

Prael, Robert

From: Prael, Robert
Sent: Thursday, August 04, 2011 2:53 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Comments on Dodd-Frank

I am writing to you today to offer some suggestions related to the Cardin-Lugar provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Per provisions of that Act, the Securities and Exchange Commission will soon issue final rules that “require each resource extraction issuer to include in an annual report ... any payment made by the resource extraction issuer, a subsidiary ... or an entity under the control of the resource extraction issuer to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals...”

For background, the Office of Natural Resources Revenue (ONRR) collects, accounts for, analyzes, audits, and disburses revenues associated with energy and mineral leasing on the Outer Continental Shelf (OCS) and onshore Federal and American Indian lands. The ONRR collects and disburses approximately \$10 billion in annual revenues to the U.S. Treasury, five Federal agencies, 35 states, 41 American Indian tribes, and about 30,000 individual Indian mineral owners.

How the SEC incorporates provisions of that Act and requires energy companies to report their data, could be very useful to ONRR as it seeks to ensure that energy companies are reporting correctly and paying every dollar due to the American taxpayer.

As you may be aware, ONRR posts information on its web page annually detailing to the public the reported revenues received from royalties, rents and bonus payments from energy production that occurs onshore on Federal and American Indian lands, and offshore in the Outer Continental Shelf. We also report annually the disbursement of those revenues to appropriate state and Federal accounts, the U.S. Treasury, and to American Indian Tribes and individual Indian mineral owners. (You can access our statistics page via the following link: www.onrr.gov/ONRRWebStats/Home.aspx or the home page at: www.onrr.gov)

In order for ONRR to compare what energy companies pay to the Federal Government through the Department of the Interior, with data that will be reported to the SEC, ONRR offers the following recommendations for the SEC to consider in its final regulations:

- Companies should report data identifying whether the payments they made to the Federal Government were for oil, gas, coal or other mineral extractions, including renewable energy revenues generated from Federal lands;
- Companies should report to which agency(ies) the payment was made;
- Companies should also separately identify the types of payments they made to the Federal Government including royalties, rents and bonus payments;
- If feasible, data should be reported at the lease level.

These suggestions apply only to payments made to the United States, and not necessarily to foreign countries.

If the SEC could incorporate these requirements into its final rule, ONRR believes it may provide a valuable cross-check for the data we receive from resource companies, and help ensure that the Federal Government and American taxpayers are receiving the proper returns for extraction of these valuable public resources.

If you have any questions, or would like additional information, please do not hesitate to contact me directly at

[REDACTED]

Thank you for your consideration.

Robert Prael
Financial Management Program Manager
Department of the Interior
Office of Natural Resources Revenue

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