

**Congressman Chris Stewart (UT-02) introduces H.J.Res 55, a bill to roll back ONRR's
Amendments to Civil Penalty Regulations Utilizing the Congressional Review Act**

Endorsements: American Indian Infrastructure Association; Americans for Limited Government; American Petroleum Institute; Arizona Cattlemen's Association; Arizona Liberty; Arizona Mining Association; Arizona Pork Council; AZ BASS Nation; Bass Federation-AZ; Concerned Citizens for America –Arizona Chapter; New Mexico Cattle Growers' Association; New Mexico Federal Lands Council; New Mexico Wool Growers, Inc.; Sulphur Springs Valley Electric Cooperative; US Oil & Gas Association; Water Resource Institute; Western Energy Alliance; Yavapai Cattle Growers' Association; Yavapai County Board of Supervisors; Arizona State Representative David Cook.

Dear Colleague:

In yet another effort to harm the U.S. energy industry, the Department of Interior's Office of Natural Resources Revenue (ONRR) crafted a rule last year to punish oil and gas companies with major fines and possibly criminal liability for minor record-keeping and reporting errors. The rule, titled *Amendments to Civil Penalty Regulations*, lowered the bar to assess significant penalties to lessees on federal lands and on the Outer Continental Shelf, and on Indian Leases. This rule is of particular concern for small companies that lack the extensive staff and legal resources necessary to comply with the complex royalty reporting requirements.

On August 1, 2016 the Obama administration expanded the keep- it-in- the-ground campaign by adding another road block to the development of natural resources on Federal land. Through the rule, ONRR gave itself the authority to claim malfeasance despite companies' diligent attempts to comply with all reporting laws, policies and guidance. By changing the longstanding definition of "[knowing and willful](#)" to require no "proof of specific intent to defraud," honest record keeping mistakes are now subjected to fines of [\\$25,000 per error, per day](#) and company officials are subjected to criminal liability.

This change flies in the face of Congress's intent with the passage of the Federal Oil and Gas Royalty Management Act ([FOGRMA](#)) that this provision be used only for intentional misrepresentation or concealment. Self-reported errors are already being subjected to the new maximum fine, driving a wedge between industry and government.

By repealing this rule, honest mistakes will be treated as mistakes and ONRR can return its focus to pursuing legally and factually warranted violations to promote compliance and partnership.

Sincerely,

Chris Stewart
Member of Congress