

MMS SEEKS \$206.9 MILLION IN BUDGET FOR FISCAL YEAR 1994(#30018)

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MINERALS MANAGEMENT SERVICE SEEKS \$206.9 MILLION
IN BUDGET FOR FISCAL YEAR 1994 (#30018)

The Department of the Interior's Minerals Management Service (MMS) will seek \$206.9 million for Fiscal Year (FY) 1994 to invest in American energy industry jobs 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. A current moratorium on new leasing in some offshore areas will be continued for one year while the Administration reviews its approach to the program. Under MMS's current Five-Year Plan, no activity is planned for the moratorium areas during 1994.

"The Offshore Oil and Gas program can help meet the Clinton Administration's goals of job creation, domestic investment and new supplies of natural gas," said Interior Secretary Bruce Babbitt. "These funding levels will also improve the Royalty Management Program's ability to process, on an accurate and timely basis, mineral revenues and services for Indian tribes, states, and individual allottees."

MMS is one of the Federal Government's largest non-tax revenue producing agencies. In FY 1994, MMS will collect and disburse an estimated \$4.7 billion in Federal revenues, including \$3.6 billion from Outer Continental Shelf (OCS) escrow, bonuses, rents and royalties; and \$1.1 billion from onshore mineral leasing.

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NOTE: A fact sheet detailing the proposed FY 1994 budget for MMS is attached.

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MINERALS MANAGEMENT SERVICE PROPOSED FISCAL YEAR 1994 BUDGET

The Minerals Management Service (MMS) Fiscal Year (FY) 1994 budget request of \$206.9 million shows an overall increase of \$5.05 million from the FY 1993 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 \$201.6 million, an increase of \$5.05 million compared to the 1993 enacted budget level.

The budget request includes an increase of \$5.0 million to support the acquisition of the Outer Continental Shelf (OCS) Technical Information Management Systems (TIMS) initiative. Up to \$5 million more would be available for TIMS from any increases in current OCS fees and receipts.

The proposed FY 1994 MMS budget reflects the Bureau's continued emphasis on improved royalty management services, environmentally responsible development of the OCS, and oil spill remediation research.

Changes in levels of requested funding for MMS programs are outlined on the following pages. These funding levels reflect a net decrease of \$1.2 million to support uncontrollable and related costs.

The \$1.2 million decrease is a net figure. It includes an increase of \$1.9 million for such items as pay raises, retirement costs, and health benefits. The increase is offset by a \$3.1 million decrease from the attrition of 65 full-time-equivalent (FTE) employees and streamlining operating costs. These reductions reflect MMS support of the Administration's effort to control the deficit and improve productivity in the Federal government.

ROYALTY AND OFFSHORE MINERALS MANAGEMENT APPROPRIATION

The OCS Lands Program is requesting \$101.1 million, a net \$3.7 million increase over the FY 1993 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 operations in the Gulf of Mexico, and resource and reserve analyses necessary for fair market determination.

A proposed \$5 million increase will support a multi-year upgrade and modernization of the automated data processing system, known as the Technical Information System (TIMS). Up to \$5 million more will be available to TIMS from any increase in the existing OCS fees and receipts or from any new fees or receipts.

A decrease of \$1.2 million in the Regulation of Operations Program reflects the adjustment for the one-time Hurricane Andrew supplemental appropriation.

The Royalty Management Program is requesting \$65.8 million, a \$827,000 thousand increase over the FY 1993 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 \$2.1 million dollars and 25 FTE will fund the initial start-up efforts required to collect hardrock royalties. The increase will allow for: data gathering and database setup, systems development, and writing regulations.

To fund new participants in the State and Indian audit agreement program, \$590,000 is proposed for transfer from Operations activities. A further \$510,000 is proposed for transfer from Operations activities to fund an increased emphasis on compliance and Indian service efforts.

General Administration is requesting \$34.7 million, a \$500,000 increase over the FY 1993 enacted level to fund new, more cost-effective, Department-wide payroll and procurement systems.

OIL SPILL RESEARCH APPROPRIATION

Oil Spill Research is requesting \$5.3 million, unchanged from the amount enacted in FY 1993, to continue research related to the mitigation and prevention of oil spills and the determination of the financial responsibility of OCS facilities.

MINERAL REVENUE PAYMENTS TO STATES

In FY 1994, payments are estimated to be \$484.3 million, an increase of \$47.9 million over the FY 1993 estimate of \$436.4 million. The increase is based on an additional \$37.3 million from the resolution of a large coal valuation case with the remainder to come from anticipated oil and gas price increases.

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