

FOR RELEASE: February 7, 1994 CONTACT: John Barclay
(202) 208-3983

MINERALS MANAGEMENT SERVICE SEEKS \$201.2 MILLION
IN BUDGET FOR FISCAL YEAR 1995(#40009)

The Department of the Interior's Minerals Management Service (MMS) will seek \$201.2 million for Fiscal Year (FY) 1995 to manage America's natural gas and oil resources on the Outer Continental Shelf (OCS) and to ensure that all mineral revenues owed from Federal and Indian lands are properly collected and disbursed, DOI officials announced today.

The funding will help fulfill MMS's mission of collecting and disbursing mineral revenues, as well as administering natural gas and oil exploration, production and development in offshore Federal waters in an environmentally sound and safe manner.

"The Offshore Oil and Gas program can help meet the Clinton Administration's goals of job creation, domestic investment and increased use of natural gas," said MMS Director Tom Fry. "This level of funding will also improve the Royalty Management Program's ability to collect mineral revenues and distribute royalties to tribes, states, and individual allottees accurately and promptly."

MMS is one of the Federal Government's largest non-tax revenue producing agencies. In FY 1995, MMS will collect and disburse an estimated \$5 billion in Federal revenues, including \$3.9 billion from OCS escrow, bonuses, rents and royalties; and \$1.1 billion from onshore mineral leasing.

-MMS-

NOTE: A fact sheet detailing the proposed FY 1995 budget for MMS is attached.

FOR RELEASE: February 7, 1994 CONTACT: John Barclay
(202) 208-3983

MINERALS MANAGEMENT SERVICE
PROPOSED FISCAL YEAR 1995 BUDGET

The Minerals Management Service (MMS) Fiscal Year (FY) 1995 budget request of \$201.2 million shows an overall increase of \$2.72 million from the FY 1994 budget enacted by Congress. The proposed

budget will be funded through the Royalty and Offshore Minerals Management (ROMM) Appropriation and the Oil Spill Research Appropriation.

The ROMM account request is \$194.8 million, an increase of \$1.6 million compared to the 1994 enacted budget level.

In addition to the ROMM account increase, the Outer Continental Shelf Technical Information Management System (TIMS) will have increased funding of \$2.4 million to be made available from increases in existing OCS fees and receipts or from any new OSC fees or receipts.

The proposed FY 1995 MMS budget reflects the Bureau's continued emphasis on improved royalty management services, environmentally responsible development of the OCS, and oil spill remediation research.

ROYALTY AND OFFSHORE MINERALS MANAGEMENT APPROPRIATION Outer Continental Shelf Lands Program

The Outer Continental Shelf (OCS) Lands Program is requesting \$90.8 million, a net \$2.3 million decrease over the FY 1994 enacted level.

MMS will continue to place a top priority on the safe and environmentally sound development of OCS resources, funding the environmental studies which support existing OCS activities, and resource and reserve analyses necessary for fair market determination.

The Environmental Studies budget will increase by \$3.3 million to enable full funding of the Coastal Marine Institutes and University Initiative.

Consistent with a more focused 5-Year Comprehensive Natural Gas and Oil Leasing program and a decreased level of industry activity, and in support of Executive Order 12839, MMS internal reviews, Departmental review, and the National Performance Review, the Offshore Lands Program will significantly reduce Alaskan and Headquarters activities. As a result, the requested increases will be offset by a reduction in FY 1995 of \$5.6 million. A total decrease of 69 FTE will result from the efforts to make the Offshore program more streamlined and efficient, for a total net decrease of \$2.3 million for the offshore program.

Royalty Management Program

The Royalty Management Program is requesting \$69.9 million, an increase of \$4.14 million over the FY 1994 enacted level.

MMS will continue to emphasize accurate and timely processing and auditing of mineral revenues on the behalf of Indian Tribes and allottees, States and the Treasury.

A proposed increase of \$2.0 million dollars and 25 FTE will fund the initial start up required to collect hardrock royalties. The increase will allow for data gathering and database setup, systems development, and writing regulations.

The MMS is vigorously pursuing the completion of contract settlement audits. An increase of \$2.9 million and 23 FTE will provide for the accurate and timely collection of revenue due from these settlements. This increase will provide for additional auditors and timely regulatory interpretations of product value, and will assist in investigation and evaluation of settlement documentation, policy and procedural interpretations, and conducting settlement negotiations.

MMS is also requesting an increase of \$743,000 and 11 FTE to fund additional staff to perform increased exception processing and ongoing audits estimated to generate \$5.5 million in additional revenues per year.

General Administration

General Administration is requesting \$34.1 million, a decrease of \$246,000 and 55 FTE from the FY 1994 enacted level. A portion of this reduction is to respond to a decreased demand for services from the Offshore program. The remaining portion is to support the Department in its effort to consolidate all Personnel and Equal Employment Opportunity services to enhance operational efficiencies.

Oil Spill Research Appropriation

Oil Spill Research is requesting \$6.5 million, an increase of \$1.1 million from the FY 1994 enacted amount, to extend MMS inspection responsibility to state waters, provide review of oil spill and prevention plans of operators in state waters, and ensure financial responsibility of all operators and collect civil

penalties.

Mineral Revenue Payments to States

In FY 1995, payments are estimated to be \$514.6 million, a decrease of \$16.0 million from the FY 1994 estimate of \$530.6 million. The decrease is based on payout of a large coal valuation case in 1994 and the decline in oil royalties in 1995 which offset increases in gas and coal royalties.

-MMS-

Subject: PR-02/07/94 FY95 Budget/MMS Seeks \$201.2M for FY1995(#40009)