



DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

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CLARK ANNOUNCES INTERIOR BUDGET FOR FY 1986

Secretary of the Interior William Clark announced a proposed FY 1986 budget "that reflects austerity measures designed to reduce the Federal deficit while maintaining the integrity of essential programs. We must dramatically reduce the cost of Government if we are to maintain the progress that the Administration has accomplished in the last four years," Clark said.

The \$5.6 billion budget, almost 15 percent (\$966 million) less than the FY 1985 level, enables most major programs to continue to operate at or near their current levels. It proposes a three year moratorium on acquisition of most new recreation lands and reduces new funding for construction of water projects and other facilities.

"Last year, President Reagan outlined a water policy that put into place the final building blocks in an improved program to meet America's current and impending water needs while recognizing Federal budgetary realities. By carefully following President Reagan's water policy, we have been able to reduce Federal spending while still moving forward to meet our Nation's water needs," Secretary Clark said. "Negotiating cost sharing arrangements for each project has proven to be a rational, successful approach to financing project construction. The States have shown their willingness to provide appropriate levels of funding and Congress has approved a number of cost sharing arrangements over the past year.

"Funding for endangered species, national wildlife refuges and fish hatcheries, and cooperative fisheries and wildlife research units would be maintained. Significant savings are made Department-wide through administrative and management initiatives and no visitor facilities in the national parks, wildlife refuges or elsewhere on Interior lands would be closed," Clark said.

"We will continue to emphasize as a high priority program exploration of the Nation's energy and mineral resources. And, at the same time, we will ensure that the development of those resources is conducted in an environmentally sound manner."

The Interior Department is one of the Federal Government's largest producers of revenue. Total receipts are estimated in FY 1986 to be \$10.4 billion, of which \$7.3 billion will come from mineral leasing on the Outer Continental Shelf and \$1.2 billion from mineral leasing onshore.

(more)

MAJOR CHANGES IN 1986

Land Acquisition

The budget proposes a three-year moratorium for the acquisition of new recreation lands. This will save \$148 million in 1986 alone. The only appropriations requested are for \$13 million for deficiencies, hardships, emergencies and other necessary costs. Significant funds have been applied over the past four years (\$517 million) and new expenditures can be deferred without impairing the primary missions of the Department. Overall, the Interior Department now has primary jurisdiction over 500 million acres of Federal lands, including 79 million in the National Park System and 90 million in the National Wildlife Refuge System. Expenditures amounting to \$161 million will be made with funds appropriated in FY 1985. This level will be augmented by unobligated balances from prior years and from Duck Stamp sales receipts. Land acquisition will continue through means other than Federal appropriations (e.g. donations and exchanges for parks, wildlife and other recreation lands). Self-financing mechanisms, such as the Duck Stamp program, will continue to generate revenues for lands acquisition in 1986.

Construction

New funds for construction of Bureau of Reclamation water projects will decrease by \$205 million in FY 1986, but spending from current and prior appropriations, as measured by budget outlays, will remain at 1985 levels. The reclamation program will continue to be carried out under the Administration's policy of cost sharing with project beneficiaries. The reduction in new funding will slow the pace of many construction projects, but no project will be stopped and funds are requested to start construction on 3 new projects, the Buffalo Bill Dam Modification (Wyoming), Headgate Rock Hydroelectric Project (Arizona), and Boulder Canyon Project Improvements (Arizona, Nevada).

Construction in other Interior bureaus is reduced \$114 million from the 1985 current estimate. Most of these reductions occur in the National Park Service (-\$61 million) and the Bureau of Indian Affairs (-\$38 million). Funds are provided for essential rehabilitation and repairs, including correction of dam safety problems and problems in parks, refuges, and on Indian lands.

Bureau of Land Management/Forest Service Interchange

The 1986 budget reflects an Administration initiative to interchange management responsibilities for certain lands between the Department's Bureau of Land Management (BLM) and the Forest Service (FS) of the Department of Agriculture. The change will provide services to the public more efficiently while eliminating overlapping management responsibilities on 30 to 35 million acres of Federal lands in the Western States. As part of this proposal, the Oregon and California (O&C) Grant Lands program will be transferred to the Forest Service starting in 1986. Plans for implementing this exchange of management responsibilities in other parts of the country are being developed, and appropriate legislation will be submitted to the Congress.

Grants and Shared Receipts for State and Local Governments

The budget includes \$1.2 billion for grants and direct payments to States, territories and local governmental units, \$334 million below the current 1985 estimate.

- Funding for the Trust Territory of the Pacific Islands is decreased by \$85 million on the assumption that the Congress will pass the Compact of Free Association for the Republic of the Marshalls and the Federated States of Micronesia.
- No funding is requested for State recreation grants from the Land and Water Conservation Fund, representing a savings of \$72 million.
- Abandoned mine reclamation grants are reduced by \$44 million because recent appropriation levels have significantly exceeded receipts to the Abandoned Mine Reclamation Fund.
- Costs of managing and administering the Federal onshore mineral leasing program will be deducted from revenues to be shared with the States for a savings of \$54 million.
- As part of the BLM/FS interchange initiative, O&C receipts will be shifted to the Department of Agriculture for payment resulting in a \$68 million decrease in Interior's budget.

Reductions in Costs of Administration and Personnel Compensation

A ten percent, or \$44 million, reduction in headquarters and administrative expenditures for most bureaus is proposed. The proposed five percent reduction in Federal pay in January 1986 will generate an additional \$71 million in savings.

Grazing Fees

The 1986 budget projects an increase in grazing fees that are charged to livestock owners who use public lands. For revenue projection purposes only, OMB assumed an \$8 million increase in grazing fee receipts for 1986. The Department expects that revisions to grazing fees will be established by Congress after recommendation by the Secretaries of Agriculture and Interior. Both Departments are now completing a review of grazing fee formulas and should report to Congress in May. In a statement released last week, Secretary Clark noted that the Administration's philosophy is to encourage grazing on multiple use public lands. "We will not give anyone a free ride, of course, but neither will we be party to any fee, program, or policy that unfairly affects the livestock industry or drives our good partners off the historic ranges of America."

Recreation User Fees

The Administration is proposing an initiative to increase recreation user fees with the goal of recovering 25 percent of the Federal costs of providing recreation opportunities to the public. Legislation and appropriation language are being proposed that would repeal existing prohibitions on establishing or increasing recreation fees. These proposals would also allow for the resulting revenues to be retained by the collecting bureau for appropriation in future fiscal years to help defray the costs of operating and maintaining recreational facilities.

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NOTE: More detailed information can be found in the accompanying documents or by calling appropriate Bureau or Department contacts in the attachment.

PRESS CONTACTS FOR FURTHER INFORMATION REGARDING INTERIOR'S FY 1986 BUDGET

(Area codes need not be used from Washington, D.C., unless indicated below)

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