

ONE PROPOSED RESCISSION OF
BUDGETARY RESOURCES

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT OF ONE PROPOSED RESCISSION OF BUDGETARY RE-
SOURCE, TOTALING \$5.2 MILLION, PURSUANT TO 2 U.S.C.
683(a)(1)



JULY 27, 1998.—Message and accompanying papers referred to the
Committee on Appropriations and ordered to be printed

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To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one proposed rescission of budgetary resources, totaling \$5.2 million.

The proposed rescission affects programs of the Department of the Interior.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 24, 1998.*

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency: Department of the Interior.

Bureau: Bureau of Land Management.

Account: Mineral leasing and associated payments.

New budget authority: \$5,200,000.

Other budgetary resources: \$0.

Total budget resources: 5,200,000.

Amount proposed for rescission: 5,200,000.

Proposed appropriations language: *The budget authority provided by section 503 of Public Law 105-83 is hereby rescinded.*

Justification: The proposal would rescind \$5,200 thousand for a conveyance to the State of Montana of Federal mineral rights. This amount was canceled under the Line Item Veto Act, which the Supreme Court ruled unconstitutional on June 25, 1998.

In connection with the Crown Butte/New World Mine acquisition (addressed in section 502 of P.L. 105-83), section 503 provides for the uncompensated conveyance to the State of Montana of either \$10 million in Federal mineral rights in Montana or the Federal mineral rights in Otter Creek Tracts 1, 2, and 3 (in Montana).

Section 503 would cause Federal taxpayers to lose their share of royalties from Federally-owned lands, which would normally be split between the State where the Federally-owned lands are located and the U.S. Treasury upon development of Federal mineral rights. The Federal share would be \$5.2 million. The section would set a costly, unnecessary precedent by requiring the Federal Government to "compensate" a State for a purchase or exchange of lands between the Federal Government and a willing seller. This precedent could, therefore, discourage innovative, cost-effective land protection solutions in the future.

This proposed rescission applies to the budget authority under each of the alternative conveyances under sections 503(a)(1) and 503(a)(2).

This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated programmatic effect: As a result of the proposed rescission, net Federal outlays will decrease, as specified below. (Note.—The amount of the effect depends on whether mineral rights would have been conveyed under section 503(a)(1) or under section 503(a)(2). As discussed below, the Administration estimates that mineral rights would more likely have been conveyed under section 503(a)(1).) This will have a commensurate effect on the Federal budget deficit.

Effect on outlays

[By fiscal year, in thousands of dollars]

Outlay changes under rescission of section 503(a)(1):	
1998	- 1,300
1999	- 1,300
2000	- 1,300
2001	- 1,300
2003	
Total	<u>5,200</u>
Outlay changes under rescission of section 503(a)(2):	
1998	
1999	
2000	
2001	
2003	- 1,352
Total	<u>- 1,352</u>

The negotiations requirement in section 503(b), and the legislative history of section 503, make clear that the intent of the section was that the Secretary of the Interior would convey \$10 million in Federal mineral rights in the State of Montana under section 503(a)(1), rather than all Federal mineral rights in Otter Creek Tracts 1, 2, and 3 under section 503(a)(2), and it is most likely that this is what the Secretary would have done.

The discretionary budget authority in both section 503(a)(1) and section 503(a)(2) is proposed to be rescinded, but because the Secretary could not have made both conveyances, and the dollar amount of discretionary budget authority for the intended and most likely conveyance under section 503(a)(1) exceeds the dollar amount of discretionary budget authority for the alternative conveyance under section 503(a)(2) through FY 2003, the dollar amount of discretionary budget authority proposed for rescission above of \$5,200,000 is based upon the most likely conveyance under section 503(a)(1).