

110TH CONGRESS
2D SESSION

S. 3556

To improve the administration of the Minerals Management Service.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 17), 2008

Mr. WYDEN (for himself and Mr. BARRASSO) introduced the following bill;
which was read twice and referred to the Committee on Energy and Nat-
ural Resources

A BILL

To improve the administration of the Minerals Management
Service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MINERALS MANAGEMENT SERVICE.**

4 (a) DEFINITIONS.—In this section:

5 (1) DEPARTMENT.—The term “Department”
6 means the Department of the Interior.

7 (2) DIRECTOR.—The term “Director” means
8 the Director of the Service.

1 (3) ROYALTY-IN-KIND PROGRAM.—The term
 2 “royalty-in-kind program” means the program es-
 3 tablished under—

4 (A) section 342 of the Energy Policy Act
 5 of 2005 (42 U.S.C. 15902);

6 (B) section 36 of the Mineral Leasing Act
 7 (30 U.S.C. 192);

8 (C) section 27 of the Outer Continental
 9 Shelf Lands Act (43 U.S.C. 1353); or

10 (D) any other similar provision of law.

11 (4) SECRETARY.—The term “Secretary” means
 12 the Secretary of the Interior.

13 (5) SERVICE.—The term “Service” means the
 14 Minerals Management Service.

15 (b) ESTABLISHMENT.—The Secretary shall—

16 (1) establish and maintain within the Depart-
 17 ment the Minerals Management Service; and

18 (2) assign to the Service such functions as the
 19 Secretary considers appropriate.

20 (c) DIRECTOR.—The Service shall be headed by a Di-
 21 rector who shall be appointed by the President, by and
 22 with the advice and consent of the Senate.

23 (d) AUDITS.—

24 (1) ROYALTY AUDITS.—The Director shall en-
 25 sure that the Service implements a comprehensive

1 program of financial audits of royalty payments and
2 adjustments, including physical on-site audits, on
3 the basis of risk and statistical samples.

4 (2) STANDARDS.—Not later than 90 days after
5 the date of enactment of this Act, the Director shall
6 promulgate regulations that—

7 (A) require that all employees of the Serv-
8 ice that conduct audits and compliance reviews
9 meet professional auditor qualifications that are
10 consistent with the latest revision of the Gov-
11 ernment Auditing Standards published by the
12 Government Accountability Office; and

13 (B) ensure that all audits conducted by the
14 Service are performed in accordance with the
15 standards.

16 (3) INSPECTOR GENERAL.—The Inspector Gen-
17 eral of the Department shall—

18 (A) conduct, annually and as necessary,
19 audits of activities of the Service, including
20 leasing and royalty activities; and

21 (B) report the results of the audits of ac-
22 tivities of the Service (including leasing and
23 royalty activities) and the certifications required
24 under subsection (e) to—

- 1 (i) the Committee on Energy and
2 Natural Resources of the Senate;
3 (ii) the Committee on Natural Re-
4 sources of the House of Representatives;
5 and
6 (iii) the Secretary.

7 (e) ROYALTIES-IN-KIND PROGRAM.—

8 (1) INITIAL CERTIFICATION.—Subject to para-
9 graph (3), not later than 60 days after the date of
10 enactment of this Act, the Secretary shall submit to
11 Congress a certification that all of the recommenda-
12 tions made by the Office of the Inspector General of
13 the Department as the result of investigations that
14 culminated in a memorandum dated September 9,
15 2008, and a report dated May 2008 (C-EV-MMS-
16 001–2008), with respect to the royalty-in-kind pro-
17 gram have been implemented.

18 (2) ANNUAL CERTIFICATIONS.—Subject to
19 paragraph (3), not later than 1 year after the date
20 of enactment of this Act and each year thereafter,
21 the Secretary shall submit to Congress a certifi-
22 cation that the royalty-in-kind program is in full
23 compliance with Federal law (including regulations)
24 governing procurement and ethics.

1 (3) SUSPENSION.—Notwithstanding any other
2 provision of law, if the Secretary fails to make a cer-
3 tification required under paragraph (1) or (2), the
4 authority of the Secretary to carry out each royalty-
5 in-kind program is suspended during the period—

6 (A) beginning on the day after the deadline
7 for the certification under that paragraph; and

8 (B) ending on the date the Secretary
9 makes the certification required under that
10 paragraph.

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