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NEWS RELEASE

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\$65 MILLION GOES TO SIX COASTAL STATES IN FINAL 8(G) SETTLEMENT PAYMENT

Recently, the Minerals Management Service disbursed \$65 million to Alabama, Alaska, California, Louisiana, Mississippi and Texas as the final annual payment from settlement legislation that began 15 years ago. The payments were based on rents, royalties and bonuses from certain federal outer continental shelf oil and gas leases.

In 1986, Congress amended section 8(g) of the Outer Continental Shelf Lands Act. Those amendments required the federal government to share with affected coastal states 27 percent of future revenues generated from leasing and developing oil and natural gas resources in the federal "8(g)" zone. 8(g) was the enabling paragraph of the legislation. This zone includes any whole or partial lease within three nautical miles of the seaward boundary of any coastal state.

The amendments also mandated that a one-time payment of about \$1.5 billion be paid to the affected coastal states from funds held in escrow. Additionally, specified payments were to be made annually to these same coastal states in installments over 15 years beginning in FY 1987.

Including the 2001 payment, these states have received a combined total of \$650 million, paid incrementally over a 15-year period. In this last payment, the states received the following amounts.

	2001 Payment	Total 15-year payment
California	\$28.9 million	\$ 289 million
Alaska	13.4 million	\$134 million
Texas	13.4 million	\$134 million
Louisiana	8.4 million	\$ 84 million
Alabama	.7 million	\$ 7 million
<u>Mississippi</u>	<u>.2 million</u>	<u>\$ 2 million</u>
Total	<i>\$65 million</i>	<i>\$650 million</i>

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and [disburses mineral revenues](#) from federal and Indian leases. These disbursements totaled nearly \$8 billion last year and more than \$110 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land

and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

This press release and in-depth information about MMS programs may be found on the [MMS home page](#). To receive the latest MMS news releases automatically by email, send a request to [Monica Contee](#).

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