**Video 1: Introduction to LRAM**

**Slide 1:** Introduction to the Lands & Realty Authorization Module (LRAM)

**Slide 2**:Welcome to NTC’s Knowledge Resource Center (KRC). This training resource consist of a series of videos demonstrating how to enter Right-of-Way, Land Use Permit, and Lease case information into LRAM. My name is Virginia Pherigo. I’m the Business Analyst and a User Rep for LRAM. I’ve been involved in billing and collections for the BLM since 1986 and working with LRAM since it’s deployment in 2005.

**Slide 3**: The BLM has the responsibility to collect fair market value for use of Public Lands administered by the BLM. To meet that responsibility, the BLM has developed LRAM to assist BLM field personnel in accurately billing rent and megawatt (MW) capacity fees

**Slide 4**: The purpose of this video series is to provide users with an overview of the LRAM system and demonstrations of specific LRAM functions that are required to accurately bill for rent, MW capacity fees and cost recovery.

**Slide 5**: In this first video segment, I will explain what LRAM is and why LRAM is important, identify the systems that interface with LRAM, explain how to access LRAM, review the business rules affecting the billing data created in LRAM, and review a couple of the authorities associated with LRAM. With that said, let’s get started and learn what LRAM is and why it is important.

**Slide 6: What is LRAM?**

The Lands and Realty Authorization Module (LRAM) is the BLM’s system of record for billing acreage rent, cost recovery fees, barrel fees and the MW capacity fees for Right of Ways (Linear, Communication Use grants and Renewable Energy grants/leases) and 29XX Leases and Permits. LRAM has two user servers - Production and Train. Production is the “live” system – Train is available for user training either in a classroom setting or for individual use.

**Slide 7: What BLM Systems Interface to LRAM?**

LRAM pulls case information from LR2000 and communication use rent amounts from the Communication Site Rental Calculation system (CSRC). LRAM sends billing data to CBS - CBS sends the corresponding CBS bill number and payment data to LRAM.

**Slide 8: What Can Be Billed in LRAM?**

Acreage rent for Right of Way (ROW) Grants and Leases (includes communication site uses, solar and wind), FLPMA Short Term Authorizations (STA), MLA Temporary Use Permits (TUP) and 29XX Permits, Leases and Easements. We can also bill Cost Recovery Processing and Monitoring Fees for Categories 1-4, Megawatt Capacity Fees and Barrel Fees.

Please note: Processing and Monitoring Fees for Category 5 and Category 6 cannot be billed in LRAM at this time or rent for film permits.

**Slide 9: What is a Customer, Billee, and Billing Association?**

“Customer” in LRAM is the “Holder” in LR2000. The “Billee” is the designated entity that gets billed. A “Billing Association” is a group of authorizations with the same billing address. The “Billing Association” can have “Authorizations” with different billing “Begin” dates and “Billing Periods”.

**Slide 10: How Do I Get Permissions to Use LRAM?**

You must have a BASS account and request permission to the LRAM application using the 1260 form. Access the form at: <https://blmspace.blm.doi.net/oc/intra/dirm/Documents/Form_1260-12_May_2016.pdf>

Complete and submit the form by email to the LRAM User Rep. Users will be given access to Production and Training.

**Slide 11: How Do I Access LRAM?**

To access LRAM, you must use the Internet Explorer (IE) browser.

**Slide 12: What are Business Rules?**

Business rules are a set of guidelines based on the Regulations and policy that further define how BLM bills and collects rent and fees. Many of the business rules are programmed into LRAM.

**Slide 13: What are the Terms for Linear and Renewable Energy Development Authorizations?**

Grants issued under the Federal Lands Policy Management Act (FLPMA) may be issued for **up** to 30-year term plus the initial partial year of issuance with adjustable terms and conditions per 43 CFR §2805.11(b)(2)(iv-v).

*Short Term Authorizations (STA): 3 years or less per 43 CFR § 2805.11(b)(2) (iii).*

Grants issued under the Mineral Leasing Act (MLA) may be issued for a maximum period of 30 years. Note, the first partial year is included as the first year of the billing period per 43 CFR § 2885.11(a).

*Temporary Use Permit (TUP): May not exceed 3 years per 43 CFR § 2885.11 (a)*

Renewable Energy Development grants may be issued for **up** to 30-year term plus the initial partial year of issuance per 43 CFR § 2805.11(b)(2)(iv).

Renewable Energy Development leases are issued for a fixed term of 30-year plus the initial partial year of issuance per 43 CFR § 2805.11(b)(2)(v).

*Grants for Energy Site Testing are issued for 3 years or less per 43 CFR § 2805.11(b)(2)(i)*

*Grants for Project Area Testing are issued for 3 years or less per 43 CFR § 2805.11(b)(2)(ii)*

**Slide 14: What are the Expiration Dates for Grants, Leases and Permits?**

All grants and leases, except those issued for a term of three (3) years or less and those issued in perpetuity, will expire on December 31 of the final year of the grant or lease.

**Slide 15: How are Acres Rounded for Billing?**

Round the acres up to the tenth of an acre for billing purposes. Example: The right-of-way grant or lease acreage is 9.21 acres; rounded up to the nearest tenth of an acre is 9.3 acres.

**Slide 16: How are Megawatts (MW) Rounded for Billing?**

Calculate the MWs up to the hundredth of the MW but round up and bill to the tenth. Example: The number of approved MWs is 38.765; rounded up to the next hundredth is 38.77. To bill, rounded up to the tenth is 38.8 MW.

**Slide 17: What are the Business Rules for specific “Billing Periods”?**

Annual Billing: Renewables (Wind/Solar), Development authorizations, Communication Use Rent, Salt Water Disposal (aka Produced Water) Site Rent/Barrel Fees must be billed annually.

Annual, 10-year Terms or Full Term: Linear Right of Ways (ROW) can be billed annually, 10-year terms or full term based on the rules determined by the “customer type” of either “Individual” or “Other”.

If the “customer type” is “Individual” and the annual rent is $100 or less; bill for a 10-year term or full term of the grant. For “individual” with annual rent over $100, you can bill annually, 10-year terms or full term of the grant.

For “other” when the annual rent is $500 or less, bill 10-year terms or full term of the grant. For “other” when the annual rent is over $500, bill annually, 10-year terms or full term of the grant.

Annual or 3 Year Billing: 29XX Leases and Permits, Short Term Authorizations, Temporary Use Permits, Renewable Energy Site Specific Testing and Project Area Testing Grants can be billed annually or for up to 3 year term.

**Slide 18: What are the Default Billing Periods?**

For “initial” rent billing purposes, the BLM will assume that an applicant prefers the minimum allowable rental payment period (either annual or 10-year) unless the applicant notifies the BLM Authorized Officer of their request to be billed for a greater period before the authorization is offered.

For the “subsequent” rent billing purposes, the BLM will assume that the “Holder” prefers the minimum allowable rental payment period (either annual or 10-year), unless the “Holder” notifies the BLM in writing at least three (3) months prior to the due date (by October 1, if the due date is January 1) of their desire to be billed for a greater period.

**Slide 19: What is the LRAM Billing Window?**

LRAM has a “Billing Window” of 90 calendar days for Accounts Receivable bills. You cannot bill an Accounts Receivable prior to 90 calendar days before the Due Date.

**Slide 20:** **What are the Part-Year Factors Used to Calculate Rent?**

The LRAM and Excel Worksheets use these part-year factors:

12 months 1.0000, 11 months 0.9167, 10 months 0.8333, 9 months 0.7500, 8 months 0.6667, 7 months 0.5833, 6 months 0.5000, 5 months 0.4167, 4 months 0.3333, 3 months 0.2500, 2 months 0.1667, and 1 month 0.0833.

**Slide 21**:  **Is LRAM Used to Calculate and Bill the “Initial” Rent and Monitoring Fee?**

The initial acreage rent and monitoring fee need to be billed by creating a Courtesy Statement (CS) in LRAM.

***What is a Courtesy Statement (CS)?*** A request for payment. Bills requesting payment for monitoring fees and the initial rent are “courtesy” statements because the applicant is not obligated to pay unless the terms/conditions of the offer are accepted.   However, payment must be received before the grant, lease or permit is issued.

**Slide 22:** **Is LRAM Used to Calculate and Bill “Subsequent ” Rent?**

LRAM is BLM’s system of record for billing subsequent rent and must be billed as Account Receivables.

***What is an Accounts Receivable (AR) Bill?***  Subsequent bills for existing right-of-way and 2900 authorizations are “accounts receivable” bills because the holder is obligated to pay as a term/condition of the lease or grant. MW Capacity Fees and barrel fees are always billed as ARs.

**Slide 23: What is the “Billing Period” for a New Lease or Grant that Qualifies for an Annual Billing and is Expected to be Issued “On” or “After” January 1 Through September 30?**

Use LRAM to create the Courtesy Statement for calculating the initial acreage rent. The expected date of issuance is the “Begin” date and December 31 is the “End” date in the LRAM “Billing Schedule” of the same calendar year so the initial acreage rent bill will be for the partial year.

LRAM multiplies the acreage rent for the appropriate county zone by the number of acres in the right-of-way area that fall in each zone and multiplies the result by the appropriate part year factor.

**Slide 24: What is the “Billing Period” for a New Lease or Grant that Qualifies for an Annual Billing and is Expected to be Issued “On” or “After” October 1 Through December 31?**

Use LRAM to create a Courtesy Statement for calculating the initial acreage rent. Since the new grant is expected to be issued in the fourth quarter, it is inefficient to only bill for a maximum of two (2) months so bill for the partial year and the next entire year. The expected date of issuance is the “Begin” date in the LRAM “Billing Schedule” and December 31 of the subsequent year is the “End” date so the initial acreage rent bill will include the first partial year plus the next full year.

**Slide 25: What Billing Address is Printed on the bill?**

If the Customer in LRAM shows the “Int Rel” in LR2000 as “Holder/Billee”, then this address prints on the bill.

If the “Int Rel“ in LR2000 shows “ Billee” then this is the address that prints on the bill.

If the authorization is attached to a Billing Association, then the Billing Association billee address prints on the bill.

*Now that we have reviewed the business rules, let us now go over some authorities associated with billing.*

**Slide 26: Where Do the Authorities Come From?**

Every BLM Action is derived from a legal source and is based on written law by Congress, subsequent Court Interpretations and Agency Regulations and Policy.

**Slide 27: The Administrative Procedures Act (APA). 5 U.S.C. § 558, Imposition of sanctions; determination of applications for licenses; suspension, revocation, and expiration of licenses.**

The APA gives the authority to bill past the expiration

(c) When application is made for a license required by law, the agency, with due regard for the rights and privileges of all the interested parties or adversely affected persons and within a reasonable time, shall set and complete proceedings required to be conducted in accordance with sections [556](http://biotech.law.lsu.edu/Courses/study_aids/adlaw/556.htm) and [557](http://biotech.law.lsu.edu/Courses/study_aids/adlaw/557.htm) of this title or other proceedings required by law and shall make its decision. Except in cases of willfulness or those in which public health, interest, or safety requires otherwise, the withdrawal, suspension, revocation, or annulment of a license is lawful only if, before the institution of agency proceedings therefor, the licensee has been given -

(1) Notice by the agency in writing of the facts or conduct which may warrant the action; and

(2) Opportunity to demonstrate or achieve compliance with all lawful requirements. When the licensee has made timely and sufficient application for a renewal or a new license in accordance with agency rules, a license with reference to an activity of a continuing nature does not expire until the application has been finally determined by the agency.

**Slide 28: Retroactive Billing 2806.13e.**

(e) Subject to applicable laws and regulations, we will retroactively bill for uncollected or under-collected rent, fees, and late payments, if: (1) A clerical error is identified; (2) An adjustment to rental schedules is not applied; or (3) An omission or error in complying with the terms and conditions of the authorized right-of-way is identified.

**Slide 29**: Conclusion. If you will remember, the purpose of this first video was to provide you with an overview of the LRAM system.

**Slide 30: Summary.**

Specifically, you were first provided information on what is LRAM. Remember, the Lands and Realty Authorization Module (LRAM) is the BLM’s system of record for billing acreage rent, cost recovery fees, the barrel fees and the MW capacity fees for Right of Ways (Linear, Communication Use grants and Renewable Energy grants/leases) and 2920 Leases and Permits. Next, you learned how to access it and that you must have a BASS account and request permission to use LRAM. Then, you were introduced to the business rules that are associated with the billing data and if you will recall, these business rules provide everyone with guidance when engaged in billing and collection efforts. Finally, you learned about some of the authorities associated with billing. Now that you have a solid foundation on the purpose and importance of LRAM, I’ll show you how to create an “Authorization” record in LRAM.