30. UNDISTRIBUTED OFFSETTING RECEIPTS

Table 30–1. UNDISTRIBUTED OFFSETTING RECEIPTS
(In millions of dollars)

Function 950	1996 Actual	Estimate					
		1997	1998	1999	2000	2001	2002
Spending:							
Mandatory Outlays:							
Existing law	–37,620	–46,487	–52,869	–41,127	–41,610	–43,174	–45,283
Proposed legislation	....	....	–2,721	–2,404	–4,388	–6,877	–22,667

Offsetting receipts, totaling $52.9 billion in 1998, fall into two categories: (1) the Government's receipts from performing business-like activities, such as proceeds from the sale of postage stamps 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, generates 15 percent and 24 percent of U.S. domestic oil and natural gas production, respectively. Since the program began, it has held 120 lease sales, covering areas three to 200 miles offshore and generating over $110 billion in rents, bonuses, and royalties—mainly for the Treasury.

OCS revenues help to reduce the deficit, but they also provide most funding for the Land and Water Conservation Fund and Historic Preservation Fund programs. The OCS program will generate about $4 billion in receipts in 1997. In 1998, the Administration will continue the leasing moratoria for the environmentally sensitive areas—offshore California, Oregon, and Washington; the Eastern Seaboard; the southwestern coastline of Florida, including the Everglades; and certain parts of Alaska.

Asset Sales

The United States Enrichment Corporation (USEC): USEC, which began operations in July 1993, sells enriched uranium globally to utilities as fuel for nuclear power plants. Congress created USEC as a wholly-owned government corporation—the first step in a series of actions designed to lead to privatization. USEC's sale, now planned for 1998, will raise an estimated $1.8 billion.

Elk Hills: The Defense Authorization Act of 1996 requires the sale of Naval Petroleum Reserve 1 in California (commonly known as Elk Hills) by February 10, 1998. As a result, the budget assumes that the Government will receive $2.4 billion in sale proceeds in 1998. The Government is privatizing Elk Hills because the private, rather than public, sector should perform commercial oil and gas operations.

Alaska Power Administration: The Administration plans to focus on completing the sale of the power plants at Anchorage and Juneau to current customers, as authorized under a 1995 law. The sale, which will raise an estimated $85 million for the Federal Government, is scheduled for completion by August 1998.

Employee Retirement

Federal agencies will pay an estimated $35.5 billion on behalf of their employees in 1998 to the Federal retirement funds,[1] the Medicare health insurance trust fund, and the Social Security trust funds. As the Federal Government raises the pay of civilian employees, agencies must make commensurate increases in their payments to recognize the increased cost of retirement.

[1] The major funds are the Military Retirement Funds, the Civil Service Retirement System, and the Federal Employee Retirement System.

Other Undistributed Offsetting Receipts

The President and Congress gave the Federal Communications Commission authority in 1993 to auction spectrum licenses, rather than give them away. These auctions have been extraordinarily successful, raising $23 billion to date and cutting the time to award a license by 90 percent in some cases.