting for future regularly scheduled or random audits. Early detection and resolution of compliance discrepancies not only benefits MMS by improving correct payment, but also helps industry by reducing its exposure to underpayments and associated interest.

To accomplish our compliance strategy for solid minerals, we determined—with industry participation—the minimum data necessary to support our contemporaneous compliance program. Accordingly, on June 5, 2001, we published a proposed rule in the

**Federal Register** (66 FR 30121) describing revisions to our solid minerals reporting requirements. This final rule adopts the proposed revisions with modifications, where appropriate, suggested in the public comments we received.

The new reporting requirements replace eight existing production and royalty forms with a single form (Form MMS-4430, Solid Minerals Production and Royalty Report) and three supplementary data collections (sales contracts, sales summaries, and facility reports). This information collection methodology allows us to integrate production and royalty information into our contemporaneous compliance and asset management activities and validate the correctness of revenue receipts in the early stages of the compliance cycle. This data collection minimizes industry's reporting burden by (1) collecting the information at the beginning of the compliance cycle, thereby eliminating industry's requirement to retrieve records from storage at some future date in response to audit requests, and (2) collecting the information in the same manner and format as prepared by industry during routine business processes.

#### II. Responses to Public Comments

Eight respondents commented on the proposed regulations during the 30-day public comment period that closed July 5, 2001. Those comments and our responses follow.

##### *Mailing Addresses*

**Comment:** Two companies and one industry trade association suggested that references to specific mailing addresses be deleted, because addresses are subject to change and could require a rule revision. They recommended that the final rule provide a reference to an Internet web site or a telephone number for the current mailing address.

**MMS Response:** We disagree with this comment. Lessees must submit reports and documents by prescribed filing deadlines. For reports and documents submitted in paper, it is important that there be no ambiguity regarding where to send them. Failure to provide a mailing or delivery address greatly increases the chance of disputes between lessees and MMS regarding whether submissions were timely. There is no reason or benefit to increasing the risk of such disputes when they are easily preventable.

In response to the comment that MMS's addresses may change, we include language in the final rule to the effect that MMS may publish a change of address in the **Federal Register**. This

avoids the necessity of a later rulemaking procedure if the MMS office changes location.

#### *Other Government Bureau Data Collection*

*Comment:* A field office of a sister Interior bureau questioned whether our information collection rules would prevent it from also collecting lease and mine data.

*MMS Response:* Part of the intent of this rulemaking is to ease reporting burdens on industry by requesting the data once and consolidating the Government's information needs. MMS will provide access to data it collects to other government entities that also need the data to perform their verification and compliance duties so that other agencies may avoid seeking duplicate information.

#### *Data Submission to Indian Tribes*

*Comment:* One Indian tribe that participated in the Solid Minerals Operational Model expressed concern that under the new reporting requirements it will not timely receive mine data from MMS. The tribe recommends that the final rule require companies to send duplicate information directly to the tribe.

*MMS Response:* One purpose of the Operational Model was to test the effectiveness of new reporting forms and strategies. Companies participating in the model had to continue submitting Form MMS-4059 (SMOR-A) and Form MMS-2014 (Report of Sales and Royalty Remittance) for production information and royalty distribution purposes. During testing we became aware that the tribe had a longstanding agreement with the producer whereby the producer would also submit copies of the Forms MMS-4059 and MMS-2014 directly to the tribe. As part of the Operational Model, the participants agreed to test the concept of reducing the producer's reporting burden by having a single submission to MMS, which we would then copy and forward to the tribe. The tribe's delay in receiving timely reports from MMS was caused by our not having the necessary software installed on our computers to open the producer's reports. This prevented us from timely forwarding the submitted reports to the tribe. Our new web-based reporting system is designed so that the tribe and other authorized users will have immediate access to the reported information. Therefore, we believe the tribe will no longer need to receive reports directly from the producer.

#### *Confidentiality*

*Comment:* A field office of a sister Interior bureau commented that MMS may increase the risk of releasing confidential information by making reported information available to all that bureau's offices, rather than just the office of jurisdiction.

*MMS Response:* The MMS has extensive requirements for safeguarding the confidentiality of proprietary data. For example, effective September 6, 1991, MMS, the Bureau of Land Management (BLM), and the Bureau of Indian Affairs (BIA) executed a Tripartite Memorandum of Understanding (MOU). This MOU sets forth requirements for information sharing among the three bureaus. Under the MOU we provide the BLM and BIA access to our production and royalty data for their lease monitoring and compliance duties. The MOU has extensive requirements for safeguarding the confidentiality of proprietary data. These requirements are binding on the entire bureau, not just a single office within the bureau. Those other offices must operate under the same requirements as MMS when handling proprietary information. It is those offices' responsibility to maintain the confidentiality of proprietary mine information, regardless of the mine's location or a particular office's jurisdiction, in accordance with applicable law.

*Comment:* One industry association requested that the rule address how MMS will maintain the confidentiality of sensitive data submitted over the Internet.

*MMS Response:* Security controls for data reported on the Form MMS-4430, Solid Minerals Production and Royalty Report, as well as all data reported to MMS's new financial system, are being developed by our consulting firm. The consulting firm is creating a security plan following the protocols given in the National Institute of Standards and Technology (NIST) Special Publication 800-18, "Guide for Developing Security Plans for Information Technology Systems." Security, authentication, and identification (ID) for the Form MMS-4430 will be provided by an application known as *Brio*. Users must first log into *Brio* with a specific user identification and password before gaining access to Form MMS-4430. Two firewalls will be in place to prevent unauthorized users. Because Form MMS-4430 is web-based, it will use two servers to run the application. Both servers will use 128-bit Secure Socket Layer (SSL) encryption. By using SSL, not only are the passwords that are sent to the

servers encrypted for secure authentication but all data transmitted to and from the servers is encrypted for protection. At the data level, each user logged into *Brio* will be associated with an MMS-assigned user ID. The user ID will determine what data an individual user can or cannot see on the Form MMS-4430. Lessees will only be able to create or view reports for mines and leases associated with their user ID and *Brio* logon ID combination.

Most reporters will submit supplementary data (sales summaries, and facility reports, and possibly sales contracts) by email to our electronic mail box at rubymailbox@mms.gov. MMS applies state-of-the-art anti-virus applications to assure that incoming data do not contain harmful virus applications. Access to the mailbox is limited to certain MMS employees who will download the information to internal data base systems. Only MMS and its authorized agents will have access to these systems. Additional safeguards for email transmissions are available, such as an encrypted zip file. We will work with individual firms to establish additional electronic safeguards as necessary.

#### **Part 206—Product Valuation**

##### *Section 206.263 Contract Submission*

*Comment:* Four commenters—two industry trade associations and two company representatives—objected to the removal of the confidentiality paragraph found at § 206.263(d). They believe a confidentiality section is needed in the final regulation to protect proprietary information from potential public release.

*MMS Response:* The proposed rule removed both §§ 206.263 and 206.462 because they duplicated our proposed reporting requirements. We note that most Federal leases contain language prohibiting release of proprietary information. For example, coal lease Form 3400-12, approved for use beginning in April 1984, provides in Section 6, "While this lease remains in effect, information obtained under this section [Documents, Evidence, and Inspection] shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552)." However, we agree that Part 210, Forms and Reports, should contain language reinforcing the confidentiality of reported information that is legally exempt from disclosure. Accordingly, in the final rule, we added a new § 210.206, titled "How will information submissions be kept confidential?" This new section encompasses the provisions of the former §§ 206.263 and 206.462.

## Part 210—Forms and Reports

### Section 210.201 *How Do I Submit Form MMS-4430, Solid Minerals Production and Royalty Report?*

*Comment:* One industry trade association and two companies observed that a literal reading of proposed § 210.201(a)(1) would require a lessee to submit its royalty payment on the same day the Form MMS-4430 is submitted, even if the report is submitted in advance of the due date. They noted that this was a departure from current practice and questioned the intent of the rule.

*MMS Response:* We agree with this observation and did not intend to require the simultaneous submission of both Form MMS-4430 and payment if the Form MMS-4430 is submitted in advance of the deadline for reporting and payment. The payment and the report do not need to be submitted on the same day, but both must be submitted by the due date. For example, a lessee may choose to submit the Form MMS-4430 one week before the due date (the due date typically being the end of the month following the month of production and sale), but delay the payment until the actual due date. To clarify our intent in this section in the final rule, we deleted the phrase from the proposed rule “accompanied by all required royalty and rental payments (except for first year rentals).”

*Comment:* One company requested a definition of the phrase “electronic reporting service” appearing in § 210.201(c)(3).

*MMS Response:* An electronic reporting service is a company that provides electronic reporting services to other companies that may not have the resources to undertake electronic reporting themselves or that may wish to contract for that function.

### Section 210.202 *How Do I Submit Sales Summaries?*

*Comment:* An industry trade association objected to the submission of purchaser names or identities required under § 210.202(a), arguing that such information is highly confidential and is not needed to monitor compliance or determine royalties due, except in the rare situation where the purchaser identity may be relevant to some issue during an audit.

*MMS Response:* Valuation of solid minerals production is predicated in part on whether the sales contract is arm’s-length or non-arm’s-length. MMS, not the lessee, is the final arbiter of whether any particular contract is an arm’s-length contract. Moreover, MMS

may need to obtain information directly from the purchaser and asking the lessee to identify the purchaser in every case would cause unnecessary delay in classifying the contract. Accordingly, purchaser identities are an integral component of the contract classification process. Identification of affiliate sales early in the compliance cycle enables expeditious resolution of valuation issues and improves the lessee’s certainty that its royalties are properly paid under its lease terms, statutes, and regulations.

We believe the contemporaneous submission of purchaser names with the lessee’s sales summary data, as opposed to collecting the same data years later during audit, is an improved process. The information is necessary for the reengineered contemporaneous compliance process to work. That process works to the lessee’s benefit and may indicate that a later audit is not necessary.

Moreover, submission of purchaser names does not appear to give rise to confidentiality concerns separate from the submission of the sales summary data itself—which will be broken out by sales arrangement regardless of whether the purchasers’ names are included in the document. MMS therefore respectfully disagrees with this comment.

*Comment:* One company and one industry trade association objected to the submission of separate sales summaries for each remote storage site when a lessee has five or fewer sites (§ 210.202(a)), arguing that such a requirement is needlessly burdensome.

*MMS Response:* Our new compliance and asset management process associates lease sales reported on the Form MMS-4430 with purchaser sales reported on the sales summary. For example, the Form MMS-4430 for a particular remote sales site will show total sales from that site allocated to the source leases, but will not show the prices and quantities sold to particular purchasers. The sales summary will show the individual sales to each purchaser, including price and quantity and other information. The contemporaneous compliance process, among other things, will compare and correlate the information shown on both reports.

For the contemporaneous compliance process to function efficiently, the sales summary must cover the same transactions as the Form MMS-4430. Thus, if an MMS-4430 is submitted for a remote sales site, the sales summary needs to be for that same site. If Forms MMS-4430 were separated by site but sales summaries were combined for all

sites, the process of correlating the information becomes much more costly and time-consuming, undercutting the goal of the contemporaneous compliance approach.

MMS does not object if lessees submit their sales summaries for separate remote sites in one document rather than as separate documents. However, the single document must contain the same information, identified separately for each sales site, as the sales summaries submitted for separate sites; that is, purchaser name, quantity sold, quality data, price/proceeds received, allowances, etc. (see the table in § 210.202(a)(3)).

*Comment:* Two companies and one industry trade association found ambiguous the requirement to submit processing or washing costs and transportation costs on the monthly sales summary (§ 210.202(a)). They noted that the proposed rule provided no guidance regarding what cost information must be submitted and interpreted the rule to require calculation and submission of costs on a monthly basis pursuant to §§ 206.259 and 206.262. They believe this requirement would significantly increase industry’s cost of compliance.

*MMS Response:* The purpose of capturing processing (including coal washing) and transportation allowances on the sales summary is to associate allowances with individual sales. The sales summary provides information about product sales at the purchaser level. As explained in the previous response, we associate certain data reported on Form MMS-4430 with data reported on the sales summary to run our compliance processes. Allowances on the Form MMS-4430 are reported at the lease level, while allowances reported on the sales summary are at the purchaser level. The sales summary is a company-generated record and not a standard form.

In our experience, companies express processing and transportation allowances as costs in their internal documents, either on a unit or gross basis. Therefore, we will accept allowance/cost information on the sales summary in whatever format the company uses. However, our acceptance of the allowance/cost information in the company’s format on the sales summary does not constitute our approval of the allowance claimed on Form MMS-4430.

Lessees may report allowances on the sales summary using either actual costs, if known, or estimated costs. If the lessee reports estimated costs on the sales summary, then the lessee must true-up the claimed allowances on the Form MMS-4430 when actual costs

become available. Allowances (cost data) reported on the sales summary do not require true-up. In any event, coal allowances claimed on the Form MMS-4430 must be calculated in accordance with §§ 206.259 and 206.262.

Allowances claimed for non-coal solid minerals must reflect actual, reasonable costs. All allowances claimed on the Form MMS-4430 are subject to review, audit, and adjustment.

*Comment:* Two companies and one industry trade association objected to the submission of coal size data on the sales summary (§ 210.202(a)). They found the requirement redundant because coal size is given in sales contracts.

*MMS Response:* We agree with this comment and removed the requirement to report coal size in the final rule.

*Comment:* Two companies and one industry trade association objected to the requirement to submit sales summaries during months when there is no Federal or Indian lease production. They contend this requirement is unduly burdensome and unnecessary.

*MMS Response:* The proposed rule requires sales summaries (1) for all months when Federal or Indian production is sold, whether directly from a mine or from a stockpile, and (2) when any Federal or Indian production is commingled with production from State or fee lands and sold. It does not require lessees to submit a sales summary when State or fee production is the *only* production sold. To clarify our intent, in the final rule we added language to § 210.202(a) and (b) stating that a sales summary is not required when sales do not involve Federal or Indian production.

#### *Section 210.203 How Do I Submit Sales Contracts?*

*Comment:* Two companies and one industry trade association disagreed with the requirement to submit sales contracts and amendments on a quarterly basis (§ 210.203(b)(1)), particularly for multi-period contracts. They also argued that the rule was unclear regarding what was to be submitted and when the submission is due. They recommended changing the quarterly requirement to semi-annual and defining specific due dates.

*MMS Response:* We agree with the comment and changed the submission requirement to a semi-annual basis in the final rule (at the end of March and end of September of each year). We also added due dates for the submissions.

*Comment:* A trade association for the potash industry objected to the submission of sales contracts, stating that such submission will require

disclosure of confidential information and is being imposed without a demonstrated need for the data at any point prior to audit.

*MMS Response:* Sales contracts are one of our fundamental compliance tools. They play a critical role in compliance verification by providing the necessary information to gauge the value of production on which royalties are due. MMS's performance goal is to complete our compliance work in 3 years or less from the due date of the royalty payment. Our strategy to accomplish this goal rests on our ability to acquire meaningful information to show that reported royalty payments are in compliance with statutes, lease terms, and regulations.

If we are unable to obtain timely the critical information necessary to support our compliance verification process, then we must revert to audit under longer timeframes to verify the correctness of royalty payments. Long-term audits increase the lessee's risk of underpayments and associated late payment interest.

Our experience gained in the Operational Model showed that industry participants welcomed the shortened compliance cycle and understood and accepted the tradeoff between a compressed compliance cycle and up-front data submissions necessary to accomplish that goal. While our new compliance process will not totally supplant audits, the process will target audits on a more selective basis. When they do occur, audits will be less burdensome on the lessee because we will already have much of the fundamental information otherwise requested in an audit.

*Comment:* Four coal producers and a potash industry trade association objected to changing the submission of sales contracts from an "as requested" basis to a regular quarterly basis. One coal producer and the potash industry trade association would rather make the contracts available only at the lessee's mine site or offices and only on an as-requested basis. These commenters believe that an automatic submission of such materials will raise the risk of compromising confidential, proprietary information.

*MMS Response:* Submission of sales contracts on a regular basis in the coal and metals industries is integral to the contemporaneous compliance strategy. Review of sales contracts is necessary to identify a number of royalty valuation issues (such as proceeds issues, production conditioning issues, affiliation issues, allowance issues, etc.) before an audit would bring those issues to light. As noted above, the final rule

changes the requirement to submit sales contracts from quarterly to semi-annually.

The proposed rule included a requirement for potash, sodium, phosphate and other non-coal and non-metal producers to submit sales contracts when MMS requests them rather than quarterly. The reason for the difference is that the producers have a larger number of smaller customers to whom they sell on an invoice or other less formal basis without lengthy contract instruments. It appears that the potash trade association misunderstood the proposed rule. The proposal for the non-coal and non-metal producers is continued in the final rule. The MMS will require contracts to be submitted on an as-needed basis. Submission of contracts in the early stages of the compliance cycle is not fundamentally different from MMS requesting copies of the contracts at the time of an audit.

The MMS will not limit examination of those contracts to the producer's mine or office locations. The contracts submitted to MMS will have the same confidentiality protections provided by applicable law regardless of whether they are submitted regularly or only when MMS asks for them.

*Comment:* Four companies and one industry trade association found the requirement to submit "other documents that affect gross proceeds," contained in § 210.203(a), overly broad and ambiguous. They claim the requirement places an undue burden on the lessee to determine what documents must be submitted and increases their liability risk should they erroneously omit a document that MMS later identifies as necessary. They suggested MMS delete the phrase.

*MMS Response:* We agree the phrase "other documents that affect gross proceeds" is ambiguous. We therefore removed this phrase in the final rule. However, additional documentation relevant to gross proceeds likely will be needed in some instances. The provisions of § 210.205 provide MMS the necessary authority to request such information on an as-needed basis. Examples of additional data include, but are not limited to, requests for organization charts; contracts, letter agreements, or other communications that supplement or affect sales contracts or amendments; or any other document that affects gross proceeds.

Our experience from the Operational Model indicated that additional data requests were occasionally needed to resolve specific issues. Industry participants understood the need for additional information but asked that we specify the particular contract or

issue. Industry participants told us that by narrowing our requests to a specific issue or contract their likelihood of sending incorrect documents or being non-responsive is substantially reduced.

*Comment:* Respondents also believe MMS understated the average reporting burden associated with contract submission.

*MMS Response:* We believe much of the concern regarding contract reporting burdens stems from ambiguity in the proposed rule. To clarify our intent, we have added language to the final rule (1) explaining that a multi-period contract does not need to be submitted more than once; (2) requesting "other documents affecting gross proceeds" on an as-needed basis; and (3) changing the contract submission frequency from quarterly to semi-annually. These three changes mitigate the lessee's reporting burden. However, we recognize that contract submission, even on a semi-annual basis, may take longer than originally estimated to account for the lessee's need to index all its contracts, and agree with the commenters that we underestimated the time that will be necessary for contract submission. Therefore, the estimated annual contract submission burden has been increased from 90 hours to 180 hours.

We note that the overall reporting burden for contract submission would be roughly equivalent regardless of whether the contracts are submitted semi-annually or during audit. Because semi-annual submission is more contemporaneous, we believe it will require less effort over time than searching for and retrieving multiple contracts during audit.

#### *Section 210.204 How Do I Submit Facility Data?*

*Comment:* Two companies and one industry trade association objected to the submission of facility data during months when there is no Federal or Indian lease production. They contend this requirement is unduly burdensome and unnecessary.

*MMS Response:* Producers must submit facility data for any month Federal or Indian production is stockpiled awaiting processing or is processed. Such production may have occurred at any time before the current reporting period. Until all Federal or Indian mine production is processed and no longer in stockpile inventory, facility reports must continue to show the production quantities in inventory. This does not constitute a new reporting burden because the same information was required on the old Form MMS-4060, Solid Minerals Facility Report, Part B. The difference is that now

industry may supply its own internal report rather than completing a government form. Lessees do not have to submit facility data when they process no Federal or Indian production and have no such production stockpiled awaiting processing. We added language to § 210.204(a) in the final rule to clarify our intent.

#### *Section 210.205 Will I Need To Submit Additional Documents or Evidence To MMS?*

*Comment:* Three companies and one industry trade association believe this provision exceeds the data submission requirements in Federal and Indian lease terms. They contend that leases only require the lessee to provide access to and copying of those documents reasonably necessary to verify the lessee's compliance with lease terms and conditions.

*MMS Response:* Almost all Federal leases contain substantially identical language generally found under a section entitled "Documents, Evidence, and Inspection," which authorize MMS to require the lessee to produce all relevant information. For example, in lease Form 3400-12, this section states:

At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with lease terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Substantially similar language is contained in virtually all Federal and Indian solid mineral leases. We believe this language authorizes the submission of data that is necessary to show that the lease is in compliance with lease terms, statutes, and regulations.

Furthermore, our experience gained from the Operational Model shows that industry cooperation in providing records expedites the compliance process. We believe this is in the mutual best interests of the lessees and MMS.

#### **Part 216—Production Accounting**

There were no comments on the proposed changes to part 216.

#### **Part 218—Collection of Royalties and Rentals, Bonuses and Other Monies Due the Federal Government**

There were no comments on the proposed changes to part 218.

#### **III. Other Changes Between Proposed Rule and Final Rule**

In addition to the changes discussed in part II above in response to the comments, we have made other changes in the final rule. These changes are discussed below:

##### *Section 210.201 How Do I Submit Form MMS-4430, Solid Minerals Production and Royalty Report?*

In § 210.201 of the final rule, we have made certain clarifying changes to eliminate ambiguities in the proposed rule. The new Form MMS-4430 replaces the functions of several existing reports for both royalty and production accounting. In paragraph (a), we clarify that lessees must submit a completed Form MMS-4430 for any of the following events:

- (1) Production of all coal and other solid minerals from any Federal or Indian lease;
- (2) Sale of any such mineral;
- (3) Any such mineral held in stockpile or inventory; and
- (4) Payment of rents (other than those for which you receive an MMS Courtesy Notice as defined in § 218.51(a)), minimum royalty, deferred bonus, advance royalty, minimum royalty payable in advance, settlements, recoupments, and other financial obligations.

Any of these events, standing alone, triggers the obligation to file a Form MMS-4430. The proposed rule (at paragraph (b)) referred to having to file a Form MMS-4430 upon the occurrence of a "reportable action," with a few examples then given. A "reportable action" was not defined.

Thus, production without sale triggers the obligation to report, even though royalty may not be due until sale or disposition. Similarly, sale of minerals produced in an earlier period, without current production, triggers the reporting obligation. Likewise, simply holding stockpiled inventory without either production or sale triggers the reporting obligation; so does payment of rent, minimum royalty, and other financial obligations, even though there may be no production or sales.

The final rule does not refer to a "reportable action," because the actions or events that trigger the reporting

obligation are itemized in the text of the rule.

We made corresponding changes in paragraph (b) regarding the timing of reports to cover the same actions and events itemized in paragraph (a). The final rule specifies that you must submit your Form MMS-4430 on or before the end of the month following the month in which you produce any solid mineral, sell any solid mineral, or hold any solid mineral production in stockpile or inventory, unless your lease terms specify a different frequency for royalty payment. (If your lease terms specify a different frequency, you must submit your Form MMS-4430 on or before the date on which you must pay royalty under the terms of the lease.)

The deadline for submitting reports of production, sales, or inventory contrasts with the deadline for reports accompanying payment of rents, minimum royalty, deferred bonus, advance royalty, minimum royalty payable in advance, settlements, recoupments, and other financial obligations. For these payment events, you must submit the Form MMS-4430 on or before the date on which you must pay the obligation under the terms of the lease.

Section 210.201(c)(2) of the proposed rule provided an exception to the electronic reporting requirement in the event that you are reporting only "rent, minimum royalty, or other annual obligations" on the Form MMS-4430. The stated reason was that those obligations "are submitted with a Courtesy Notice as instructed in § 218.201(c)." However, § 218.201(c) of the proposed rule provided for a Courtesy Notice only for "a rental payment that is not reported on Form MMS-4430." The provision did not define which rental payments were to be made with a Form MMS-4430 and which were to be made with a Courtesy Notice.

Under current practice, MMS issues a Courtesy Notice to lessees whose leases are in pure rental status, that is, leases that are in a non-producing status. That practice may expand to certain other leases in the future as systems are changed as part of reengineering. For leases for which MMS issues a Courtesy Notice, filing a Form MMS-4430—whether in paper or electronic form—is not necessary. Consequently, in the final rule we have deleted the proposed paragraph (c)(2) and added the parenthetical clause "(other than those for which you receive from MMS a Courtesy Notice as defined in § 218.51(a) of this chapter)" after the word "rents" in paragraphs (a)(1)(iv) and (b)(3).

The discussion in the preceding paragraph applies only to rental payments, and does not apply to minimum royalty or other financial obligations.

If you must file a Form MMS-4430 with your rental payment—in other words, if your lease is not one for which MMS issues a Courtesy Notice—then you must report electronically unless you meet the exception in paragraph (c)(2) (that is, that you are a small business and do not have a computer, have no plans to purchase a computer, and do not have a contract with an electronic reporting service).

#### *Section 210.202 How Do I Submit Sales Summaries?*

In the table in paragraph (a)(3) prescribing the time frames and data elements for submitting sales summaries, the proposed rule required sodium and potassium lessees to submit purchaser names "as requested." This was an error, and should have read "monthly." We have changed that entry in the table to monthly in the final rule. MMS needs the specific identity of purchasers for reasons discussed above.

#### *Section 210.204 How Do I Submit Facility Data?*

In paragraph (a) of the proposed rule, we stated that facility data had to include the following minimum information: identification of your facility, mines served, input quantity, output quantity, and output quality or product grade. For solid minerals other than coal, input quality (ore grade) is also an important data factor. This was inadvertently omitted in the proposed rule. In the final rule, we have added wording to this paragraph requiring input quality information if requested by MMS.

#### *Part 216—Production Accounting*

The proposed rule contained various amendments to part 216 that were intended to be conforming amendments consistent with the proposed changes to part 210. As noted above, MMS received no comments on these proposed provisions. However, further examination has revealed that the proposed amendments were incorrect. In view of the incorporation of all production reporting functions within the Form MMS-4430 and the consequent coverage of these matters in the new §§ 210.200 through 210.206, it was unnecessary and duplicative to include provisions regarding production reporting in part 216. The final rule therefore includes amendments to the existing part 216 to remove references to

solid minerals and remove coverage of solid minerals from that part.

## **IV. Procedural Matters**

### *1. Summary Cost and Benefit Data*

We have summarized below the economic impacts of this rule on the groups affected by our regulations: Industry, State and local governments, Indian tribes and allottees, and the Federal Government. All costs summarized below are associated with reporting changes. As stated previously, this rule does not affect the valuation—for royalty purposes—of Federal or Indian coal or other solid minerals. The cost and benefit information in this Item 1 of Procedural Matters is used as the basis for the Departmental certifications in Items 2–12.

#### *A. Industry*

The effect of the information collection changes in this proposed rulemaking would be a net savings of \$168,400 per year for all solid minerals reporters, calculated as follows:

##### *Cost—New Information Collection.*

There are about 200 solid mineral lessees who are required to report production and royalty information to us. Using the annual reporting burden experienced by the participants in the operational model, we estimate the annual cost of the new information collection proposed in this rulemaking to be \$72,600, calculated as follows:

*Form MMS-4430.* The average reporting burden for completing Form MMS-4430 is 20 minutes per month. We estimate that all 200 solid minerals lessees will submit Form MMS-4430, and that this annual reporting burden will be 800 hours (200 lessees  $\times$   $\frac{1}{3}$  hour per month  $\times$  12 months).

*Sales summaries.* The average reporting burden for sales summaries is 15 minutes per month. We estimate that 120 lessees will submit sales summary data and that this annual reporting burden will be 360 hours (120 lessees  $\times$   $\frac{1}{4}$  hour per month  $\times$  12 months).

*Facility data.* The average reporting burden for facility data is 15 minutes per month. We estimate that 30 lessees will submit facility data and that this annual reporting burden will be 90 hours (30 lessees  $\times$   $\frac{1}{4}$  hour per month  $\times$  12 months).

*Contracts and contract amendments.* Contracts and contract amendments will be copied and sent to MMS. The average annual reporting burden for providing contracts and contract amendments to us is 2 hours per lessee. We estimate that 90 lessees (predominantly coal companies) will submit contracts and contract amendments. Consequently,

the annual reporting burden is 180 hours (90 lessees  $\times$  2 hours per year).

*Additional documents or evidence.* Federal and Indian lease terms allow us to request detailed statements, documents, or other evidence that supports our compliance and asset management responsibilities. We will request this additional information as we need it, not as a regular submission. We estimate that 10 percent of the 200 solid minerals lessees, or 20 lessees, will submit this additional information

annually, and that each lessee will require 1 hour to submit this information for a total annual reporting burden of 20 hours.

*Method of Payment.* Each payment document associated with Form MMS-4430 (Electronic Funds Transfer or hard copy check) must be annotated with the lessee's customer identification and the customer document identification numbers. For each rental payment document not reported on Form MMS-4430, the lessee must include the MMS

Courtesy Notice, when provided, or annotate the payment document with the customer identification number and Government-assigned lease number. This requirement will help MMS link payments with Form MMS-4430 submittals. We estimate all payors collectively will require 2 hours annually to report this identification information.

The annual reporting burden for all of these documents is summarized below:

Document name	Estimated hours to prepare and submit	Total cost = hrs. $\times$ \$50/hr.
Form MMS-4430 .....	800	\$40,000
Sales Summaries .....	360	18,000
Facility Data .....	90	4,500
Contracts and Subsequent Amendments .....	180	9,000
Other Documents .....	20	1,000
Method of Payments .....	2	100
<b>Total .....</b>	<b>1,452</b>	<b>72,600</b>

*Benefit—Eliminating Eight Existing Reports.* MMS currently requires solid minerals reporters to submit eight separate forms:

1. Form MMS-4030, Payor Information Form (PIF), OMB Control Number 1010-0064. This form is used to establish and maintain the payor accounts required for processing Form MMS-2014. Estimated annual burden hours are 173.

2. Form MMS-2014, Report of Sales and Royalty Remittance, OMB Control Number 1010-0022. This form serves as the monthly report form on which payors report all royalty and lease-level transactions. Estimated annual burden hours for solid mineral payors are 1,884.

3. Form MMS-4050, Mine Information Form (MIF), OMB Control Number 1010-0063. This form is used to establish and maintain mine-level production reporting. Estimated annual burden hours for forms in paragraph 3 and paragraphs 4 through 8 below are 2,763.

4. Form MMS-4051, Facility and Measurement Information Form (FMIF), OMB Control Number 1010-0063. This form is used to establish and maintain facilities in the volume-tracking system including identifying key sales/transfer measurement points that are required to track production and identify all secondary processing and remote storage facilities.

5. Form MMS-4059-A, Solid Minerals Operations Report, Part A (SMOR-A), OMB Control Number 1010-0063. This form is used to identify, for a mine, the quantity and quality of all raw material produced

from each Federal or Indian lease, specify the disposition of those raw materials including sales, transfers, and adjustments, and track raw material inventories.

6. Form MMS-4059-B, Solid Minerals Operations Report, Part B (SMOR-B), OMB Control Number 1010-0063. This form is used to allocate sales from a secondary processing or remote storage facility back to individual Federal or Indian leases within a mine.

7. Form MMS-4060-A, Solid Minerals Facility Report, Part A (SMFR-A), OMB Control Number 1010-0063. This form is used to provide detailed information on a secondary processing facility's inputs/outputs.

8. Form MMS-4060-B, Solid Minerals Facility Report, Part B (SMFR-B), OMB Control Number 1010-0063. This form is used to show a secondary processing or remote storage facility's raw material receipts, production, inventory, and disposition.

These eight forms would be replaced by Form MMS-4430 and other data submissions described in the cost section above. The combined annual burden that will be eliminated if these eight forms are no longer submitted by solid mineral reporters is 4,820 hours or a total cost of \$241,000. The effect of replacing these eight forms with the new information collection (costing \$72,600) would be an estimated savings of \$168,400 per year.

*Issues Affecting Small Businesses.* Approximately 200 solid mineral reporters submit forms and other information to MMS, 91 percent of which are small businesses because they

have 500 employees or less. As noted earlier, the effect of the information collection changes in this proposed rulemaking would be a net savings of \$168,400 per year for all solid minerals reporters. We expect small businesses to benefit proportionately from the reduction in reporting burden.

Using the experience gained through the Operational Model, our reengineered initiative ensures that the information requested is the minimum necessary and places the least possible burden on industry. We have further provided two exceptions to the requirement to submit the Form MMS-4430 electronically to avoid placing undue burden on small businesses. You would not be required to report electronically if you report only annual obligations such as rent or minimum royalty. Further, you would not be required to report electronically if you are a small business, as defined by the U.S. Small Business Administration, and you have no computer and no plans to purchase a computer or contract with an electronic reporting service. For other data submissions, respondents including small businesses or other small entities would have the flexibility to submit information to us via hard copy or electronic submissions.

During late summer and fall of 2001, we plan to hold several seminars to explain the revised reporting requirements. We will encourage all solid mineral lessees to attend one of these seminars to familiarize themselves with the revised reporting requirements and to prepare to implement these requirements.

We will meet with each company's information technology staff to assist in setting up hardware and software configuration. We plan to provide the necessary electronic reporting software that will interface with our financial and production application systems. We will also cover the cost associated with the development and implementation of the reporting software. We will provide any initial software formatting or other assistance needed to get a company ready to comply with the new information collection proposed in this rule by October 1, 2001.

#### B. State and Local Governments

This rulemaking would not impose any additional costs on State or local governments.

#### C. Indian Tribes and Allottees

This rulemaking would not impose any additional costs on Indian tribes or allottees.

#### D. Federal Government

MMS is reengineering its financial and compliance processes to transform its function-based program to a process-centered organization. The new reengineered MMS will be highly integrated and positioned to provide royalty management services at less cost to the nation. Some of the more important goals for the reengineering initiative include cutting in half the time necessary to collect and verify mineral revenues, distributing revenue to States and Indian mineral owners within 1 business day, reducing industry reporting requirements, and modernizing our computer and software systems.

MMS expects significant reduction in annual operating costs of administration, accelerated cash flows through reductions in current business cycle times, and increased revenue through improved compliance coverage.

Although all benefits of this rulemaking cannot be quantified at this time, the Federal Government should see significant savings and far greater efficiencies.

The quantifiable costs and benefits of this proposed rulemaking to the Federal Government is a cost of \$424,700 in the first two years after this rule is effective and a savings of \$20,800 each year thereafter, as calculated below.

**Benefit—Personnel.** We estimate that Solid Minerals and Geothermal Compliance and Asset Management's 23 employees will allocate about 10 percent of their time to collect and analyze contracts, sales summaries, and facility data required by this rulemaking for a total cost of \$239,200 (2.3

employees  $\times$  2,080 hours/year  $\times$  \$50/hour) annually. However, under current reporting processes, Solid Minerals and Geothermal Compliance and Asset Management allocates the equivalent of 2.5 employees annually to error correction. Under this rulemaking error correction is expected to be negligible. Therefore this rulemaking nets no additional personnel cost but rather a minimal savings of .2 employees or \$20,800 (.2 employees  $\times$  2,080 hours/year  $\times$  \$50/hour) annually.

These employees will also resolve compliance issues using end-to-end processes that eliminate handoffs that would otherwise occur between functionally aligned units which also improves efficiencies.

This rule would allow substantial administrative dollar savings to MMS. Owing to the elimination of eight separate reporting forms under this proposed rule, MMS can utilize its solid minerals personnel more efficiently and effectively for verification of mineral revenues. Solid minerals personnel would review and process only one reporting form in place of eight existing reporting forms, which would result in associated reductions in error corrections, document handling issues, data entry problems, and time spent correcting those issues with industry personnel.

**Cost—Computer software.** MMS is also building a computer platform and associated database as the host for data collected. This computer platform, and associated cost to MMS, will involve data from the Onshore, Offshore, and Solid Minerals Operational Models and all exception processing and compliance activity. We estimate the cost for the solid minerals portion of the new computer system to be about \$445,500 within the first and second years after implementation of this rule or \$891,000 over 2 fiscal years (\$891,000 divided by 2 = \$445,500).

MMS has allocated the cost of its solid minerals portion of the new computer system in its reengineering budget requests. Accordingly, MMS will not need additional funds for computer systems as a result of the provisions proposed in this rulemaking.

#### 2. Regulatory Planning and Review (Executive Order 12866)

This document is not a significant rule and is not subject to review by the Office of Management and Budget under Executive Order 12866.

(1) This rule will not have an effect of \$100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment,

public health or safety, or State, local, or tribal governments or communities.

(2) This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency.

(3) This rule does not alter the budgetary effects of entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients.

(4) This rule does not raise novel legal or policy issues.

#### 3. Regulatory Flexibility Act

The Department of the Interior certifies that this document will not have a significant adverse effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). For additional information on small business issues, see the cost and benefit data in item 1 of these Procedural Matters.

*Your comments are important.* The Small Business and Agricultural Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions in this rule, call 1-888-734-3247.

#### 4. Small Business Regulatory Enforcement Act (SBREFA)

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule:

a. Does not have an annual effect on the economy of \$100 million or more.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

c. Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

#### 5. Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

#### 6. Takings (Executive Order 12630)

In accordance with Executive Order 12630, this rule does not have significant takings implications. This rule does not impose conditions or limitations on the use of any private property; consequently, a takings implication assessment is not required.

#### 7. Federalism (Executive Order 13132)

In accordance with Executive Order 13132, this rule does not have Federalism implications. This rule does not substantially or directly affect the relationship between the Federal and State governments or impose costs on States or localities.

#### 8. Civil Justice Reform (Executive Order 12988)

In accordance with Executive Order 12988, the Office of the Solicitor has determined that this rule does not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the Order.

#### 9. Paperwork Reduction Act of 1995

The collections of information associated with this final rule were approved by OMB on August 8, 2001 (OMB Control Number 1010-0120, expiration date August 31, 2004). We published a proposed rule in the **Federal Register** on June 5, 2001 (66 FR 30121) in which we solicited comments on an information collection titled "Solid Minerals Reporting Requirements" (OMB Control Number 1010-0120). The Paperwork Reduction Act of 1995 provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Two companies commented on this information collection. We responded to those comments in our information collection request to OMB on July 31, 2001, as follows:

*Comment:* Both companies support the proposed Form MMS-4430 and the proposed Internet submission. Both agreed that the replacement of eight reporting forms by Form MMS-4430 simplifies reporting.

*Response:* We appreciate the support for Form MS-4430. We reiterate here that this form is but one integral piece of information we propose to collect to perform our contemporaneous compliance and asset management process under our reengineered compliance strategy. This form alone does not provide the data necessary to achieve our compliance performance goal.

*Comment:* Both companies expressed concern that the proposed rule

significantly changes the current rules and goes beyond lease term requirements. They note the proposed rule changes submission requirements from "upon request" to a "required" concept. They also note lease terms only require submission of information and documents that are "reasonably necessary" to verify lease compliance with terms and conditions of the lease.

*Response:* Current reporting requirements require the submission of up to eight forms. The proposed new reporting requirements include information currently collected on those eight forms. The major difference is that instead of submitting the information on a standard form, companies can submit the information in the format they prepare for their own internal use. Currently, we require contract submission during audit. Our reengineered compliance strategy requires collection of contracts earlier in our compliance process. The burden of contract submission is not a new requirement but merely a change in the timing of submissions.

Our reengineered compliance strategy requires the submission of all documents in this proposed information collection. We believe this is the minimum information reasonably necessary to support our contemporaneous compliance program and verify compliance with lease terms and conditions.

*Comment:* Both respondents believe the estimated burden for the collection of sales summaries is underestimated. One of the respondents believes the monthly inclusion of costs related to processing and transportation costs, which are currently calculated annually, will increase the burden significantly.

*Response:* Lessees may report allowances on the sales summary using either actual costs, if known, or estimated costs. If the lessee reports estimated costs on the sales summary, then he must true-up the claimed allowances on Form MMS-4430 when actual costs become available. Allowances (cost data) reported on the sales summary do not require true-up. In any event, coal allowances claimed on Form MMS 4430 must be calculated in accordance with 30 CFR §§ 206.259 and 206.262. Allowances claimed for non-coal solid minerals must reflect actual, reasonable costs. All allowances claimed on Form MMS-4430 are subject to review, audit, and adjustment.

We clarified this issue in the preamble to this final rule. We also reduced or deleted the requirement to submit coal size, clarified the need to submit summaries in months when no Federal or Indian production or sales

occurs, and clarified when to submit summaries for facilities. In view of these changes, we believe our estimated burden is reasonable.

*Comment:* Both respondents believe the estimated burden for contract submissions is underestimated.

*Response:* We believe much of the concern regarding contract reporting burdens stems from ambiguity in the proposed rule. To clarify our intent, we have added language to this final rule (1) explaining that a multi-period contract does not need to be submitted more than once; (2) requesting "other documents affecting gross proceeds" on an as-needed basis; and (3) changing the contract submission frequency from quarterly to semi-annually. These three changes mitigate the lessee's reporting burden. However, we recognize that contract submission, even on a semi-annual basis, may take longer than originally estimated to account for the lessee's need to index all its contracts, and agree with the commenters that we underestimated the time that will be necessary for contract submission. Therefore, the estimated annual burden associated with contract submission has been increased from 90 hours to 180 hours.

We note that the overall reporting burden for contract submission would likely be the same regardless of whether the contracts are submitted semi-annually or during audit. Because semi-annual submission is more contemporaneous, we believe it will require less effort over time than searching for and retrieving multiple contracts during audit.

The MMS estimates that there are approximately 200 respondents. The frequency of response varies by section; however, we estimate the total annual burden is 1,452 hours. Based on \$50 per hour, the hour burden cost to respondents is \$72,600.

#### 10. National Environmental Policy Act

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the National Environmental Policy Act of 1969 is not required.

#### 11. Consultation and Coordination With Indian Tribal Governments

In accordance with Executive Order 13175, this rule does not have tribal implications that impose substantial direct compliance costs on Indian tribal governments.

#### 12. Energy Effects

In accordance with Executive Order 13211, this rule is not a significant

regulatory action under Executive Order 12866 nor is it likely to have a significant adverse effect on the supply, distribution, or use of energy. As noted in Item 1 above, titled "Summary Cost and Benefit Data," we estimate this rule will save the solid minerals industry approximately \$168,500 annually in reporting costs.

#### List of Subjects

##### 30 CFR Part 206

Coal, Continental shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

##### 30 CFR Part 210

Coal, Continental shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

##### 30 CFR Part 216

Coal, Continental shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Penalties, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

##### 30 CFR Part 218

Coal, Continental shelf, Electronic funds transfers, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Penalties, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

Dated: August 22, 2001.

**J. Steven Griles,**

*Acting Assistant Secretary, Land and Minerals Management.*

For reasons set out in the preamble, 30 CFR parts 206, 210, 216, and 218 are amended as follows:

#### PART 206—PRODUCT VALUATION

1. The authority citation for part 206 continues to read as follows:

**Authority:** 5 U.S.C. 301 *et seq.*; 25 U.S.C. 396 *et seq.*, 396a *et seq.*, 2101 *et seq.*; 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1001 *et seq.*, 1701 *et seq.*; 31 U.S.C. 9701; 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, and 1801 *et seq.*

##### § 206.251 [Amended]

2. In § 206.251, definition of "Netting," remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.254 [Amended]

3. Amend § 206.254 as follows:

a. Remove paragraph (a).

b. In paragraph (b), last sentence, remove the words "Report of Sales and Royalty Remittance, Form MMS-2014" and add in their place the words "Solid Minerals Production and Royalty Report, Form MMS-4430."

c. Remove the paragraph designation for paragraph (b).

##### § 206.257 [Amended]

4. Amend § 206.257 as follows:

a. In paragraph (d)(3), second sentence, remove the title "Associate Director for Royalty Management" and add in its place "Associate Director for Minerals Revenue Management."

b. In paragraph (d)(3), last sentence, remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.259 [Amended]

5. In § 206.259, paragraphs (a)(1), (b)(1), (c)(1)(i), (c)(2)(i), (d)(1), (e)(1) and (e)(2), remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.262 [Amended]

6. In § 206.262, paragraphs (a)(1), (b)(1), (c)(1)(i), (c)(2)(i), (d)(1), (e)(1) [occurs twice] and (e)(2), remove the word "MMS-2014" and add in its place the word "MMS 4430."

##### § 206.263 [Removed]

7. Remove § 206.263.

##### § 206.453 [Amended]

8. Amend § 206.453 as follows:

a. Remove paragraph (a).

b. In paragraph (b), second sentence, remove the words "Report of Sales and Royalty Remittance, Form MMS-2014" and add in their place the words "Solid Minerals Production and Royalty Report, Form MMS-4430."

c. Remove the paragraph designation from paragraph (b).

##### § 206.456 [Amended]

9. Amend § 206.456 as follows:

a. In paragraph (d)(3), second sentence, remove the title "Associate Director for Royalty Management" and add in its place the title "Associate Director for Minerals Revenue Management."

b. In paragraph (d)(3), last sentence, remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.458 [Amended]

10. Amend § 206.458 as follows:

a. In paragraphs (c)(1)(i) and (c)(2)(i), remove the words "Form MMS-2014, Report of Sales and Royalty Remittance" and add in their place the words "Form MMS-4430, Solid Minerals Production

and Royalty Report" and remove the word "MMS-2014" and add in its place the word "MMS-4430."

b. In paragraphs (c)(4), (d)(1), (e)(1), and (e)(2), remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.461 [Amended]

11. Amend § 206.461 as follows:

a. In paragraphs (c)(1)(i) and (c)(2)(i), remove the words "Form MMS-2014, Report of Sales and Royalty Remittance," and add in their place the words "Form MMS-4430, Solid Minerals Production and Royalty Report."

b. In paragraphs (c)(4), (d)(1), (e)(1) and (e)(2), remove the word "MMS-2014" and add in its place the word "MMS-4430."

##### § 206.462 [Removed]

12. Remove § 206.462.

#### PART 210—FORMS AND REPORTS

13. The authority citation for part 210 continues to read as follows:

**Authority:** 5 U.S.C. 301 *et seq.*; 25 U.S.C. 396, 2107; 30 U.S.C. 189, 190, 359, 1023, 1751(a); 31 U.S.C. 3716, 9701; 43 U.S.C. 1334, 1801 *et seq.*; and 44 U.S.C. 3506(a).

##### § 210.10 [Amended]

14. Section 210.10 is amended as follows:

a. Wherever they appear in § 210.10, the words "Royalty Management Program" are removed and the words "Minerals Revenue Management" are added in their place.

b. The table in paragraph (a) is revised.

c. Paragraph (b)(2) is amended by removing the words "or MMS-4030" in the first sentence.

d. Paragraph (b)(3) is amended by removing the words "MMS-4059, MMS-4060," in the first sentence.

e. Paragraph (b)(6) is removed.

f. Paragraphs (b)(6) through (b)(8) are added.

g. Paragraphs (c)(4), (c)(11), and (c)(12) are removed.

h. Paragraphs (c)(5) through (c)(10) are redesignated as paragraphs (c)(4) through (c)(9).

i. Paragraphs (c)(13) through (c)(20) are redesignated as paragraphs (c)(10) through (c)(17).

j. Paragraphs (c)(18) through (c)(21) are added.

k. Paragraph (d) is revised.

The additions and revisions read as follows:

##### § 210.10 Information collection.

(a) \* \* \*

Form No., name, and filing date	OMB No.
MMS-2014—Report of Sales and Royalty Remittance—Due by the end of first month following production month for royalty payment and for rentals no later than anniversary date of the lease .....	1010-0022
MMS-3160—Monthly Report of Operations—Due by the 15th day of the second month following the production month .....	1010-0040
MMS-4025—Oil and Gas Payor Information Form—Due 30 days after issuance of a new lease or change to an existing lease .....	1010-0033
MMS-4051—Facility and Measurement Information Form and Supplement—Due at the request of MMS during the initial conversion of the facility and measurement device operators .....	1010-0040
MMS-4053—First Purchaser Report—Due at the request of MMS .....	1010-0040
MMS-4054—Oil and Gas Operations Report—Due by the 15th day of the second month following the production month .....	1010-0040
MMS-4055—Gas Analysis Report—Due by the 15th day of the second month following the production month .....	1010-0040
MMS-4056—Gas Plant Operations Report—Due by the 15th day of the second month following the production month .....	1010-0040
MMS-4058—Production Allocation Schedule Report—Due by the 15th day of the second month following the production month .....	1010-0040
MMS-4070—Application of the Purchase of Royalty Oil—Due prior to the date of sale in accordance with the instructions in the Notice of Availability of Royalty Oil .....	1010-0042
MMS-4109—Gas Processing Allowance Summary Report—Initial report due within 3 months following the last day of the month for which an allowance is first claimed, unless a longer period is approved by MMS .....	1010-0075
MMS-4110—Oil Transportation Allowance Report—Initial report due within 3 months following the last day of the month for which an allowance is first claimed, unless a longer period is approved by MMS .....	1010-0061
MMS-4280—Application for Reward for Original Information—Due when a reward is claimed for information provided which may lead to the recovery of royalty or other payments owed to the United States .....	1010-0076
MMS-4292—Coal Washing Allowance Report—Due prior to or at the same time that the allowance is first reported on Form MMS-4430 and annually thereafter if the allowance does not change .....	1010-0074
MMS-4293—Coal Transportation Allowance Report—Due prior to or at the same time that the allowance is first reported on Form MMS-4430 and annually thereafter if the allowance does not change .....	1010-0074
MMS-4295—Gas Transportation Allowance Report—Initial report due within 3 months following the last day of month for which an allowance is first claimed unless a longer period is approved by MMS .....	1010-0075
MMS-4377—Stripper Royalty Rate Reduction Notification—Due for each 12-month qualifying period that a reduced royalty rate is granted by the Bureau of Land Management .....	1010-0090
MMS-4430—Solid Minerals Production and Royalty Report—Due by the end of the month following the month of production or sale and for other lease financial obligations no later than the payment date specified in your lease .....	1010-0120
Facility Data—Due monthly or as requested for specific solid mineral products and lease types; see § 210.204 .....	1010-0120
Sales Contracts—Due semi-annually or as requested on certain solid mineral products and lease types; see § 210.203 .....	1010-0120
Sales Summaries—Due monthly or as requested for specific solid mineral products and lease types; see § 210.202 .....	1010-0120

\* \* \*

(b) \* \* \*

(6) If you are not reporting Form MMS-4430 electronically, you may request blank copies of the form by calling 1-888-201-6416. You must submit completed Forms MMS-4430 to the address given in § 210.201(c).

(7) If you are not reporting solid minerals sales contracts, sales summaries, and facility data electronically, you must submit paper copies to the address given in § 210.202(c).

(8) Reports for oil, gas, and geothermal leases sent by special courier or overnight mail (excluding U.S. Postal Service Express Mail) should be addressed to: Minerals Management Service, Minerals Revenue Management, Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225.

(c) \* \* \*

(18) *MMS-4430*—Submitted monthly to report production from and royalty due on all Federal and Indian solid minerals leases (see § 210.201). MMS uses the data to distribute payments to appropriate recipients and to determine if lessees properly paid lease obligations. Public reporting burden is estimated to be 20 minutes per month per reporter. Comments relating to this information collection should reference OMB Control Number 1010-0120.

(19) *Facility Data*—Submitted monthly by operators of wash plant, refining, ore concentration, or other processing facilities for specific solid minerals produced from specific Federal and Indian lease types or when otherwise requested by MMS (see § 210.204). MMS uses the data to assure that Federal or Indian lease processed production (the output of process plants) is consistent with the input of raw production. Public reporting burden is estimated to be approximately 15 minutes per reporter per month to compile in-house formatted information and submit that information electronically. Comments relating to this information collection should reference OMB Control Number 1010-0120.

(20) *Sales Contracts*—Submitted semi-annually by producers of specific solid mineral products on specific Federal and Indian lease types or when otherwise requested by MMS (see § 210.203). MMS uses contracts, agreements and contract amendments for compliance purposes including, but not limited to, identifying valuation issues and establishing selling arrangement relationships. Public reporting burden is estimated to be 2 hours per reporter per year to compile and submit contracts and contract amendments. Comments relating to this

information collection should reference OMB Control Number 1010-0120.

(21) *Sales Summaries*—Submitted monthly by producers of specific solid minerals from specific Federal and Indian lease types or when otherwise requested by MMS (see § 210.202). The MMS uses these data for compliance purposes including, but not limited to, assuring that sales volumes and values are properly attributed or allocated to Federal or Indian leases. Public reporting burden is estimated to be 15 minutes per month for each reporter to compile in-house formatted sales information and submit that information electronically. Comments relating to this information collection should reference OMB Control Number 1010-0120.

(d) *Comments on burden estimates*. Send comments on the accuracy of this burden estimate or suggestions on reducing this burden to the Minerals Management Service, Attention: Information Collection Clearance Officer, (OMB Control Number 1010-0120 (insert appropriate OMB Control Number), Mail Stop 4230, 1849 C Street, NW, Washington, D.C. 20240. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

**§§ 210.200–210.204 [Removed]**

15. Remove §§ 210.200 through 210.204.

**§§ 210.200–210.206 [Added]**

16. Add §§ 210.200 through 210.206 to read as follows:

**Subpart E—Solid Minerals, General**

Sec.

- 210.200 What is the purpose of this subpart?  
 210.201 How do I submit Form MMS–4430, Solid Minerals Production and Royalty Report?  
 210.202 How do I submit sales summaries?  
 210.203 How do I submit sales contracts?  
 210.204 How do I submit facility data?  
 210.205 Will I need to submit additional documents or evidence to MMS?  
 210.206 How will information submissions be kept confidential?

**§ 210.200 What is the purpose of this subpart?**

This subpart explains your reporting requirements if you produce coal or other solid minerals from Federal or Indian leases. Included are your requirements for reporting production, sales, and royalties.

**§ 210.201 How do I submit Form MMS–4430, Solid Minerals Production and Royalty Report?**

(a) *What to submit.* (1) You must submit a completed Form MMS–4430 for—

- (i) Production of all coal and other solid minerals from any Federal or Indian lease;
- (ii) Sale of any such mineral;
- (iii) Any such mineral held in stockpile or inventory; and
- (iv) Payment of rents (other than those for which you receive from MMS a Courtesy Notice as defined in § 218.51(a) of this chapter), minimum royalty, deferred bonus, advance royalty, minimum royalty payable in advance, settlements, recoupments, and other financial obligations.

(2) You must submit a completed Form MMS–4430 for any product you sell from a remote storage site. If you sell from five or fewer remote storage sites, you must report sales from each site on separate Forms MMS–4430. If

you sell from more than five remote storage sites, you must total the data from all sites and report the summarized data on one Form MMS–4430.

(3) Instructions for completing and submitting Form MMS–4430 are available on our Internet reporting web site or you may contact us toll free at 1–888–201–6416.

(b) *When to submit.* (1) Unless your lease terms specify a different frequency for royalty payments, you must submit your Form MMS–4430 on or before the end of the month following the month in which you produce any solid mineral, sell any solid mineral, or hold any solid mineral production in stockpile or inventory. However, if the last day of the month falls on a weekend or holiday, your Form MMS–4430 is due on the next business day.

(2) If your lease terms specify a different frequency for royalty payment, then you must submit your Form MMS–4430 on or before the date on which you must pay royalty under the terms of the lease.

(3) You must submit your Form MMS–4430 for payment of rents (other than those for which you receive from MMS a Courtesy Notice as defined in § 218.51(a) of this chapter), minimum royalty, deferred bonus, advance royalty, minimum royalty payable in advance, settlements, recoupments, and other financial obligations on or before the date on which you must pay those obligations under the terms of the lease.

(4) If the information on a previously reported Form MMS–4430 is no longer correct, you must submit a revised Form MMS–4430 by the last day of the month in which you learn that the previously reported information is no longer correct, except when the last day of the month falls on a weekend or holiday. If the last day of the month falls on a weekend or holiday, your revised Form MMS–4430 is due on the first business day of the following month.

(c) *How to submit.* (1) You must submit Form MMS–4430 electronically using our Internet reporting web site unless you meet the conditions in paragraph (c)(2). We will provide written instructions and a valid login

and password before you begin reporting.

(2) You are not required to report electronically if you are a small business as defined by the U.S. Small Business Administration (13 CFR 121.201) and you have no computer, no plans to purchase a computer, and no contract with an electronic reporting service.

(3) If you do not report electronically, you must submit the completed Form MMS–4430 to us at one of the following addresses, unless MMS publishes notice in the **Federal Register** giving a different address:

(i) *For U.S. Postal Service regular mail or Express Mail:* Minerals Management Service, Minerals Revenue Management, P.O. Box 5760, Denver, Colorado 80217–5760; or

(ii) *For courier service or overnight mail (excluding Express Mail):* Minerals Management Service, Minerals Revenue Management, Building 85, Denver Federal Center, Room A–614, Denver, Colorado 80225.

**§ 210.202 How do I submit sales summaries?**

(a) *What to submit.* (1) You must submit sales summaries for all coal and other solid minerals produced from Federal and Indian leases and for any remote storage site from which you sell Federal or Indian solid minerals. You do not have to submit a sales summary for those months in which you do not sell any Federal or Indian production.

(2) If you sell from five or fewer remote storage sites, you must submit a sales summary for each site. If you sell from more than five remote storage sites, you may total the data from all sites and submit the summarized data as one sales summary. The details you report on the sales summary are for the same sales reported on Form MMS–4430.

(3) Use the following table to determine the time frames for submitting sales summaries and the data elements you must include. Your submitted sales summaries must include the following data but may be internally generated documents from your own records. You do not need to re-format them before submitting them to us:

Data element	Coal	Sodium/potassium	Western phosphate	Metals	All other leases with ad valorem royalty terms	All other leases with no ad valorem royalty terms
(i) Purchaser Name or Unique Identification.	Monthly .....	Monthly .....	Monthly .....	Monthly .....	Monthly .....	As Requested.
(ii) Sales Units .....	Monthly .....	Monthly .....	Monthly .....	Monthly .....	Monthly .....	Monthly.
(iii) Gross Proceeds ....	Monthly .....	Monthly .....	Not Required .....	Monthly .....	Monthly .....	Not Required.
(iv) Processing or washing costs.	Monthly .....	Monthly .....	Not Required .....	Monthly .....	Monthly .....	Not Required.

Data element	Coal	Sodium/potassium	Western phosphate	Metals	All other leases with ad valorem royalty terms	All other leases with no ad valorem royalty terms
(v) Transportation costs.	Monthly .....	Monthly .....	Not Required .....	Monthly .....	Monthly .....	Not Required.
(vi) Name of product type sold.	Not Required .....	Monthly .....	Not Required .....	Monthly .....	Monthly .....	As Requested.
(vii) Btu/lb .....	Monthly .....	Not Required .....	Not Required .....	Not Required .....	Not Required .....	Not Required.
(viii) Ash % .....	Monthly .....	Not Required .....	Not Required .....	Not Required .....	Not Required .....	Not Required.
(ix) Sulfur % .....	Monthly .....	Not Required .....	Not Required .....	Not Required .....	Not Required .....	Not Required.
(x) lbs SO <sub>2</sub> .....	Monthly .....	Not Required .....	Not Required .....	Not Required .....	Not Required .....	Not Required.
(xi) Moisture % .....	Monthly .....	Not Required .....	Monthly .....	Not Required .....	Not Required .....	Not Required.
(xii) By-product Units ..	Not Required .....	As Requested .....	Monthly .....	As Requested .....	As Requested .....	Not Required.
(xiii) P <sub>2</sub> O <sub>5</sub> % .....	Not Required .....	Not Required .....	Monthly .....	Not Required .....	Not Required .....	Not Required.
(xiv) Size .....	Not Required .....	Not Required .....	Not Required .....	Not Required .....	As Requested .....	Not Required.
(xv) Net Smelter Return data.	Not Required .....	Not Required .....	Not Required .....	Monthly .....	Not Required .....	Not Required.
(xvi) Other Data e.g., Royalty Calculation Worksheet.	As Requested .....	Monthly .....	As Requested .....	As Requested .....	As Requested .....	As Requested.

(b) *When to submit.* (1) For leases with ad valorem royalty terms (that is, leases for which royalty is a percentage of the value of production), you must submit your sales summaries monthly at the same time you submit Form MMS-4430. You do not have to submit a sales summary for any month in which you did not sell Federal or Indian production.

(2) For leases with no ad valorem royalty terms (that is, leases in which the royalty due is not a function of the value of production, such as cents-per-ton or dollars-per-unit), you must submit monthly sales summaries only if we specifically request you to do so.

(c) *How to submit.* (1) You should provide the sales summary data via electronic mail where possible. We will provide instructions and the proper email address for these submissions.

(2) If you submit sales summaries by paper copy, mail them to one of the following addresses, unless MMS publishes notice in the **Federal Register** giving a different address:

(i) *For U.S. Postal Service regular mail or Express Mail:* Minerals Management Service, Minerals Revenue Management, Solid Minerals and Geothermal Compliance and Asset Management, P.O. Box 25165, MS 390G1, Denver, Colorado 80225-0165.

(ii) *For courier service or overnight mail (excluding Express Mail):* Minerals Management Service, Solid Minerals and Geothermal Compliance and Asset Management, 12600 West Colfax Avenue, Suite C-100, Lakewood, Colorado 80215.

#### **§ 210.203 How do I submit sales contracts?**

(a) *What to submit.* You must submit sales contracts, agreements, and contract amendments for the sale of all coal and

other solid minerals produced from Federal and Indian leases with ad valorem royalty terms.

(b) *When to submit.* (1) For coal and metal production, you must submit the required documents semi-annually, no later than March 30 and September 30 of each year.

(2) For sodium, potassium, and phosphate production, and production from any other lease with ad valorem royalty terms, you must submit the required documents only if you are specifically requested to do so.

(c) *How to submit.* You must submit complete copies of the sales contracts and amendments to us at the applicable address given in § 210.202(c)(2), unless MMS publishes notice in the **Federal Register** giving a different address.

#### **§ 210.204 How do I submit facility data?**

(a) *What to submit.* (1) You must submit facility data if you operate a wash plant, refining, ore concentration, or other processing facility for any coal, sodium, potassium, metals, or other solid minerals produced from Federal or Indian leases with ad valorem royalty terms, regardless of whether the facility is located on or off the lease.

(2) You do not have to submit facility data for those months in which you do not process solid minerals produced from Federal or Indian leases and do not have any such minerals in stockpile inventory.

(3) You must include in your facility data all production processed in the facility from all properties, not just production from Federal and Indian leases.

(4) Facility data submissions must include the following minimum information:

- (i) Identification of your facility;
- (ii) Mines served;

(iii) Input quantity;

(iv) Input quality or ore grade (except for coal);

(v) Output quantity; and

(vi) Output quality or product grades.

(5) Your submitted facility data may be internally generated documents from your own records. You do not need to re-format them before submitting them to us.

(b) *When to submit.* You must submit your facility data monthly at the same time you submit your Form MMS-4430.

(c) *How to submit.* (1) You should provide the facility data via electronic mail where possible. We will provide instructions and the proper email address for these submissions before you begin reporting.

(2) If you submit facility data by paper copy, send it to the applicable address given in § 210.202(c)(2).

#### **§ 210.205 Will I need to submit additional documents or evidence to MMS?**

(a) Federal and Indian lease terms allow us to request detailed statements, documents, or other evidence necessary to verify compliance with lease terms and conditions and applicable rules.

(b) We will request this additional information as we need it, not as a regular submission.

#### **§ 210.206 How will information submissions be kept confidential?**

Information submitted under this part that constitutes trade secrets or commercial and financial information that is identified as privileged or confidential, or that is exempt from disclosure under the Freedom of Information Act, 5 U.S.C. 552, shall not be available for public inspection or made public or disclosed without the consent of the lessee, except as

otherwise provided by law or regulation.

## **PART 216—PRODUCTION ACCOUNTING**

17. The authority citation for part 216 continues to read as follows:

**Authority:** 5 U.S.C. 301 *et seq.*; 25 U.S.C. 396, 2107; 30 U.S.C. 189, 190, 359, 1023, 1751(a); 31 U.S.C. 3716, 9701; 43 U.S.C. 1334, 1801 *et seq.*; and 44 U.S.C. 3506(a).

### **§ 216.2 [Amended]**

18. In 216.2, first sentence, remove the phrase “oil, gas, or solid minerals” and add in its place “oil or gas.”

### **§ 216.6 [Amended]**

19. Amend § 216.6 as follows:

a. Remove the definition of “approved mining plan.”

b. In the definition of “lease,” remove the phrase “oil, gas, or solid minerals” and add in its place “oil or gas.”

c. In the definition of “measurement device,” remove the phrase “oil, gas, or solid minerals” and add in its place “oil or gas.”

d. Remove the definition of “mine.”

e. In the definition of “mineral leasing law,” remove the phrase “oil, gas, or solid minerals” and add in its place “oil or gas.”

f. In the definition of “operator,” first sentence, remove the phrase “or solid minerals.” In the second sentence, remove the phrase “oil, gas, or solid minerals” and add in its place “oil or gas.”

g. In the definition of “Production Accounting and Auditing System,” second sentence, remove the phrase “oil, gas, or solid minerals” and add in its place “oil and gas.”

h. Remove the definition of “solid minerals.”

### **§ 216.20 [Amended]**

20. In § 216.20, remove the phrase “oil, gas, or solid minerals” and add in its place “oil and gas.”

### **§ 216.40 [Amended]**

21. In § 216.40, remove paragraph (d), and redesignate paragraphs (e) through (g) as paragraphs (d) through (f).

## **Subpart E—Solid Minerals, General [Reserved]**

### **§§ 216.200–216.204 [Removed]**

22. Remove §§ 216.200 through 216.204.

## **PART 218—COLLECTION OF ROYALTIES, RENTALS, BONUSES AND OTHER MONIES DUE THE FEDERAL GOVERNMENT**

23. The authority citation for part 218 is revised to read as follows:

**Authority:** 25 U.S.C. 396 *et seq.*, 396a *et seq.*, 2101 *et seq.*; 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1001 *et seq.*, 1701 *et seq.*; 31 U.S.C. 3335; 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, and 1801 *et seq.*

### **§ 218.40 [Amended]**

24. In § 218.40, revise paragraph (c) to read as follows:

#### **§ 218.40 Assessments for incorrect or late reports and failure to report.**

\* \* \* \* \*

(c) For purposes of assessments discussed in this section, a report is defined as follows:

(1) For coal and other solid mineral leases, a report is each line on the Solid Minerals Production and Royalty Report, Form MMS–4430.

(2) For oil and gas and geothermal leases, a report is each line on the Report of Sales and Royalty Remittance, Form MMS–2014.

\* \* \* \* \*

### **§ 218.51 [Amended]**

25. Amend § 218.51 as follows:

a. In paragraphs (d)(2) and (d)(3), remove the name “Royalty Management Program” and add in its place the name “Minerals Revenue Management.”

b. In paragraph (e), remove the name “Royalty Management Program” and add in its place the name “Minerals Revenue Management” and remove the room number “A–212” and add in its place “A–614.”

### **§ 218.201 [Amended]**

26. Revise § 218.201 to read as follows:

#### **§ 218.201 Method of payment.**

You must tender all payments in accordance with § 218.51, except as follows:

(a) For purposes of this section, *report* means the Solid Minerals Production and Royalty Report, Form MMS–4430, rather than the Form MMS–2014.

(b) For Form MMS–4430 payments, include both your customer identification and your customer document identification numbers on your payment document, rather than the information required under § 218.51(f)(1).

(c) For a rental payment that is not reported on Form MMS–4430, include the MMS Courtesy Notice when provided or write your customer identification number and Government-

assigned lease number on the payment document, rather than the information required under § 218.51(f)(4)(iii).

### **§ 218.203 [Amended]**

27. Amend § 218.203 as follows:

a. In paragraph (a), first sentence, remove the word “MMS–2014” and add in its place “MMS–4430.”

b. In paragraph (b), second sentence, remove the words “pursuant to instructions in the ‘AFS Payor Handbook—Solid Minerals’.”

c. In paragraph (b), remove the third sentence, “See 30 CFR 210.204.” and add in its place the sentence “Call 1–888–201–6416 for instructions.”

[FR Doc. 01–21638 Filed 8–29–01; 8:45 am]

BILLING CODE 4310–MR–P

## **DEPARTMENT OF TRANSPORTATION**

### **Coast Guard**

### **33 CFR Part 165**

**CGD09–01–116**

**RIN 2115–AA97**

### **Safety Zones; Port Huron Tall Ship Celebration, St. Clair River, MI**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing individual temporary moving safety zones around the sailing vessels *Norfolk Rebel*, *Cape Rose*, *Larinda*, *Highlander Sea*, *Pride of Baltimore II*, for the “Port Huron Parade of Tall Ships” on August 30, 2001. These safety zones are necessary to promote the safe navigation of vessels and the safety of life and property during the periods of heavy vessel traffic expected during this event. These safety zones are intended to restrict vessel traffic from a portion of Lake Huron and the St. Clair River.

**DATES:** This temporary final rule is effective from 5 p.m. until 7 p.m. on August 30, 2001.

**ADDRESSES:** Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket CGD09–01–116 and are available for inspection or copying at: U.S. Coast Guard Marine Safety Office Detroit, 110 Mt. Elliott Ave. Detroit, MI 48207, between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** ENS Brandon Sullivan, U.S. Coast Guard Marine Safety Office Detroit, 110 Mt. Elliott Ave. Detroit, MI 48207. The telephone number is (313) 568–9558.