

FOR RELEASE: February 6, 1995                      CONTACT: Lee Scurry  
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MMS SEEKS \$201.2 MILLION  
FOR FISCAL YEAR 1996 BUDGET

The U.S. Department of the Interior's Minerals Management Service (MMS) will seek \$201.2 million for Fiscal Year (FY) 1996 to manage America's natural gas, oil and mineral 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, Interior officials announced today.

"MMS has made significant progress toward reaching our goal of being an efficient and cost-effective bureau that is customer-driven," said MMS Acting Director Cynthia Quarterman. "On average, MMS collects about \$20 for every dollar appropriated. Moreover, this budget reflects our commitment to continue quality science work, to provide better access to royalty data for all users, and to involve states, local communities, tribes, the minerals industry, and all other stakeholders in MMS decisionmaking."

In FY 1994 MMS collected and disbursed \$4.3 billion in mineral revenues -- \$3.1 billion came from offshore federal leases, \$1.2 billion from onshore federal leases, and \$39 million from Indian leases. Of that, \$2 billion was distributed to the U.S. Treasury's General Fund and the remaining was disbursed among states, tribes and allottees, the Land and Water Conservation Fund, the Historic Preservation Fund, the Reclamation Fund, and other agencies.

Quarterman said the 1996 budget will provide for initiatives such as:

- cooperative agreements with states and universities to conduct environmental studies,
- assessments of sand and gravel resources for beach restoration and erosion control,
- a cooperative audit program for states and Tribes,
- increased involvement of states and local communities in the OCS decisionmaking process,
- Automated Data Processing improvements which will allow for easier access to royalty data for MMS, states and tribal users, and
- training and other assistance to encourage Indian Tribes in achieving self-determination and self-governance capabilities regarding their royalty resources.

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.

MMS stresses responsible development of the nation's

offshore energy resources, focusing on natural gas. Natural gas from the federal OCS represents about 25 percent of U.S. production and 32 percent of total MMS revenue receipts.

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

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NOTE TO EDITORS: A detailed fact sheet follows.

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## MMS PROPOSED FISCAL YEAR 1996 BUDGET FACT SHEET

The Minerals Management Service (MMS) Fiscal Year (FY) 1996 budget request of \$201.2 million shows an overall increase of \$6.1 million from the FY 1995 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 \$193.3 million, an increase of \$4.6 million compared to the 1995 enacted budget level.

The proposed FY 1996 MMS budget reflects the Bureau's continued emphasis on improved royalty management services, environmentally responsible development of the Outer Continental Shelf (OCS), and oil spill remediation research.

### ROYALTY AND OFFSHORE MINERALS MANAGEMENT APPROPRIATION

#### OCS Lands Program

The Outer Continental Shelf (OCS) Lands Program is requesting \$88.1 million, a net increase of less than \$1 million over the FY 1995 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 \$1.5 million to enable full funding of the Coastal Marine Institutes and University Initiative. Full funding will ensure, to the maximum extent possible, that decisions are rooted in a strong scientific framework. A \$100,000 increase for Leasing and Environmental Assessment will support cooperative work between the US and Mexican scientists to exchange information on coastal and marine environmental issues.

An increase of \$600,000 for the Resource Evaluation Program will enable MMS to meet the requirements of recently enacted Intermodal Surface Transportation Efficiency Act and amendment to section 8(k) of the OCS Lands Act. These Acts make OCS sand and gravel a very realistic source of material for beach restoration and erosion control projects.

An increase of \$500,000 for the OCS Regulatory Program will provide for an Alternative Dispute Resolution (ADR) forum to collaborate with customer groups on a wide variety of issues. An increase of \$267,000 will allow for the establishment of improved

air quality monitoring, inspection and permitting practices.

A decrease of \$3.6 million from the OCS Information Management Program is based on proposed appropriation authority to retain a greater proportion of offsetting collections to fund the ADP modernization effort, the Technical Information Management Systems (TIMS).

#### Royalty Management Program

The Royalty Management Program (RMP) is requesting \$71.5 million, an increase of \$3.5 million over the FY 1995 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 U.S. Treasury. Because RMP has ongoing strategic planning efforts to continuously expand and improve the collection of mineral revenues, it was chosen to be included in many National Performance Review activities.

A proposed increase of \$1.3 million dollars will support significant Automated Data Processing (ADP) improvements that will benefit federal, state and Indian royalty data users. A \$100,000 increase will provide for greater customer input as MMS strives to simplify and reinvent the royalty process.

An increase of \$440,000 will allow MMS to work with interested Tribes to develop techniques to assist them in managing their own royalty resources as authorized by the Indian Self Determination Act. An increase of \$500,000 will provide greater funding for the State and Tribal Audit Program.

#### General Administration

General Administration is requesting \$33.7 million, an increase of \$400,000 from the FY 1995 enacted level. The increase consists of various ADP system enhancements which will facilitate streamlining efforts in FY 1996 and beyond.

#### OIL SPILL RESEARCH APPROPRIATION

Oil Spill Research is requesting \$7.9 million, an increase of \$1.4 million from the FY 1995 enacted amount. An increase of \$1.1 million will fund cooperative agreements with states for the development and implementation of OPA-90 inspections and enforcement programs in coastal state waters. An increase of \$300,000 will fund a study of how the regulation of operations varies between state and federal waters and to assess the efficiencies and environmental risks of each. At the completion of this review, the results will be presented to and discussed with state officials and operators so that improvements may be initiated.

## Mineral Revenue Payments to States

In FY 1996, payments are estimated to be \$562.5 million, an increase of \$12.4 million from the FY 1995 estimate. The increase is based on higher gas royalties and coal bonuses.

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