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The Interior Department is requesting budget increases for fiscal 1983 to continue construction of essential water projects in the West, upgrade deteriorated facilities at national parks, and improve access to energy and other minerals on multiple-use Federal lands, Secretary of the Interior James Watt said today.

Another significant budget initiative is increased grants to States for surface mining regulation and abandoned mine land restoration, the Secretary said.

· At the same time, Interior is asking Congress for less spending on other ongoing programs in keeping with the overall austerity of President Reagan's FY 1983 budget. Thus, the sums requested for a majority of Interior agencies register a decrease from the funding voted them by Congress for the current fiscal year.

Interior's 1983 budget requests total $6,024,618,000 (excluding activities expected to be transferred from the Departments of Energy and Education under reorganization plans soon to be proposed). This is a net increase of about $293 million over the comparable FY 1982 budget level of $5,731,974,000.

"Some otherwise desirable programs will have to make do with less money until the national economy is on firmer footing," Secretary Watt said. "We have instituted tighter management controls across the board to make the best use of the limited funding available. Of the activities recommended for increases, several promise to increase jobs and prosperity, reduce our energy and mineral dependence on foreign sources, and return more money to the Treasury; others represent better stewardship of federally-owned lands and resources, notably in our national parks; and still others demonstrate our commitment to Interior's responsibilities toward Indian tribes.

"The fact that we are able to request relatively modest increases for FY' 83 reflects the success of our deep budget cutting during FY'81 and '82," the Secretary said. "Still, that certainly does not mean that the cost squeeze is ended. We will keep our commitments to essential activities by exerting constant heavy downward pressure on nonessential costs, continually making reductions wherever possible."

Interior estimates that it will receive about $20.5 billion in receipts in FY 1983. This is almost double the level expected in FY 1982. The increased FY 1983 receipts include $18 billion projected to come from revenues from oil and gas leases on the Outer Continental Shelf.

One potential source of additional revenues is the new Minerals Management Service (MMS), which will seek greatly improved collection of royalties from mineral leases on Federal and Indian lands. The Minerals Management Service has assumed responsibility for supervision of mineral leases from the former Conservation Division of the U.S. Geological Survey, from which it was formed by order of the Secretary on January 19. It is budgeted initially for $128.5 million--including an increase of $6.4 million targeted for improved royalty management systems. (Details may be found under the Geological Survey heading in the Department's detailed budget documents.) MMS will receive priority consideration for

necessary added funding in the months ahead.

Highlights of the new budget requests include:

---$191 million to continue Secretary Watt's national park restoration and improvement program (PRIP) to correct major deficiencies in park facilities and address serious resource preservation problems. Watt initially asked for a $105 million increase in FY 82 over the $87.3 million requested by the previous Administration. If Congress votes the full $191 million for PRIP for FY 83, it will augment the NPS efforts to restore and improve the parks during fiscal 1983.

The fiscal 1983 total proposed for restoration and improvement, including base funding, provides $67 million for small scale maintenance, rehabilitation, and historic preservation projects; $124 million is earmarked for major capital improvements involving 46 projects in 40 parks. These projects include the rehabilitation of water and sewer systems, the reconstruction of unsafe roads and bridges, fire and safety improvements in public facilities, and the preservation of important historic structures.

---$24.6 million in operating increases for park areas to restore programs curtailed over the years due to inflationary pressures on park budgets--programs ranging from routine and special maintenance to law enforcement and including scientific research to improve park resource protection, better evaluation of concessions management, and interpretive activities to enhance park visitors' understanding of park values. New parkland acquisition would be severely limited, however, in line with the Watt policy of emphasizing better stewardship of lands already owned.

---$118 million more than in FY 82 for the construction program of the Bureau of Reclamation in the 17 contiguous Western States for work on 70 projects, including new rehabilitation and betterment work on four projects, and 7 to conduct pre-construction work on two projects. The largest of the works under way include the Central Arizona Project; Bonneville Unit of the Central Utah Project; Central Valley Project, California; Colorado River Basin Salinity Control Projects; Columbia Basin Project, Washington; and McGee Creek Project, Oklahoma. A $17 million increase is proposed for continuation of 10 loan projects; and 13 new investigations would be undertaken emphasizing energy production, municipal and industrial water supplies, and Indian water development; plus 11 new advance planning studies, proposed in a manner intended to shorten considerably the time needed to prepare a project for construction.

---Watt said the President's 1983 budget includes a contingency allowance for initial work on new Bureau of Reclamation construction starts--as yet undesignated--which will meet the Administration's criteria for cost sharing and non-Federal financing, The new starts will be selected from among projects authorized but never funded, after the Administration adopts new guidelines defining cost sharing and related criteria.

---Funds requested for the Office of Surface Mining would change only slightly from FY 82 levels overall, but significant changes would take place in how the money is allocated. Grants to States would rise to $111.9 million, one-third more than in FY 82, as the States achieve primacy for their regulatory and mined land reclamation programs, as provided in the 1977 Surface Mining Act, These increases would be offset by reductions in the funding for direct Federal programs. OSM's total budget for FY 83 is $159.8 million, down slightly from the $160.6 million appropriated for FY 82.

---A $4.2 million increase for the Bureau of Land Management (BLM) to accelerate its Outer Continental Shelf leasing program; plus a $4.1 million increase to help BLM prepare for more onshore oil and gas

leasing; and a nearly $1 million increase for oil shale leasing and steps toward a 1984 tar sand leasing program.

---U.S. Geological Survey is earmarked for a $21.1 million total increase above FY 82, largely for such programs as mineral resource surveys, applied and basic geological research, oil and gas and coal resource information, water resource investigations (principally for acid rain and toxic wastes), and the operation and maintenance of the Barrow, Alaska gas fields. The $21.1 million includes the $6.4 million increase mentioned previously for improved royalty management in the new Minerals Management Service; formerly USGS' Conservation Division.

---National wildlife refuges, national fish hatcheries, and wildlife research facilities would receive a $10.2 million increase for minor rehabilitation and increased cyclical maintenance, Major rehabilitation would be increased by $6 million.

---The appropriation request for Indian Affairs exceeds 1982 funding by $88.6 million, after excluding programs to be transferred from the Department of Education. The request reflects a net increase of $47 million for operations over the FY 1982 level of $802 million. This net increase includes $2.2 million for education; $15.2 million for services such as welfare payments, law enforcement, housing and similar programs and also including $5 million for a new initiative intended to improve the management capability of small tribes; $13.7 million for economic development and employment including $10 million for a new economic development initiative; $9.5 million for natural resources development; $1.3 million for the Federal Government's trust responsibilities; $10 million for facilities maintenance; $11.1 million for general · administration; and a decrease of $16 million for overhead. Another increase is in facility construction (+$12.4 million). Road construction decreases by $3.6 million. Indian trust funds are increased by $32.8 million to a total of $601 million.

---Operating budgets for the U.S. territories and the Trust Territory of the Pacific Islands will be slightly higher than in FY 82, although the total amount requested for Territorial and International Affairs will show a $30 million decline; most of the reductions actually represent non-recurring expenditures for capital improvements such as completion of a hospital in the Virgin Islands, which is receiving $21.5 million in FY 1982, and a number of projects in Guam, American Samoa and the Trust Territory. However, sums are included for FY 83 for territorial development projects including the first phases of a hospital for the Northern Marianas ($4 million) and capitals for the emerging governments of Micronesia ($7.8 million).

---Bureau of Mines Minerals Resources Technology research on strategic and critical materials is increased in FY 1983 by $2.6 million even though the Bureau's overall research program is significantly reduced. Reductions requested from FY 1982 appropriations include:

---National Park Service: Land acquisition, a new request of $59.8 million, providing funds for deficiency awards, emergency acquisitions and overhead costs; Urban Park and Recreation Rehabilitation grants, zero-budgeted for 1983 compared with a $7.7 million appropriation in FY 82; historic preservation grants to States and to National Trust for Historic Preservation, zero-budgeted compared with $25.4 million current level.

---U.S. Geological Survey: Program reductions include earthquake and volcano hazards investigation down by $4.6 million; uranium and thorium energy investigations down by $4.7 million; geothermal investigations down by $1.9 million; oil shale investigations down $1.5 million; and Federal coal drilling down by $3.0 million. ---Office of Water Research and Technology: Down $10.6 million. The programs

are proposed for termination.

---Payments in Lieu of Taxes by BLM to local governments: Down $56.3 million to a new total of $45 million, with legislative changes proposed for later transmittal to Congress. The reduction includes $5.8 million for National Wildlife Refuge lands.

---U.S. Fish and Wildlife Service: $14.9 million less for land acquisition; $4.4 million cut by discontinuing cooperative research units; a reduction of $2.8 million for other research, and animal damage control reduced $1.7 million. Thirty-one fish hatcheries would be transferred to States or closed down for a $3.7 million saving--but none of the 31 would be hatcheries that primarily produce for anadromous or Great Lakes fisheries, or for Federal mitigation or endangered species restoration.

---BLM range management: Down $4.4 million, partly by transferring some maintenance costs to range users. Forest management also would be trimmed by $2.1 million by curtailing activities in marginal timber-growing areas outside the highly productive western Oregon timber lands. Rangeland improvements financed from 50% of grazing fee receipts will drop $2.2 million because grazing fees for 1982 have been reduced pursuant to the statutory formula, largely reflecting recent declines in livestock prices paid to ranchers.

---The FY 1983 budget for the Bureau of Mines is reduced by $25.9 million. Approximately $4.0 million of this decrease is attributable to one-time funding that was in the Bureau's FY 1982 budget for construction of facilities. Another $9.2 million results from the Department's decision to discontinue funding of Mineral Institutes in FY 1983. Funding for the Bureau's mineral information program is reduced by $2.5 million. The remaining budget reductions are achieved through curtailment of Bureau research and development projects. In general, federally funded research and development by the Bureau would be limited to high-risk projects with long-term payoff. The President's Budget for Interior includes some programs proposed to be transferred from the Departments of Energy and Education. The Energy programs are the Strategic Petroleum Reserve, the Naval Petroleum and Oil Shale Reserves, and the five power marketing administrations, with total FY 1983 budget requests of approximately $1.2 billion, an increase of $258 million over the FY 1982 estimated level of $930 million. The Education programs, which are included with the Department's Bureau of Indian Affairs budget request, are the Indian Education Assistance Program and Impact Aid for Indian school construction, with a combined FY 1983 budget request of $52 million, a decrease of $29 million from the estimated FY 1982 President's budget request.

DEPARTMENT OF INTERIOR Budget Authority and Outlays (in thousands of dollars)

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Bureaus/Offices	Budget Authority			Outlays		
	1981 Actual	1982 Estimate	1983 Estimate	1981 Actual	1982 Estimate	1983 Estimate
LAND AND WATER RESOURCES						
Bureau of Land Management	1,035,414	1,139,082	1,256,330	1,031,890	1,118,221	1,230,089
Bureau of Reclamation	795,149	771,213	950,320	773,026	843,123	946,150
Office of Water Research & Technology	27,330	10,636	--	33,082	25,986	4,635
Total, Land & Water Resources	1,857,893	1,920,931	2,206,650	1,837,998	1,987,330	2,180,874

FISH AND WILDLIFE AND PARKS	427,552	419,755	416,103	466,170	409,942	386,323
Fish and Wildlife Service	857,780	753,319	736,278	1,173,155	1,220,510	990,167
National Park Service	1,285,332	1,173,074	1,152,381	1,639,325	1,630,452	1,375,490
Total, Fish and Wildlife and Parks						
ENERGY AND MINERALS	623,059	496,741	517,850	609,501	572,711	519,905
Geological Survey	143,011	151,402	125,476	159,067	153,301	136,100
Bureau of Mines	177,964	160,597	159,822	131,151	136,966	146,348
Office of Surface Mining	944,034	808,740	803,148	899,719	862,978	802,353
Total, Energy and Minerals						
Bureau of Indian Affairs	1,776,501	1,511,408	1,600,035	1,468,6.39	1,364,458	1,424,309
Territorial & International Affairs	238,803	241,749	187,776	310,047	.246,039	223,055
Office of the Solicitor	17,908	17,600	19,071	17,359	17,071	18,498
Office of the Secretary	85,016	58,472	55,557	77,254	59,901	57,422
Subtotal, Department of the Interior	6,205,487	5,731,974	6,024,618	6,250,341	6,168,229	6,083,001
Department of Education Transfer	104,545	80,597	51,957	66,589	96,876	86,433
Department of Energy Transfer	3,726,837	930,088	1,188,090	4,136,196	717,809	1,094,986
TOTAL, DEPARTMENT OF THE INTERIOR	10,036,869	6,742,659	7,264,665	10,453,126	6,982,914	7,264,420

FY 1982 Budget Authority excludes $71 million for proposed FY 1982 fire suppression supplementals and $30 ·million in Contract Authority - Land and Water Conservation Fund. Outlays have been adjusted accordingly.

PRESS CONTACTS FOR FURTHER INFORMATION REGARDING INTERIOR'S FY 1983 BUDGET (Area codes need not be used from Washington, D.C., unless indicated below)

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Bureau of Mines	Bob Swenarton	634-1001	946-3491
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