



**U.S. Department of the Interior
Minerals Management Service
Office of Public Affairs**

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PRESIDENT REQUESTS \$281 MILLION FOR FY 2003 MMS BUDGET

President Bush is requesting \$281 million for the Minerals Management Service in fiscal year 2003. The budget requests funding that will allow MMS to carry out the President's plan to expand domestic energy supplies, and ensure the public receives fair market value for mineral resources that are extracted from public lands.

"As MMS' twentieth anniversary year begins, the bureau is honored to look back on two decades of significant contributions to U.S. energy security," said MMS Acting Director Lucy Querques Denett. "We are expanding our contributions to help fill the nation's Strategic Petroleum Reserve, awarding additional leases in the Outer Continental Shelf, and working on our five-year plan which will take us through 2007.

"Through these key programs and more, MMS pledges to advance Secretary Norton's four C's – Communication, Consultation, and Cooperation – all in the name of Conservation."

The OCS has and will continue to play a significant role in our nation's energy picture. In 2001, the OCS oil and natural gas production accounted for roughly 25 percent of the nation's domestic energy production. Oil production was nearly 600 million barrels and natural gas production was about 5 trillion cubic feet. The amount of oil produced in 2001 was the most ever on the OCS.

The FY 2003 request includes \$10.4 million to reflect a government-wide legislative proposal to shift to agencies the full cost of the Federal government's pension system and health benefits program for current employees. Without the legislative proposal, the request is \$270.6 million. (Funding totals below exclude the legislative proposal.)

The FY 2003 request is \$11.1 million above the FY 2002 enacted level. It includes \$170.3 million in current appropriations, an increase of \$13.6 million; and \$100.2 million in offsetting collections from OCS rents, a decrease of \$2.5 million. Direct appropriations include \$164.2 million for royalty and offshore minerals management activities and \$6.1 million for oil spill research activities. In addition, the proposed FY 2003 budget includes \$674.3 million in permanent appropriations to provide states their statutory share of mineral leasing revenues generated on federal lands. The 2003 proposal provides significantly increased resources for energy programs.

In 2003, MMS will carry out the Secretary's management strategy of implementing the President's five government-wide initiatives for strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration.

The FY '03 budget will also allow the MMS to fund priority projects including:

- developing an electronic government system to deliver web-based paperless transactions, better manage data, reduce

future costs, and deliver information and services in near real-time;

- meeting increased demand for MMS services in the Gulf of Mexico OCS to ensure safety and environmental protection; and
- supporting continued royalty-in-kind pilot projects.

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. The disbursements totaled nearly \$9.8 billion last fiscal year and more than \$120.2 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.

*** * * MMS: 20 Years of Service to America* * ***

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