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**Mark Rubin**  
Upstream General Manager

April 30, 1999

**Via mail and facsimile**

Department of the Interior  
Minerals Management Service  
Mail Stop 4024  
381 Elden Street  
Herndon, VA 20170-4817

Attention: Rules Processing Team

**Re: Petroleum Industry response to MMS Call for comments on proposed rule to amend regulations to require a specific payment method for 1/5 of the bonus payment due when MMS holds a sale to lease Federal offshore Outer Continental Shelf (OCS) lands. 64 FR 15320 (March 31, 1999)**

Dear Sir or Madam:

The American Petroleum Institute (API) welcomes this opportunity to submit written comments concerning the MMS proposed rule change, 64 Fed. Reg. 15320 (March 31, 1999). API represents more than 400 companies engaged in all aspects of the oil and natural gas industry. These companies perform exploration and production activities in federal waters, and have an interest in the proposed amendment.

MMS proposes to revise its regulations to allow the agency the option to require a specific payment method for submitting the 1/5 bonus deposit due with each high bid submitted at Federal Outer Continental Shelf (OCS) lease sales. The agency seeks this revision to allow it to require bidders to use automated payment methods such as electronic funds transfers (EFT) when electronic methods are appropriate for a particular offshore lease sale.

Many of our member companies are already taking advantage of the MMS option to use EFT to submit their 1/5-bonus deposits. The EFT payment method is required by MMS for all bidders to pay the remaining balance of any bonus payments and first-year rentals due on leases that are awarded. Industry is familiar with the EFT process and supports the use of EFT.

However, because not all our companies may find such a method of payment convenient or always possible, we believe EFT should remain *an option* for all such payments. In addition, our support is contingent on the assurance that the confidentiality of all bids will be maintained and the inclusion of adequate safeguards to cover bank holidays and unanticipated and impossible-to-control events. We also believe the general guidelines for EFT payments should be codified in the regulations rather than published in each notice of sale.

API appreciates the opportunity to comment on the MMS notice of proposed amendment. If you have any questions, please contact Linda Bauch of API's Regulatory Affairs Department, 202-682-8170.

Sincerely,

A handwritten signature in black ink, appearing to be "M. Rubin / V. L. ...". The signature is written in a cursive style and is positioned below the word "Sincerely,".