Comments on Information Collection Activities: Relief or Reduction in Royalty Rates

The Secretary of Interior does have the authority and responsibility for reductions or relief in royalty rates. However, in this case the Secretary made a technical error in delegating this function to BSEE. This function is properly located within the Economics Division of BOEM. The Secretary made a decision to break up the former MMS into ONRR, BOEM, and BSEE. This entailed allocating the many functions of MMS into the three new organizations. In this case a technical error was made and the Secretary needs to correct it.

The corporate knowledge and expertise resides in the Economics Division of BOEM. BSEE does not have an experience staff of economists to conduct the required analysis to judge the merits of changing royalty rate. That is where the function resided in past and should remain in the future. Adjusting royalty rates is not a Safety or Environmental Enforcement issue which is the responsibility of BSEE.

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