Tribal/Interior Budget Council
National Budget Meeting

Presented by: Richard Adamski
Office of Natural Resources Revenue

May 20, 2015

Who We Are

♦ Established within the Office of the Secretary of the Interior under the Assistant Secretary for Policy, Management and Budget on October 1, 2010.
♦ ONRR serves a leadership role in Department-wide collaboration and implementation of key natural resource revenue related initiatives such as the Extractive Industries Transparency Initiative.
♦ Mission: To collect, disburse and verify Federal and Indian energy and other natural resource revenues on behalf of all Americans.

Dallas
Denver
Farmington
Ft. Berthold

Houston
Oklahoma City
Tulsa
Washington, DC

2014 Disbursements

FY 2014 Disbursements -- $13.4 Billion

- $7.3 Billion to the U.S. Treasury
- $895.3 Million to the Land & Water Conservation Fund
- $150 Million to the Historic Preservation Fund
- $1.77 Billion to the Reclamation Fund
- $2.2 Billion to 35 States
- $1.1 Billion on behalf of 34 Indian tribes and approximately 30,000 individual Indians
Cumulative Mineral Lease Revenue Disbursement (1982 - 2014)

- Since 1982, ONRR has distributed $270.8 billion in revenues from onshore and offshore lands to the Nation, states, and American Indians.
- The ONRR distribution to the U.S. Treasury is one of the Federal government’s greatest sources of non-tax income.
- Tribes and individual Indian mineral owners receive 100% of the revenues from their leases.

FY 2014 Accomplishments

- Disbursed 99.5% of Federal and Indian revenues on time, exceeding our 98% target.
- Transferred 100% of American Indian revenues received and identified to OST within one business day of receipt.
- Provided lease distribution data to BIA for 99.7% of royalties by the first semi-monthly distribution, exceeding the 97% target.
- Spearheaded the development and approval of Standard Operating Procedures (SOP) for DOI agencies involved in onshore mineral leasing and revenue management.
- Conducted 129 outreach meetings.
- Resolved 14,490 inquiries.

State and Tribal Support

- Compliance-related Cooperative Agreements:
  - 10 States (AK, CA, MT, UT, WY, CO, NM, ND, OK, TX)
  - 6 Tribes (Blackfeet, Ute, Shoshone & Arapaho, Navajo, Southern Ute, Ute Mountain Ute)
  - States receive a portion of the Federal mineral revenues in their state.
  - Tribes receive 100 percent of the mineral revenues from their leases.
  - On May 6, 2015, ONRR presented the Navajo Nation with the prestigious Joan Kilgore Award for their superior work performed under their cooperative agreement.
- Next State and Tribal Royalty Audit Committee meeting scheduled for November 2015.

Note: rounding may affect totals.
Federal Indian Minerals Office

- “One-Stop Shop” for ONRR services co-located with DOI employees from the:
  - Bureau of Indian Affairs
  - Bureau of Land Management
  - Office of the Special Trustee (scheduled visits)
- Provides coordinated service to Navajo mineral owners in Farmington, New Mexico
- Conducts outreach, inquiry resolution and compliance activities (audits and reviews)
- Virtual office servicing the Fort Berthold, North Dakota area

Indian Oil Regulations

- The final rule published in the Federal Register on May 1, 2015, and becomes effective July 1, 2015
- The Negotiated Rulemaking Committee was formed in late 2011 and charged with bringing clarity and consistency to oil valuation regulations governing production on American Indian lands
- The Committee included representatives from American Indian Tribes, individual Indian mineral owner associations, the oil and gas industry, ONRR and BIA
- The Committee reached agreement on a proposal to base royalties on the higher of gross proceeds or an index-based formula
- Regulations capture a unique provision of Indian leases – the 'major portion price' – which refers to the highest price paid for the oil produced from a field or area
- ONRR estimates that Indian lessors could experience significant increases in royalty returns as a result of the new rule

Additional Resources

General ONRR Information:
http://www.onrr.gov
Allottee Assistance:
http://www.onrr.gov/IndianServices/default.htm
Cooperative Agreements:
http://www.onrr.gov/About/cooperative-agreements.htm
Statistics:
http://statistics.onrr.gov/