



Minerals Management Service

Strategic Plan

September 30, 1997

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GOVERNMENT PERFORMANCE AND RESULTS ACT**QUICK REFERENCE**

STATUTE REFERENCE	REQUIRED COMPONENT	LOCATION
306(a)(1)	Comprehensive Mission Statement	Page 1
306(a)(2)	General Goals and Objectives	Pages 4-5
306(a)(3)	Description of how the goals and objectives are to be achieved	Pages 6-8
306(a)(4)	Description of how performance goals included in the annual performance plan shall be related to the general goals and objectives	Pages 9-32
306(a)(5)	Key external factors	Pages 32-33
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MISSION

TO MANAGE THE MINERAL RESOURCES ON THE OUTER CONTINENTAL SHELF IN AN ENVIRONMENTALLY SOUND AND SAFE MANNER AND TO TIMELY COLLECT, VERIFY, AND DISTRIBUTE MINERAL REVENUES FROM FEDERAL AND INDIAN LANDS.

The MMS mission statement is based on the Department of the Interior's mission statement and mandates from our enabling statutes using the experience and program knowledge of MMS senior executives and managers.

Two principles guide us as we fulfill our mission:

- ▶ Be responsive to the public's concerns and interests; and
- ▶ Work to enhance the quality of life for all Americans.

VISION

TO BE RECOGNIZED AS THE BEST MINERALS RESOURCE MANAGER.

Several agencies both within and outside of the Department of the Interior manage minerals resources. We want to set the standard for others to follow.

Already recognized as a progressive and effective agency, we want to be recognized as "the best in business." We intend to realize our vision through high quality service and information, reduced costs, automation, and innovation.

INTRODUCTION

The Minerals Management Service (MMS) manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf (OCS), and collects, accounts for, and disburses revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

MMS was established by the Secretary of the Interior in 1982 following the Independent Commission on Fiscal Accountability's recommendation that proper fiscal accountability and management of the public's mineral resources would be best served by an agency devoted solely to minerals management. The Federal Oil and Gas Royalty Management Act passed in 1982 established a framework to improve management of Federal and Indian mineral royalties.

Although a relatively small bureau (approximately 1800 employees located in 20 cities across the United States), MMS activities provide major economic and energy benefits to the Nation, taxpayers, States and the Indian community -- benefits that have both national and local significance.

Since 1982, roughly \$86 billion in revenues from mineral activities on Federal lands has been distributed by MMS to the Federal Treasury, States, tribes and Indian allottees. A portion of the revenues distributed to the Treasury goes into accounts that support the Land and Water Conservation Fund and the National Historic Preservation Fund.

The OCS continues to play a significant role in our Nation's energy picture. MMS administers 27 million acres of the OCS under active lease, which supplies over 25 percent of the natural gas and 12 percent of the oil produced in the United States. To date, the OCS has produced about 120 trillion cubic feet of natural gas and about 11 billion barrels of oil. While development of offshore mineral resources has already meant billions of dollars in revenues to the United States, MMS is especially mindful of safety and environmental concerns -- striving for the proper balance between providing a domestic energy source and protecting sensitive coastal and marine environments.

MMS is composed of two specialized operating programs, Offshore Minerals Management (OMM) and the Royalty Management Program (RMP). The Associate Directorates of Policy and Management Improvement and Administration and Budget, and the Office of Communications provide support for the programs.

PLANNING PROCESS

In the Spring of 1996, MMS developed and issued its first MMS-wide long term strategic plan. Historically, long term planning has been an integral part of MMS' management practices. For example, to accomplish its mission to manage the OCS, MMS from inception has used the OCS 5-year program planning process. Long-term and tactical planning were implemented by each program office, but prior to 1994, no overarching, long-term strategy existed at the bureau level.

Responding to the need for a single MMS-wide strategic plan, development began in 1994 through an approach that encouraged input from all members of the organization -- managers, supervisors, and staff. Drafts of the strategic plan were distributed to stakeholders and their feedback was used to revise the plan.

Responding to the Government Performance and Results Act (GPRA)

GPRA, enacted in 1993, intends to increase our focus on the results from government programs and activities. It requires both strategic planning and performance measurement -- setting goals and reporting results to meet the various deadlines established by the law.

After the initial publication of the plan, work began to develop performance measurement elements required by GPRA. Performance measurement teams were created in all program areas. MMS's Royalty Management Program participated in the GPRA pilot program and the experience and knowledge gained through this process was used by all MMS programs to develop measures and indicators.

Today, MMS's strategic plan includes performance objectives and measurement indicators linked directly to our two mission goals and to our human resources goal. The goals and objectives are clear, measurable, and relevant to the fundamental MMS mission. Performance measures are vital and designed to serve program managers.

The MMS strategic plan is a dynamic, "living" document. During each phase of plan development, extensive consultation sessions were held with key constituency and stakeholder organizations, Congress, the Office of Management and Budget, other Federal agencies, and Department of the Interior offices. Feedback from these sessions was considered throughout the process and incorporated into the strategic plan.

Linking Goals to Mission

We have identified three goals to help us succeed in our mission and realize our vision. Two goals are directly linked to our mission and are based on legislative mandates, the Department's mission statement, stakeholder input, and our experiences. The third goal, our human resources goal, encourages improved performance at all levels of the organization by providing a work environment that supports excellence and productivity.

Assumptions

A number of assumptions were made regarding key factors in the external environment in which MMS operates. Some changes in these factors are inevitable and can be accommodated. However, a significant change may adversely impact MMS's ability to achieve its goals.

- ▶ Domestic and international demand for minerals will remain stable. Demand for oil and gas will grow slowly, consistent with the Department of Energy's most recent forecasts.
- ▶ No significant natural disasters will occur that effect production capabilities on leased properties (for example, a major hurricane in the Gulf of Mexico that destroys offshore platforms).
- ▶ No major changes in MMS's mission responsibilities will occur.
- ▶ Funding and staffing levels will stay relatively stable.

GOAL 1 PROVIDE FOR SAFE AND ENVIRONMENTALLY SOUND MINERAL DEVELOPMENT ON THE OUTER CONTINENTAL SHELF, AND ENSURE THAT THE PUBLIC RECEIVES FAIR VALUE.

This goal reflects three primary facets of the MMS mission as mandated in the Outer Continental Shelf Lands Act, the National Environmental Policy Act and related legislation: 1) to make OCS lands available for mineral development to meet national needs, 2) to ensure that any such development is conducted in a safe and environmentally sound manner, and 3) to ensure that fair value is received for making these resources available. The goal and performance measures were selected to address these obligations.

MMS expects to accomplish Goal 1 by using long-term resource management strategies to:

- ▶ improve decision making through better internal coordination, external customer input, and use of high-quality scientific information;

- ▶ recognize and respond to the public's concerns; and
- ▶ streamline and simplify processes by reengineering and use of modern information tools.

GOAL 2 *PROVIDE TIMELY, ACCURATE, AND COST-EFFECTIVE MINERAL ROYALTY COLLECTION AND DISBURSEMENT SERVICES.*

This goal reflects the MMS mission as primarily mandated by the Federal Oil and Gas Royalty Management Act of 1982. The goal also reflects our compliance with related legislation: 1) the Outer Continental Shelf Lands Act; 2) the Mineral Leasing Act and the Mineral Leasing Act for Acquired Lands; 3) the Indian mineral leasing laws; 4) the Geothermal Steam Act; 5) the Indian Self-Determination and Education Assistance Act; and 6) the Royalty Simplification and Fairness Act of 1996.

To accomplish this goal, we have selected performance objectives and indicators that relate to the following strategies:

- ▶ assist and encourage royalty payors to submit royalty reports and payments correctly the first time,
- ▶ focus more on preventing, rather than finding, noncompliance,
- ▶ streamline and simplify royalty collection and disbursement processes whenever possible,
- ▶ use modern information management tools to improve the royalty collection and disbursement processes, and
- ▶ listen to our stakeholders and involve them in our decision making.

GOAL 3 *ENCOURAGE A CULTURE THAT BRINGS OUT THE BEST IN OUR EMPLOYEES.*

We believe our strength is our employees who directly influence our ability to accomplish the MMS mission. Our employees are our greatest asset; therefore, our objectives are to develop, empower, and recognize our work force. Since responsibility for meeting this goal--our "human resources" goal--rests with management throughout the Bureau, and to be meaningful the indicators should be outcomes rather than outputs, we established indicators that are universal in nature and strive to an end result of bringing out the best in our employees.

Measuring Performance

MMS has developed measurement indicators for each performance objective. These indicators will measure program outcomes using available data and will provide a quantitative assessment of our annual progress towards reaching MMS's long-range goals.

Gathering Baseline Data

For Goal 1, MMS's Offshore Program established baselines based on existing information for seven of eight MMS performance measures. The most recent data available was used for each measure. Baselines have not been established for the performance measure that deals with adverse environmental impacts. MMS is implementing a new data collection approach that will provide quantitative measurements of such impacts. Development of this approach should be completed by December 1997. By the end of calendar year 1998, MMS expects to have sufficient data to establish baselines for this performance measure.

MMS's Royalty Management Program (RMP) has participated in the GPRA pilot since 1994. Therefore, their measures for Goal 2 used historical baseline information. The RMP continues to define new measures. Once they are tested to ensure they are meaningful and appropriate, they will be incorporated into future years' annual performance plans.

Information to establish Goal 3 baselines was available in existing systems or was obtained through data calls to program offices. The measurement indicators that refer to employees' access to information technology tools are consistent with MMS's IRM Strategic Plan. Measurement indicators for the workforce diversity goal will be taken from the Department of the Interior and MMS Diversity Strategic Plans when they are published. Two measurement indicators are included where no baselines are available. These indicators are designed to show employee satisfaction with MMS's success in empowerment and employee recognition. An employee survey is planned in FY 1998 to obtain data to establish baselines for these measures.

ACHIEVING GOALS

Strategies

Many of our strategies for achieving the goals are inherent in good management and are focused on improving the way we do business. We continue to look for ways to simplify and streamline our processes and for re-engineering opportunities.

We will incorporate a variety of approaches and strategies as we move to implement the goals we have established. We will improve our decisionmaking process, apply modern information systems to improve work quality and service, maintain a high level of scientific expertise and base decisions on high quality science, issue regulations that focus on results rather than processes, and reward innovation.

The MMS strategies for achieving the goals and objectives embodied in MMS's strategic plan include:

- ▶ Improving the decision making process through increased internal coordination and involvement of relevant staff;
- ▶ Ensuring that customers and stakeholders are involved in the decision making process;
- ▶ Assisting and encouraging customers and stakeholders to comply with regulations;
- ▶ Recognizing and responding to the public's concerns;
- ▶ Using modern information tools to improve processes and to receive and disseminate information;
- ▶ Streamlining operations and simplifying processes;
- ▶ Maintaining a high level of scientific and technical expertise;
- ▶ Issuing regulations that focus on results rather than processes; and
- ▶ Providing a consistently high level of customer service.

Operational Processes

The cornerstone process for the MMS offshore program is the lease-sale decision making process which involves a determination of OCS areas that are prospective for natural gas, oil and other marine minerals, and a parallel determination of the potential environmental impacts that may result from leasing and developing these natural resources in these prospective areas. Information critical to the decision process is derived from numerous sources internal and external to the agency including studies, public hearings, results of modeling technical information, and national policies and goals. Where leasing has been permitted, other factors operate to insure that activities conducted on the OCS are consistent with terms of a decision. Such activities include the establishment of regulations, conducting inspections of OCS activities, monitoring impacts, and gathering technical information that could result in improvements in procedures and in projected outcomes.

The MMS royalty program recently embarked upon a business process reengineering initiative to address all of its core business processes including financial, accounting and compliance operations. The objective of this program-wide effort is to design and implement new royalty management business processes and support systems for the 21st century. To guide the effort, RMP senior managers established stretch goals calling for radical improvements in accounting and compliance operations. Accomplishing these goals will require a major refocusing and reorganizing of RMP around its processes and a shift of performance perspective from outputs to outcomes. The expected result is a much different RMP for the future that is process centered, focused on outcomes, less costly, and well positioned to meet a changing and expanding mission.

Skills and Technology

The MMS decision making process requires a wide array of skills and technology. The work requires capable administrators and managers, technical specialists in such fields as geology, geophysics, auditing, petroleum engineering, accounting, economics, environmental science, law,

legislative affairs, public affairs and other supporting professions. The information needs of this process are significant, and MMS employs modern information technology tools to make most efficient and effective use of the data. The MMS also offers various electronic reporting alternatives, including electronic data interchange, magnetic tape, diskettes, and electronic mail. The MMS is rapidly increasing use of the Internet as a vehicle to communicate with customers and stakeholders.

Resources

MMS capital resources include headquarters facilities in the Washington D.C. metropolitan area, and facilities in several other locations throughout the United States. Capital resources are typical for business settings in terms of space, communications, and modern office equipment. MMS has made a significant investment in modernizing its important data processing capabilities. MMS employed 1,824 full-time equivalent positions in FY 1997 with a budget of \$197.96 million. In FY 1998, those figures are projected at 1,799 full-time equivalents and a budget of \$198.92 million. The MMS budget includes offsetting collections of \$41 million annually.

PLAN FRAMEWORK

GOAL 1

PROVIDE FOR SAFE AND ENVIRONMENTALLY SOUND MINERAL DEVELOPMENT ON THE OUTER CONTINENTAL SHELF AND ENSURE THAT THE PUBLIC RECEIVES FAIR VALUE

To accomplish this goal, we will:

- ▶ Evaluate the Nation's offshore natural gas, oil, and other mineral resources and provide scientific and technical information on the environmental, social, and economic effects of offshore gas, oil, and other mineral resource exploration, development, and production activities.
- ▶ Focus the OCS marine minerals program -- including implementing the recently enacted authority to negotiate for use of sand, gravel, and shell for authorized public works projects - - on appropriate areas with the greatest near-term potential and domestic need. At the same time, we will keep in sight and address longer range objectives and environmental protection.
- ▶ Evaluate and streamline processes needed for compliance with federal requirements. We also will provide more certainty on how to apply regulations without compromising diligence, resource conservation, and protection of correlative rights.
- ▶ Take advantage of and be responsive to global developments relating to our domestic mission and/or National foreign policy objectives.

Our long-term plans include ensuring safe and environmentally sound operations and use of the best available and safest technologies by focusing on industry performance rather than prescriptive regulations.

Current and Planned Program Initiatives

The Offshore Program is pursuing several initiatives in support of Goal 1.

- ▶ Improving the human and environmental safety record of offshore operations by:
 - Continuing to develop and implement an improved process to monitor environmental impacts; and

- Continuing innovations in areas such as: developing and implementing a performance-based regulatory program that sets specific goals and objectives; establishing performance requirements for industry training programs; investigating accidents and pollution incidents; focusing inspection resources on highest risk facilities; penalizing non-performers; conducting research and workshops on problem areas and new technology and procedures; working with other agencies to minimize duplication and overlap; and working closely with individual operators on safety and environmental management programs (SEMP) for their company.
- ▶ The Deep Water Royalty Relief Act of 1995 (DWRRA) has had a major impact on leasing activities in the Gulf of Mexico having generated in 1996 the two largest lease sales based on the number of bids. MMS has initiated several approaches to ensure that deep water activities meet the goals of the strategic plan. These include:
 - The initiation of workshops and studies to identify issues and preventive measures that are specific to development in the deep water environment;
 - Acquiring additional data in deep water areas to properly assess the fair value of public resources; and
 - Using more helicopters for inspection to ensure that offshore activities will be conducted in a safe and environmentally responsible manner.
- ▶ MMS is undertaking information technology improvements to meet performance goals through:
 - Employing advanced geologic interpretive technology to better define hydrocarbon potential and prospects;
 - Using automated systems to provide inspectors with better onsite inspection information which will be used to improve safety of offshore facilities; and
 - Using geographic information system technology to enhance decision making capabilities, e.g., to help define the scope of environmental impacts and to augment methods of monitoring environmental resources.

Performance Objectives and Measurement Indicators

The following performance objectives link specific actions to Goal 1. The measurement indicators for safety, environmental protection, and development gauge the outcomes of industry

activity as influenced by MMS oversight, rather than outputs of MMS activities.

Performance Objective: Ensure safe OCS mineral development.

Measurement Indicator: By 2002, show a decrease in the accident index below the 1996 level of .612.

This index incorporates the severity of each incident and the risk of various OCS activities. In the extreme, if each activity had resulted in the most severe type of accident (i.e., multiple fatalities), the 1996 index would have been 298. This measure will indicate whether offshore operations are improving upon an already excellent safety record.

The index is derived as follows:

1) Each incident is multiplied by a factor representing the severity of that incident and the results are totalled. (Incidents include fatality, injury, explosion, blowout, fire, and collision. Pollution events are excluded because they are captured in the following measurement indicator.)

The following accident severity table provides more detail.

SEVERITY INDEX	INJURY	FATALITY	EVENT	DAMAGE (In Dollars)
(Multiply by 100)!				
7		Multiple		>100,000,000
6	Multiple Serious*	1		50,000,000 to 99,999,999
5	Serious*			1,000,000 to 49,999,999
(Multiply by 10)!				
4				500,000 to 999,999
3	Minor - Lost time		Explosion/Blowout	10,000 to 499,999
(Multiply by 1)!				
2	Minor - No lost time			1,000 to 9,999
1			Fire/Collision	<1,000

* As defined by the Outer Continental Shelf Lands Act.

2) Each activity that occurred during OCS oil, gas and sulfur

operations is multiplied by a factor representing the complexity and safety risk of that activity and the results are totalled. (Activities include numbers of platforms, wells drilled, completions, and plug and abandonment.)

The following complexity/risk tables provide more detail.

COMPLEXITY/RISK INDEX	NUMBER OF PLATFORMS
(Multiply by no.)	
	WD < 200
1	0 - 5 wells
2	6 - 17 wells
4	18 - 29 wells
8	≥ 30 wells
	200 WD < 400
3	0 - 11 wells
6	12 - 23 wells
9	≥ 24 wells
	WD ≥ 400
50	all wells

Note: WD = water depth

COMPLEXITY/ RISK INDEX (Multiply by no.)	NUMBER OF WELLS DRILLED/COMPLETED		COMPLEXITY/ RISK INDEX (Multiply by no.)	NUMBER OF WELLS P&A'd	
	DEVELOPMENT	EXPLORATORY		DEVELOPMENT	EXPLORATORY
	WD < 100			WD < 100	
1	0 - 10,000 MD		0.25	0 - 10,000 MD	
2	10,001 - 15,000 MD		0.5	10,001 - 15,000 MD	
4	> 15,000 MD		1	> 15,000 MD	
	100 WD < 400	WD < 100		100 WD < 400	WD < 100
2	0 - 10,000 MD	0 - 10,000 MD	0.5	0 - 10,000 MD	0 - 10,000 MD
4	10,001 - 15,000 MD	10,001 - 15,000 MD	1	10,001 - 15,000 MD	10,001 - 15,000 MD
8	> 15,000 MD	> 15,000 MD	2	> 15,000 MD	> 15,000 MD
		100 WD < 400			100 WD < 400
4		0 - 10,000 MD	1		0 - 10,000 MD
8		10,001 - 15,000 MD	2		10,001 - 15,000 MD
16		> 15,000 MD	4		> 15,000 MD
	WD ≥ 400			WD ≥ 400	
10	0 - 10,000 MD		2.5	0 - 10,000 MD	
20	10,001 - 15,000 MD		5	10,001 - 15,000 MD	
40	> 15,000 MD		10	> 15,000 MD	
		WD ≥ 400			WD ≥ 400
20		0 - 10,000 MD	5		0 - 10,000 MD
40		10,001 - 15,000 MD	10		10,001 - 15,000 MD
80		> 15,000 MD	20		> 15,000 MD

Note: WD = water depth; MD = measured depth

3) The accident index value equals the totals from step 1 divided by the totals from step 2.

Performance Objective: Ensure environmentally sound OCS mineral development.

Measurement Indicator: By 2002, show a decrease in the number of adverse environmental impacts per OCS mineral development activity below the 1998 baseline level (to be determined).

The MMS is beginning a new program to determine the number of incidences of adverse environmental impacts that result from OCS mineral development. This value will be divided by the number of OCS mineral development activities to determine an environmental impact rate for OCS activities. Since it is not possible to measure all potential impacts in the marine environment, this rate will be an indicator of environmental impacts, and should not be construed as the number of impacts per activity or a measurement of all impacts that could occur. Instead, the index should be compared between years.

Measurement Indicator: By 2002, show a decrease in the amount of oil spilled below the 1992-1996 average level of 5.09 barrels spilled per million barrels produced.

The MMS maintains a database of all oil spills greater than 1.0 barrel in size resulting from OCS mineral development activities. Oil spills include crude, condensate, diesel, and other products such as drilling muds. Since the amount of oil produced can vary from year to year and will affect the amount of oil spilled, this measure takes into account the amount of oil produced. This measure is calculated by dividing the total number of barrels spilled (for spills > 1.0 bbl) by millions of barrels produced (sales volume) for each year. No change from the baseline is projected from 1997-1999 because oil spills are accidents, and this measure will fluctuate widely from year to year. Consistent improvement will take several years and is not expected until 2002.

Performance Objective: Ensure that the public receives fair value for OCS mineral development.

Measurement Indicator: From 1997-2002, the ratio of the high bids received for OCS leases to the greater of MMS's estimate of value on those tracts or the minimum bid does not decrease below the 1989-1995 average of 1.8 to 1.

MMS's current tract evaluation procedure is designed to assure that the Government receives fair value for the tracts we lease. Internal and external reviews of our auction and evaluation procedures conclude that they are effective in achieving this goal. Therefore, maintaining the current ratio of 1.8 indicates a reasonable assurance that the Government is receiving fair value for OCS leases.

In a perfect world where everyone has the same information, high bids would exactly equal our expected value and their ratio would be "1 to 1." If, for example, the ratio were 10 to 1 it may indicate that the Government might be undervaluing the tracts. But 1.8 to 1 shows that both the government and industry are in the same "ballpark" in assessing the value of tracts.

Given the uncertainty over how much oil and gas, if any, exist under a lease and over the future prices and costs associated with production, estimates of a tract's value will vary substantially. In a competitive lease sale, the bidder that has the most optimistic view of a tract's value will win the lease. Thus, lease sales should always result in a ratio of high bids to our estimated value of greater than one (if the government always had the most optimistic view of value, we would tend to reject all high bids and not issue any leases). Further, MMS estimates are based solely on a discounted cash flow analysis of a tract. Corporate strategy with respect to acquiring specific acreage could lead to a company raising its bid above this analytical value to improve their chances of winning the lease.

Thus, the value of this indicator should always be greater than one if we're to achieve fair value for OCS leases. We use the ratio's current average value of 1.8 as our benchmark based on the assumption, supported by internal and external program reviews, that we have effective processes in place. However, MMS will continue to examine means to measure the efficiency of its auction and tract evaluation procedures to see if a different or additional measurement indicators are warranted.

Measurement Indicator: **By 2002, decrease below the 1989-1996 average level of 7 percent the tracts classified as nonviable but on which a lessee**

makes a discovery within 5 years that is capable of producing in paying quantities.

The MMS intends to reduce the number of times a well capable of producing in paying quantities is drilled on a tract we classified as nonviable. After a lease sale, MMS classifies a tract as “nonviable” if we believe too little oil and gas underlie the tract to make it economic. However, we accept all legal high bids on such tracts. A potentially commercial discovery on such a tract proves it to be economically viable. Such events occasionally occur due to a lessee having a unique interpretation of a tract’s geology that proves true, or due to changes in information and market conditions between the time of lease issuance and the drilling of an exploration well.

Performance Objective: Provide for mineral development on the OCS.

Measurement Indicator: By 2002, show an increase in the annual number of leases on which exploratory wells are drilled above the 1992-1996 average level of 250 leases.

Normally, after tracts are acquired in a lease sale, one of the first things that is done by operators is to drill exploratory wells. Exploratory wells are drilled in an effort to discover commercial volumes of gas, oil, and sulphur. Tracking the number of leases drilled by exploratory wells gives a good indication of operators efforts to evaluate the inventory of leases that is maintained by industry.

Measurement Indicator: By 2002, show a reduction in the rate of decline in the oil and gas reserves-to-production ratio that occurred from 1990-1995, which was 11.5 to 7.3 for oil (.84 per year) and 7.6 to 6.0 for gas (.32 per year).

“Reserves” are the quantity of hydrocarbons which are anticipated to be recovered from known accumulations. Reserves are classified as either “unproved” or “proved.” The reserves in this performance indicator are proved reserves. Proved reserves are those quantities of hydrocarbons which can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under current economic conditions, operating

methods, and government regulations.

The reserves-to-production ratio provides useful information because it indicates the rate at which industry is replacing oil and gas that is being produced with new proved reserves. If the ratio remains the same year-after-year, it means that for every barrel of oil that is produced, another barrel of oil is added to the proved reserved category. If the ratio increases, it means that for every barrel of oil produced, more than one barrel of oil is added to the proved reserve category. Likewise, if the ratio decreases, more oil is being produced each year than being added to the proved reserves category.

From 1990 to 1995, the reserves-to-production ratio for oil declined from 11.5 to 7.3 or an average of 0.84 per year. For gas, the decline was 7.6 to 6.0 or an average of 0.32 per year. The goal is to slow the rate of decline.

Measurement Indicator: **By 2002, show an increase in annual OCS production above the 1996 level of 429 million barrels of oil, 5.0 trillion cubic feet of gas, 2.1 million long tons of sulphur, and .81 million cubic yards of sand and gravel.**

The amount of production from the OCS is dictated primarily by company decisions, prices, and Congressional, Presidential, and Departmental policy decisions. However, MMS can influence production by being an environmentally responsible, prudent, reasonable, and consistent regulator, by stating expectations up front (safety and environment), by conducting effective outreach to include all stakeholders, and by continually reviewing policy.

GOAL 2

PROVIDE TIMELY, ACCURATE, AND COST-EFFECTIVE MINERAL ROYALTY COLLECTION AND DISBURSEMENT SERVICES

To accomplish this goal we will:

- ▶ Examine our processes to find ways to improve timeliness and accuracy of payments. We will continuously improve our systems and processes for collecting and disbursing revenue and for ensuring that all revenue due is paid on time.
- ▶ Focus on preventing, rather than finding, noncompliance. We will view an incorrect or untimely payment as a problem to prevent in the future, not only as a revenue to collect now. In each of our activities, we will recognize the need to seek and implement improvements intended to increase the percentage of mineral revenue from Federal and Indian leases paid voluntarily.
- ▶ Strive to identify, resolve, and implement new policies or policy changes more efficiently by reaching decisions sooner within MMS and by managing the approval process more effectively.
- ▶ Improve our customer focus. Our goal is to listen to our customers, involve them in our decisionmaking, and adjust our processes to improve customer service and satisfaction.
- ▶ Challenge each employee to consider how his or her activities affect the ability of other employees to provide quality customer service.

Current and Planned Program Initiatives

The Royalty Management Program has several ongoing initiatives that will help us meet this goal.

- ▶ We are in the process of re-evaluating and revising the rules for calculating the value of natural gas and crude oil. We are proposing methodologies for calculating royalty value based on widely available information about market values for oil and gas. With such changes, we believe that we will enhance reporters' ability to report timely and accurately.

- ▶ On August 13, 1996, the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA) was enacted into law. This law amended the Federal Oil and Gas Royalty Management Act and the Outer Continental Shelf Lands Act. Near-term changes in processes and systems will be made to implement RSFA. In addition, longer-term strategies, business-processes and current systems will be addressed so the program will be cost-effective and responsive to customer needs over the long term.
- ▶ On August 12, 1997, MMS implemented a provision of RSFA by publishing in the Federal Register the final rule which expanded the list of delegable royalty management functions to state governments. The MMS received cooperation and input from state and industry representatives, enabling us to publish this rule within the one year statutory time frame required by RSFA. Prior to this rule, participating states were eligible to perform only audits, inspections and investigations for the Federal government. Under the new rule, states will retain the authority to conduct audits and investigations but they can also apply to perform the following additional functions on Federal onshore oil and gas leases:
 - ▶ Receiving and processing production and royalty reports;
 - ▶ Correcting erroneous report data;
 - ▶ Performing automated verification; and
 - ▶ Issuing demands, subpoenas, and orders to perform restructured accounting and related tolling agreements and notices to lessees or their designees.
- ▶ Last summer, RMP began reengineering efforts, focusing on compliance processes. With RSFA as a stimulus and also with the insights we gained from the compliance re-engineering effort, RMP managers have decided to expand the initiative beyond compliance re-engineering to include all aspects of RMP's operations. The principal objective of the re-engineering initiative is to design, develop and implement new core business processes, with supporting systems, for the 21st century.

Performance Objectives and Measurement Indicators

The following performance objectives link specific actions to Goal 2. The measurement indicators show what will be measured to assess achievement of results.

Performance Objective: **Improve the timeliness and accuracy of payments to States, Indian tribes, BIA offices, and other Federal agencies.**

Measurement Indicator: **Through 2002, maintain or increase the percentage of the collected dollars and accompanying information that is provided timely to States and Indians. Currently, our**

disbursement rate is 98 percent.

On-time disbursements are disbursements made by the end of the month following the month of receipt as mandated by the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA). A decrease in percentage from the previous fiscal year (FY) to the current FY would indicate that disbursements are less timely.

Fiscal Year	On-time Percentage
FY 1996	Federal = 93.0% ¹ Indian = 96.8%
FY 1995	Federal = 98.4% Indian = 94.6%

Measurement Indicator: By 2002, decrease the late disbursement interest costs to \$30,000 per year.

We calculate total interest paid on late disbursements to States as mandated by FOGRMA. A decrease in interest paid to States from the previous FY to the current FY would indicate that disbursements are being made more timely.

Fiscal Year	Late disbursement interest
FY 1996	\$164,000 ¹
FY 1995	\$ 85,900

Performance Objective: Improve the cost effectiveness of mineral royalty collection and disbursement services.

Measurement Indicator: By 1999, increase the percentage of royalty reports, production

¹ Revenue disbursement timeliness decreased, and interest paid to States increased as a result of the Federal Government shutdown from December 18, 1995 through January 7, 1996. During this period, payments due on the last business day of December were disbursed 9 days late. Special staff came in during the furlough to ensure timely Indian disbursement.

reports, and dollars received electronically to 100 percent.

The RMP receives over 1/2 million line items monthly, representing specific royalty and production transactions. We offer a variety of electronic reporting and paying options: tape, floppy disks, E-Mail, Electronic Data Interchange (EDI), and Comma Separated Values.

We anticipate a continual increase in electronic transmittals; based on experience to date, we expect a corresponding decrease in reporting errors. Error-free reporting allows RMP to timely disburse revenues to ultimate recipients (States, Indians, other Federal agencies, and the General Fund of the U.S. Treasury).

In conjunction with these efforts, MMS is looking to expand the universe of payments made by electronic funds transfer through Automated Clearing House (ACH) or Fedwire payment. MMS published a final rule on April 22, 1997, to amend regulations which specify how payments are made. The principal change incorporates a U.S. Treasury requirement that payments and collections be made by Electronic Funds Transfers (EFT).

Fiscal Year	Electronic commerce
FY 1996	Royalty lines = 72% Production lines = 46% Dollars received = 92%
FY 1995	Royalty lines = 67% Production lines = 43% Dollars received = 93%

Performance Objective: **Improve reporters' compliance with lease terms, rules, regulations, and laws.**

Measurement Indicator: **Through 2002, maintain or increase the percentage of royalty and production reports submitted by reporters without fatal errors (those errors which would prevent the disbursement of funds or further processing). Currently 97 percent of reports are submitted without fatal errors.**

We will calculate the percentage of royalty and production report lines submitted by industry that clear fatal computer edits during initial processing. An increase in percentage from the previous FY to the current FY would indicate that reports are more accurate.

Fiscal Year	Correct reporting
FY 1996	Royalty lines = 97.6% Production lines = 97.5%
FY 1995	Royalty lines = 97.5% Production lines = 97.2%

Measurement Indicator: **By 2002, achieve a Compliance Index (Actual Voluntary Royalty Payments/Expected Royalty Payments) of .98.**

The RMP began testing an overall outcome measure, called a compliance index, as a part of its Government Performance and Results Act Pilot program. The compliance index was first developed and tested by an experienced Ph.D. Statistician. The index is summarized by the following formula:

$$\frac{\text{actual voluntary royalty payments}}{\text{expected royalty payments}}$$

Historically, we had not determined a reliable method to calculate expected royalty payments because:

Royalty payments from industry are "voluntary." That is, RMP does not bill for royalty. Rather, lessees pay a percentage of the proceeds from the sale of their production, making identification of expected royalty payments a very complex task; and

The amount of underpaid royalties is not immediately available, but must be identified over time by exception-processing system modules and by audits.

The compliance index model calculates expected royalty payments using available systems information and public price data, such as

posted price bulletins. Expected royalty payments can be precisely determined only by expensive audit procedures requiring source data from the royalty payor. The validity of the model improves as model estimates are compared to audit results.

As we continue to maintain audit coverage to monitor compliance, the validity of the compliance index will be strengthened. Before MMS calculates this index, we wait one year for industry to make adjustments to their royalty and production reports and payments. In 1997 we calculated 1995 index.

Calendar Year	Compliance Index
FY 1995	.970
FY 1994	.950

Performance Objective: Provide Indian tribes with increased opportunities for education and for assuming functional responsibilities with respect to the Royalty Management Program.

Under the Secretary's American Indian trust responsibilities, MMS is responsible for Indian mineral royalty collection and disbursement functions. The Secretary of the Interior supports facilitating "the efforts of Indian tribes and tribal organizations to plan, conduct, and administer such programs, functions, services, and activities, or portions thereof, which the Department is authorized to administer for the benefit of Indians because of their status as Indians."

To help tribes prepare to assume royalty management services, MMS offers a number of opportunities, including on-line monitoring of royalties and accounts, learning our royalty collection processes through a new internship program for tribal employees, and handling royalty audit work through cooperative agreements.

We will coordinate transfer of Federal programs with other agencies through our participation in the Indian Minerals Steering Committee (IMSC). The IMSC is comprised of representatives from the Bureau of Indian Affairs, the Bureau of Land

Management, the Department’s Office of Policy, Management and Budget, the Office of Trust Funds Management, MMS, and the Office of the Secretary, and acts as a forum to facilitate the resolution of Indian mineral resources and royalty management issues.

We expect that tribes with larger annual mineral royalties (12 of the 41 tribes we currently serve receive mineral royalties in excess of \$1,000,000 annually) will have greater interest in the assumption of royalty management functions. Our efforts to educate and encourage the assumption of our functions will, however, span all tribes that we serve.

Measurement Indicator: **By 2002, increase the number of Indian tribes that take part in one or more educational opportunities or that assume one or more functional responsibilities.**

Educational opportunities include participating in the royalty internship program, taking part in joint audit work, or accessing online royalty data. Assumption of functional responsibilities include participation in the co-op audit program, and entering into self-determination contracts or self-governance contracts.

	Number of Tribes
FY 1996	13
FY 1995	13

Performance Objective: **Improve customer service and communication.**

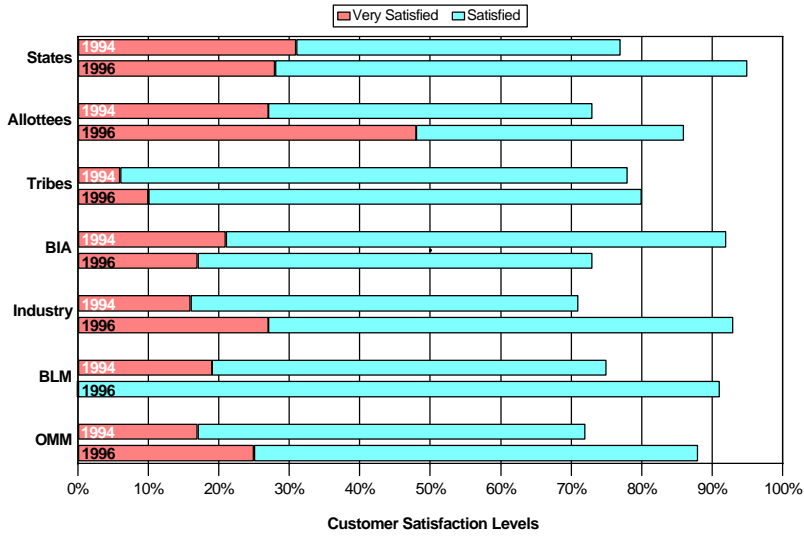
Measurement Indicator: **By 2002, improve RMP’s customer satisfaction rating (data from customer surveys) in the areas of credibility, responsiveness, professional image, and overall quality.**

In 1996, RMP chartered a team to perform a survey of seven customer groups who have significant and regular involvement with RMP. This survey was a follow-up to our 1994 customer survey.

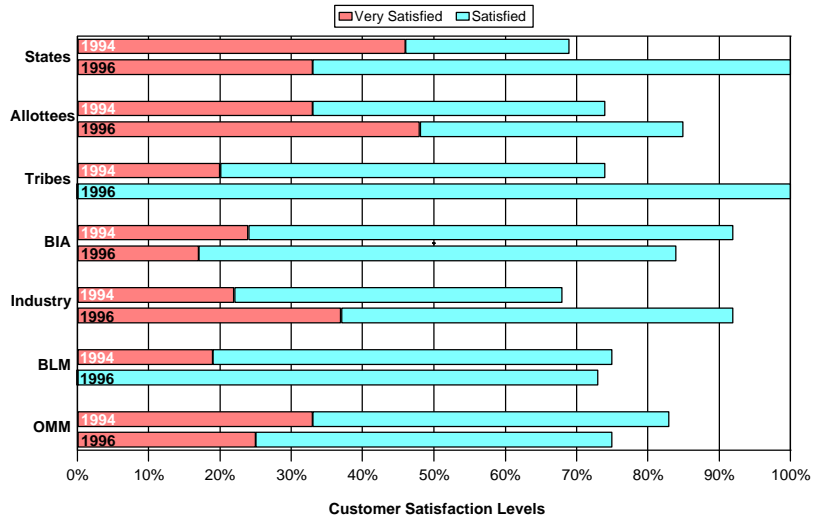
We selected four survey areas to determine customer satisfaction: credibility; responsiveness; professional image; and overall

quality. Additionally, we asked several detailed questions to reveal areas where we need to focus to improve overall satisfaction. We will periodically perform additional customer surveys.

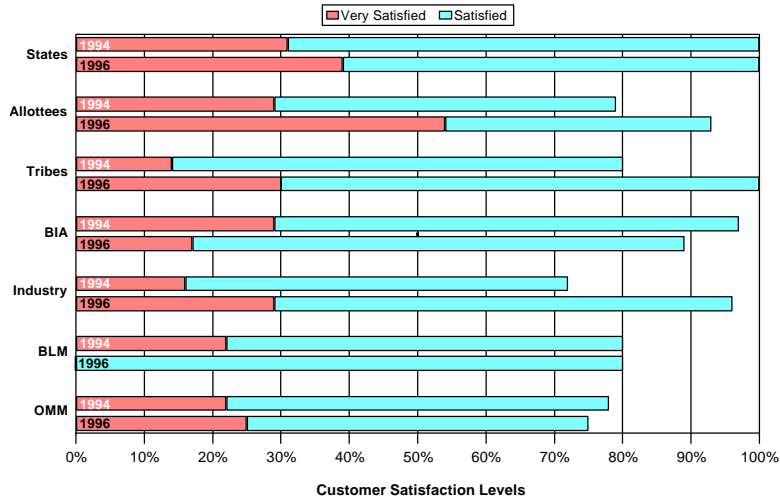
**RMP CUSTOMER SATISFACTION
SURVEY FOR CREDIBILITY**



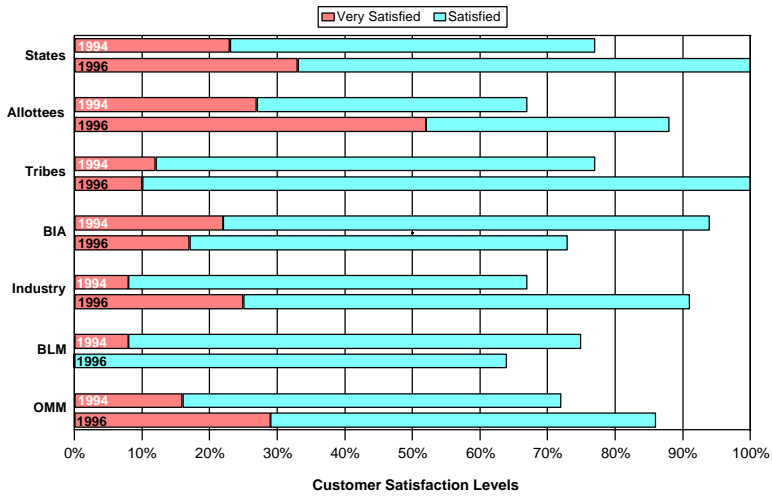
**RMP CUSTOMER SATISFACTION
SURVEY FOR RESPONSIVENESS**



**RMP CUSTOMER SATISFACTION
SURVEY FOR PROFESSIONAL IMAGE**



**RMP CUSTOMER SATISFACTION
SURVEY FOR OVERALL QUALITY**



GOAL 3

ENCOURAGE A CULTURE THAT BRINGS OUT THE BEST IN OUR EMPLOYEES

Our strength and our greatest asset is our employees who directly influence our ability to accomplish our mission; therefore, we will develop, empower, and recognize our work force. We will devote sufficient resources to recruiting, developing, and retaining high caliber employees to meet current and anticipated mission needs. We will ensure that all employees have the necessary tools to provide quality service to our customers.

We can accomplish our mission only when all employees work together, using all of their skills and abilities, in an open and positive environment. We will foster the growth of a work environment that shares information and promotes teamwork. We also will empower each employee to continuously improve processes to meet customers' needs and will delegate decisionmaking to the lowest organizational level practicable.

Further, we will find ways to acknowledge the many outstanding achievements of our employees, both individually and collectively. Our goal is to provide timely recognition to all employees who perform significant and meaningful actions that support the MMS mission.

Current and Planned Program Initiatives

Much of the data needed to support the following measurement indicators is available in various automated systems. When the data is not available in a format that is usable, the systems will be changed (e.g. fields added). We are planning to survey our employees to develop baseline information when it is not available through other sources. Later, employee surveys will be used to track our progress towards goal achievement.

Performance Objectives and Measurement Indicators

The following performance objectives link specific actions to Goal 3. The measurement indicators show what will be measured to assess achievement of results.

Performance Objective: **Ensure continuous development and growth of MMS employees.**

MMS recognizes the importance of developing its employees. It is through a self-confident and knowledgeable staff that we will accomplish our mission and our strategic program goals. Development opportunities include the entire educational

experience--formal education (i.e., degree and certification programs) and training opportunities, as well as participation in teams and formal details or rotational assignments in other parts of the organization. MMS is dedicated to providing these opportunities to a diversified workforce.

Measurement Indicator: By 2000, core competencies for major occupational groups will be documented in occupational training plans.

New work modes and continually changing technology mandate that employees and managers alike are given real-time training in such areas as critical communications and computer technology skills, and in re-engineering processes to keep their skills current. Successful team participation requires good communications skills. MMS will develop occupational training requirements (core competencies) to enable its employees to update their skills and knowledge. Data to support this measure will be provided from our various organizations.

Measurement Indicator: By 2002, 75 percent of employees will meet the continuing education requirement specified in the occupational training plans.

All employee training needs should be identified through mutual agreement between employee and supervisor, and discussed in performance appraisal reviews. All employees should receive training in general core competencies. Currently, the Department is developing a training information system; once developed MMS will customize it to gather data to support this measure.

Measurement Indicator: By 2002, 20 percent of employees will experience a formal detail or some form of rotational assignment, from a baseline of 10 percent.

MMS encourages employees to participate in rotational assignments or details. This facilitates career development and enriches the work environment. The employees' broadened organizational knowledge and skills increase their outcome focus and customer service. This also enhances management's flexibility in allocating resources. A rotational assignments program will enable management to evaluate the success of these assignments

and the value of this measure. Data to support this measure will come from sources such as the personnel payroll system, a data base on rotational assignments, and employee surveys.

Measurement Indicator: **By 2002, the MMS workforce will more closely reflect the diversity in the civilian labor force and comply with the DOI Diversity Strategic Plan.**

Cultural and ethnic diversity allows an organization to develop different perspectives and strategies to respond to changing environments. MMS serves a diverse public. Our employees need to represent that public if we are to successfully interact. Our Diversity Strategic Plan will help managers recruit to achieve balanced representation in various job categories. Data to support this measure will come from the Equal Employment and Development Opportunity Division's system.

Performance Objective: **Increase employee innovation, involvement, and decisionmaking.**

MMS has a fundamental responsibility to its employees to create a work environment that supports excellence and productivity. Budgets and available human resources continue to shrink while programs are streamlined and re-engineered. MMS managers and employees must look for ways to work more effectively and efficiently and continue to provide excellent service to customers. MMS managers must promote and support risk-taking, empowerment and innovation among employees. Employees must be able to trust that managers will recognize and act on their contributions, reward their successes and provide support and guidance when their efforts are less successful.

Measurement Indicator: **By 2002, the number of employees who experience a process team opportunity will increase to 75 percent from a baseline of 50 percent.**

Participation in teams fosters organizational cohesiveness by breaking down organizational boundaries. It provides an opportunity for people to work together and share knowledge. Employees on teams forge a bond that provides a network for future collaboration. Currently, we estimate about 50 percent of

employees have experienced or are experiencing team opportunities. Data to support this measure will be obtained from MMS organizations.

Measurement Indicator: **By 2002, employee surveys show that the MMS work environment, which should foster trust and encourage employees to take responsible risks, will show an improvement of 10 percent over the 1998 baseline.**

MMS managers must provide a work environment that accepts emerging paradigms and evolving needs. They must be able to react quickly to make the right decision at the right time and communicate the reasons to the employees. They must provide leadership, foster collaboration, promote learning, and set the example of mutual respect among employees, managers, and our many customers and stakeholders.

Measurement Indicator: **End-user computing will be strengthened by means of a common suite of desktop tools and use of WEB-based applications so that:**

By 1999, increase the number of variety of information technology training opportunities for 50 percent of MMS employees, with the ultimate goal of providing these opportunities to all employees.

By 2002, a common desktop suite will be in use by all MMS employees.

By 1999, at least 20 percent of applications will be WEB-based for use by all MMS employees.

Common architecture and standards are needed to enhance the ability of MMS to share information, equipment, and resources. While significant strides in information technology advances have been achieved within the MMS, the individual users still do not have uniform tools or the necessary skills to utilize them.

Performance Objective: **Provide timely recognition and reward for contributions that support the MMS mission.**

MMS is committed to providing an Awards Program that recognizes and encourages exceptional performance that is consistent with the mission and strategic program goals of the MMS. The Awards Program has been designed to be a meaningful, equitable, and timely recognition tool. The success of this program will enhance the ability of the MMS to meet its mission through better employee involvement. The following performance indicator will measure how effectively this goal is being accomplished.

Measurement Indicator: **By 1998, an employee survey will establish a baseline of employee satisfaction with MMS' success in providing equitable and timely recognition for contributions that support the MMS mission. MMS will improve on that baseline by 50 percent by the year 2002.**

To assure an effective recognition program, employees must feel that the program is equitable, that like contributions receive like recognition regardless of organization or grade-level. In addition, to effectively motivate employees, awards must be granted timely. To assess equity, statistics will be prepared quarterly for the MMS Quality Council to analyze the distribution of awards granted within program entities and among grade levels. As an indicator as to whether awards are being granted timely, a quarterly analysis of the distribution of awards throughout the fiscal year would also be prepared.

EXTERNAL FACTORS

While many external factors can have an impact on program accomplishments, the following discussion focuses on only the most significant factors.

One external factor that may affect MMS accomplishments is the impact of a tanker accident and subsequent spill. Even though the vast majority of our OCS production is transported by pipelines, which have an outstanding safety record, oil spills from tankers, e.g., the Exxon Valdez incident can dramatically impact our program and its planned accomplishments.

Another factor is the recently passed *Federal Oil and Gas Royalty Simplification and Fairness Act of 1996*. One section of the law authorizes delegation of additional royalty activities to States. This section as well as others will require RMP to change royalty and production

accounting systems, develop and issue new regulations, and implement new procedures. The law also may change the way MMS relates to its customers, especially in the areas of royalty reporting, distribution, and verification and in the determination of liability.

MMS's performance could also be affected by major funding cuts. Congressional action to reduce budget requests either directly or across the board are very real possibilities. Apart from specific funding cuts, even limiting funding levels can quickly force significant changes in program approach and accomplishments.

The impact of oil and gas price changes could also be important. If prices fall, there is less incentive for companies to explore for new resources or develop existing leases. Conversely, when prices rise, companies seek to increase production of existing leases, explore for new resources, and develop existing leases. While price changes are driven by many factors that are outside the control of MMS, they can significantly affect our accomplishments.

Finally, legal disputes may prevent or delay oil and gas activity. National and local shifts in public attitudes toward energy exploration and production can have the same effect.

PROGRAM EVALUATIONS

A number of efforts comprise the MMS package of program evaluations. It is a balance of cyclical, in-depth appraisals and ongoing self-analysis and quality improvements of program components. The approach relies on performance measurement and internal and external customer feedback.

Management Assessments

In 1995, MMS management spearheaded a review, commonly referred to as MMS 2000, which resulted in a new organizational structure, one which delayered each of the program and support areas. Under MMS 2000, Division Chiefs and Regional Directors report directly to their Associate Director; Deputy Associate Director positions were eliminated in the support entities and reduced in the programs. Other delayering occurred as well, supporting Goal 3's objective to increase employee innovation, involvement, and decisionmaking.

In May 1996, all MMS executives and senior managers met to discuss, within the framework of the strategic plan, many issues facing the organization. They formed six work groups to address

some very real problems facing the agency and provided a number of ideas on how to best meet the goals of our strategic plan as we move to the year 2000.

Business Process Reengineering

The RMP reengineering effort is including trends of findings from program evaluations as it analyzes current RMP processes. In 1996, the RMP began a reengineering effort to improve the business processes in its compliance operations. In March 1997, a formal decision was made to expand reengineering beyond compliance activities and conduct an in-depth reengineering of all RMP core business processes. Reengineering in the business environment challenges the underlying assumptions on which the organization is built, and fundamentally redesigns the systems, processes, and structures around desired outcomes, rather than functions, departments, inputs and outputs. The reengineering effort undertaken by RMP involves mapping of core business processes as they now exist; assessing the impact of new legislation; benchmarking with others to determine “best practices”; identifying customer needs and expectations; redesigning business processes for dramatic improvement; testing and prototyping new designs; and ultimately implementing the redesigned processes. Central to the reengineering effort is refocusing and reorganizing the RMP around its processes and shifting its performance perspective from outputs to outcomes.

The Offshore program has evaluated certain aspects of its business practices to determine where business processes or sub-components could be redesigned for greater effectiveness. The initial focus has been on the Gulf of Mexico Region, where Offshore activity is greatest. Several process-level changes have been initiated, including the application for Permit to Drill process which has resulted in up to an 80 percent time saving. Other reviews, such as the “Open-Hole Data Submission” project have produced numerous significant recommendations which are being implemented piecemeal.

A further effort to extend the search for reengineering candidates across the MMS Offshore program was initiated in June 1997 and is expected to identify reengineering targets by Fall.

GPRA Pilot

Through RMP’s participation as a GPRA pilot organization, MMS gained insight into its performance measurement systems. A team has been involved in advancing the state of performance measurement in MMS and integrating performance measures into the MMS Strategic Plan. The team members experience in developing performance measures will be used as a valuable resource on which to draw as we continuously evaluate the validity and usefulness of our measures in the future.

Quality Improvement Reviews

These reviews are conducted on the basis of perceived need as determined from internal and

external input. Examples of recent or current improvement projects include:

- ▶ Inspection consistency;
- ▶ Multi-sale EIS process;
- ▶ Supplemental bonding;
- ▶ Offshore ADP functional assessment (Gulf of Mexico Region);
- ▶ Gulf of Mexico Region organizational review;
- ▶ Availability of prelease permits on the internet (Oct. 1997);
- ▶ Regulatory process review;
- ▶ Review of all MMS administrative functions; and
- ▶ Budget justification redesign

Management Control Reviews and Audits

Management control reviews are conducted on a rotating basis among the various program and functional areas under a 5-year plan. These reviews examine whether adequate controls are in place to assure intended results are achieved, resources are protected, and management information is reliable.

The RMP is a major source of revenue to the Federal Government, and therefore is continuously under review by oversight agencies such as the Office of Inspector General and the U.S. General Accounting Office. Such agencies have issued more than 150 reports containing more than 450 recommendations.

Process Action Teams

Over the last several years, the Department of the Interior and MMS have sponsored numerous laboratories or process action teams tasked with studying a number of human resources activities. All of these initiatives involve an evaluation of current processes with recommendations for appropriate change. The efforts of many of these teams are particularly relevant to Goal 3, MMS's human resources goal, and its performance objectives. Among them are the Department's new performance appraisal and awards systems which are now standard in all Bureaus. Under Goal 3's objective to provide timely recognition and reward for contributions that support the MMS mission, we will measure our success under this new program.

Within MMS, a team was tasked with developing a rotational opportunity program. MMS senior executives have supported a proposal for an electronically administered process with minimum administrative burden. Specific implementation guidance is being prepared.

Other teams have developed core competencies for auditors and accountants, and training under those plans has begun. A current effort has a team identifying information technology training needs for all MMS employees to ensure they have the skills to utilize and maximize the information technology available to them. In the near future, studies will be undertaken to identify core competencies for computer specialists. An effort is underway to identify common core competencies appropriate for all MMS employees, such as EEO and ethics training.

Customer Satisfaction

MMS has actively pursued customer and stakeholder participation throughout the strategic planning process. Stakeholders are consulted, their voices are heard, and changes are made in response to them. The strategic plan contains many customer-based goals.

MMS continues to actively survey customers about what is important to them, whether the results of our programs are meeting their expectations, and where they believe improvements can be made. Customer satisfaction surveys are sent out to thousands of our customers and the results of these surveys are reported back to them.

*Appendix A***CROSSWALK LINKING GOALS TO STATUTES
AT PERFORMANCE OBJECTIVE LEVEL**

The basic responsibilities of MMS are derived from Departmental regulations and delegations of authority issued to implement various statutes, including:

- A) Mineral Leasing Act of 1920, as amended and supplemented
- B) Mineral Leasing Act for Acquired Lands, as amended, 1947
- C) Outer Continental Shelf Lands Act of 1953
- D) OCS Deep Water Royalty Relief Act of 1995
- E) Clean Air Act
- F) Oil Pollution Act of 1990
- G) Geothermal Steam Act of 1970
- H) Federal Oil and Gas Royalty Management Act of 1982
- I) Royalty Simplification and Fairness Act of 1996
- J) National Environmental Policy Act of 1969
- K) Indian Self-Determination and Education Assistance Act
- L) Tribal Leasing Act
- M) Allotted Lands Indian Leasing Act
- N) Federal Coal Leasing Amendments Act of 1975
- O) Debt Collection Improvement Act of 1996
- P) Cash Management Improvement Act of 1990, as amended in 1992
- Q) Clean Water Act
- R) Coastal Zone Management
- S) Endangered Species Act
- T) Marine Mammal Protection Act

Though many of these statutes relate to almost all of our performance objectives, we have noted below the primary links between statutes and objectives.

Goal 1

Objective No.	Goal	Primary Statutes
1	Ensure safe OCS mineral development.	C E F J Q R S T
2	Ensure environmentally sound OCS mineral development.	C E F J Q R S T
3	Ensure that the public receives fair value for OCS mineral development.	C D
4	Provide for mineral development on the OCS.	C

Goal 2

Objective No.	Goal	Primary Statutes
5	Improve the timeliness and accuracy of payments to States, Indian tribes, BIA offices, and other Federal agencies.	H I
6	Improve the cost effectiveness of mineral royalty collection and disbursement services.	O P
7	Improve reporters' compliance with lease terms, rules, regulations, and laws.	A B C G H I L M N
8	Provide Indian tribes with increased opportunities for education and for assuming functional responsibilities with respect to RMP.	K
9	Improve customer service and communication.	-----

*Appendix B***CONSULTATION PROCESS**

PARTY CONSULTED	DATE	NATURE OF CONSULTATION
OMB	May 1996	Consultation on 1996 strategic plan
MMS employees	June 1996 - Present	Strategic plan was distributed to all MMS employees. Comments were requested and questionnaire included in strategic plan.
Key Congressional Committee staff	1996	Briefings on status of strategic planning in MMS.
OCS Policy Committee	May 1996	Plan distributed and discussed during committee meeting.
Key constituency and customer organizations (e.g. Energy Council, Interstate Oil & Gas Compact Commission, National Ocean Industries Association.)	Fall - Winter 1996	Plan distributed and comments solicited on MMS' strategic plan.
DOI Strategic Planning Steering Committee	1996 - Present	Consultations, briefings, and discussions on GPRA implementation for both DOI and individual bureaus.
MMS Performance Measures Team, Royalty Management Performance Measures Team, Offshore Performance Measures Team	1996 - Present	Team members represent all parts of MMS and are trained in GPRA. Teams worked with employees, managers, and supervisors to develop performance goals and measurement indicators.

PARTY CONSULTED	DATE	NATURE OF CONSULTATION
Other DOI offices (e.g., Policy, Planning, Finance)	Winter 1996	Consultation on development of goals and measures.
OMB	January 1997 & April 1997	Detailed briefing and discussion of GPRA required performance elements added to strategic plan.
Key Congressional Committee Staff (e.g., House & Senate Appropriations Committees, Subcommittee on Interior; House Resources Committee, Subcommittee on Energy & Minerals; House Government Reform Committee)	February - March 1997	Consultation on development of GPRA plan.
Assistant Secretary for Land & Minerals Management	April 1997	Detailed briefing
House Results Act Task Force	May 9, 1997	Consultation
OMB	May 20, 1997	Consultation on specific performance goals and measures.