

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

May 27, 2020

The Honorable Russell T. Vought  
Acting Director  
Office of Management and Budget  
725 17<sup>th</sup> St. NW  
Washington, DC 20503

Dear Acting Director Vought:

On May 20, the Office of Natural Resources Revenue (ONRR) at the Department of the Interior (DOI) sent a potential final rule titled “*ONRR Reporting and Royalty Payment Delay Related to Coronavirus Disease 2019 (COVID-19)*” to the Office of Information and Regulatory Affairs.<sup>1</sup> Although ONRR has refused to provide any information about the rule to House Natural Resources Committee majority staff, news reports indicate the rule is expected to provide companies a three-month delay in paying required royalties for producing oil and gas on public lands.<sup>2</sup> This is money to which the American people are legally entitled, and delaying these payments is not in the public interest.

Finalizing this rule as described would financially benefit oil and gas companies at public expense and create a ridiculous double standard for economic relief. While the administration is doing little to support clean energy companies struggling through the pandemic, DOI is already approving dozens, if not hundreds, of requests by oil and gas companies to reduce the royalty rates they must pay. The exact number is unknown since the Bureau of Land Management (BLM) is refusing to release information on this topic to the Committee, and the BLM’s online public database is not being updated in a timely manner.<sup>3</sup> It is not clear that these royalty cuts are necessary, and I have asked the Government Accountability Office to investigate whether or not BLM is properly reviewing applications.

There is no need to provide an additional benefit to oil and gas companies by giving them three additional months to pay their royalties. It is not clear why the coronavirus pandemic would make it difficult to pay royalties. Royalty payments are made electronically, and coronavirus does not make it more difficult to comply with current payment standards. ONRR’s silence makes it impossible to understand the administration’s position on this issue.

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<sup>1</sup> <https://www.reginfo.gov/public/do/eoReviewSearch>

<sup>2</sup> C. Knight, *US seeks 3-month royalty payment delay: Update*, Argus Media, May 22, 2020.

<sup>3</sup> <https://reports.blm.gov/reports.cfm?application=LR2000>, last accessed 1:43pm on May 26, 2020, showing no applications received after April 30, 2020, and no approvals after May 5, 2020.

Companies experiencing cash flow problems would certainly benefit from a lengthy delay in making royalty payments, but the financial issues facing fossil fuel companies are endemic to the industry and largely not due to the current pandemic. It is unclear why the public should accept the industry's demands for special treatment at face value, or why this administration thinks now is a reasonable time to institute a blanket delay in payments. Federal agencies shouldn't rewrite rules to bail out oil and gas companies in this way, especially since royalty payment delays would hurt states at a critical moment when their own budgets are facing a crisis due to the pandemic.

This proposal flies in the face of this administration's callous refusal to extend all but a tiny handful of public comment periods that ended during the coronavirus pandemic. People struggling to cope during this crisis – whether they have a friend or family member among the approximately 100,000 Americans who have died as a result of COVID-19, or are among the 38 million newly unemployed, or are lucky enough to be healthy and employed but have seen their lives and routines upended through the closure of schools, daycares, and other childcare options – deserve additional time to review and comment on federal decisions that are going to impact their lives. Pushing through special interest-driven rule changes now, when Americans are least able to review and comment, is irresponsible and intentionally dismissive of the public interest.

As I have previously written to you, the Office of Management and Budget should direct agencies to extend comment periods and postpone and reschedule public hearings and meetings until the end of the declared national emergency. Failing that, you should at least reject the proposed rule granting fossil fuel companies an unwarranted delay in paying royalties. Such blatant favoritism would be beyond the pale, even for this administration.

Sincerely,



Raúl M. Grijalva

Chair

House Natural Resources Committee