

30. UNDISTRIBUTED OFFSETTING RECEIPTS

Table 30-1. Undistributed Offsetting Receipts
(In millions of dollars)

Function	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Spending:							
Discretionary Budget Authority ...			-200	-200	-200	-200	-200
Mandatory Outlays:							
Existing law	-40,445	-43,061	-45,721	-49,084	-47,303	-46,894	-48,608
Proposed legislation			305	299	302	313	317

Offsetting receipts, totaling \$45.6 billion in 2001, fall into two categories: (1) the Government's receipts from performing business-like activities, such as proceeds from the sale of Outer Continental Shelf leases or a Federal asset; and, (2) the amounts that the Government shifts from one account to another, such as agency payments to retirement funds.

Rents and Royalties on the Outer Continental Shelf (OCS)

The Interior Department's Outer Continental Shelf lands leasing program, which began in 1954, currently generates about 26 percent and 21 percent of U.S. domestic oil and natural gas production, respectively. Since its inception, it has held 129 lease sales, covering areas three to 200 miles offshore and generating over \$128 billion in rents, bonuses, and royalties—mainly for the Treasury Department.

OCS revenues provide most funding for the Land and Water Conservation Fund. The OCS program will generate more than \$3.5 billion in receipts in 2000. In 2001, the Administration will continue the leasing moratoria for environmentally sensitive areas—offshore California, Oregon, and Washington; the Eastern Seaboard; the southwestern coastline of Florida, including the Everglades; and, certain parts of Alaska.

Employee Retirement

In 2001, Federal agencies will pay an estimated \$38.2 billion on behalf of their employees to the Federal retirement funds,¹ the Medicare health insurance trust fund, and the Social Security trust funds. As civilian employee pay rises, agencies must make commensurate increases in their payments to recognize the rising cost of retirement.

Other Undistributed Offsetting Receipts

In 1993, the President and Congress gave the Federal Communications Commission authority to assign spectrum licenses through competitive bidding, which has proven to be an extremely efficient and effective way to allocate this finite public resource. The budget reflects the continued policy of assigning licenses by auction, as authorized by the 1997 Balanced Budget Act. The Government will auction spectrum made available from the transition to digital broadcast technology as well as other additional reallocated spectrum—raising an estimated \$14.4 billion over the next eight years, and compensating the public for the use of this valuable resource.

¹ The major programs are the Military Retirement System, the Civil Service Retirement System, and the Federal Employee Retirement System.