

105th Congress, 2d Session - - - - - House Document 105-180

CANCELLATION OF DOLLAR AMOUNTS OF
DISCRETIONARY BUDGET AUTHORITY

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT CANCELLING THE DOLLAR AMOUNTS OF DISCRETIONARY BUDGET AUTHORITY CONTAINED IN THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998, PURSUANT TO PUB. L. 104-130, SEC. 2(a) (110 STAT. 1201)



JANUARY 27, 1998.—Message and accompanying papers referred to the Committees on Appropriations and the Budget, and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

59-012

WASHINGTON : 1998

THE WHITE HOUSE,
Washington, November 20, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: In accordance with the Line Item Veto Act, I hereby cancel the dollar amounts of discretionary budget authority, as specified in the attached reports, contained in the "Department of the Interior and Related Agencies Appropriations Act, 1998" (H.R. 2107). I have determined that the cancellation of these amounts will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

WILLIAM J. CLINTON.

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of the Interior and Related Agencies Appropriations Act, 1998" (H.R. 2107)

1(A). Dollar Amount of Discretionary Budget Authority: \$1,000 thousand for Franklin County Dam on page 83 of House Report 105-337, dated October 22, 1997.

1(B). Determinations. This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C), (E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: These funds would be used to obtain land survey information necessary for planning the construction for a new dam on Forest Service (USDA) land in Mississippi. The funds are being canceled because (1) they were not requested in the President's FY 1998 Budget and would be used to plan the construction of a recreation dam that has substantial out-year funding costs, which are unlikely to be accommodated within projected USDA funding levels unless higher-priority projects are postponed; and (2) the Forest Service does not traditionally construct dams, for recreational or any other purpose. Construction of this dam is currently estimated to cost about \$12 million.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>						
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003-07	Total
-750	-250	---	---	---	---	-1,000

1(F). Adjustments to Non-Defense Discretionary Spending Limits:

Budget authority: -\$1,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Agriculture

2(A). Bureau: Forest Service

2(A). Governmental Function/Project (Account): Franklin County Dam Recreation Facilities
(Reconstruction and Construction)

2(B). States and Congressional Districts Affected: Mississippi, 2nd and 4th Congressional
Districts

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and
District identified above:** Mississippi: two; 2nd District: one; 4th District: two

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of the Interior and Related Agencies Appropriations Act, 1998"
(H.R. 2107)

1(A). Dollar Amount of Discretionary Budget Authority: \$5,200 thousand with respect to the conveyance to the State of Montana of \$10 million in Federal mineral rights in Montana, under Section 503(a)(1)-(2) of the Act.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation: Facts, Circumstances, and Considerations Relating to or Bearing Upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: In connection with the Crown Butte/New World Mine acquisition (addressed in Section 502 of the Act), 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 Federal 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 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 cancellation applies to the budget authority under each of the alternative conveyances under Section 503(a)(1)-(2).

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal budget authority will not increase, as specified below (the amount of the effect depends on whether mineral rights would have been conveyed under Section 503(a)(1) or Section 503(a)(2); as discussed below, we estimate that mineral rights would more likely have been conveyed under Section 503(a)(1); Section 503 would not require a reduction in spending). This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Budget Authority Changes under Cancellation of Section 503(a)(1) (in thousands of dollars)</u>						
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003-07	Total
-1,300	-1,300	-1,300	-1,300	---	---	-5,200

<u>Budget Authority Changes under Cancellation of Section 503(a)(2) (in thousands of dollars)</u>						
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003-07	Total
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The negotiations requirement in Section 503(b), and the legislative history of Section 503, make clear it was intended that the Secretary 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 canceled, 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), the dollar amount of discretionary budget authority reflected above in 1(A), and the adjustments to discretionary spending limits below in 1(F), are based upon the intended and most likely conveyance under Section 503(a)(1).

1(F). Adjustments to Non-Defense Discretionary Spending Limits:

Budget authority: The estimated budget authority effect (in FY 1998 through FY 2002) is shown above (based on the figures for a conveyance under Section 503(a)(1), as discussed in 1(D)).

Outlays: The estimated outlay effect for each year is the same as the estimated effect of budget authority.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of the Interior

2(A). Bureau: Bureau of Land Management

2(A). Governmental Function/Project (Account): Natural Resources and Environment/Conveyance to State of Montana (net receipts from mineral leasing on Federal lands are deposited, by formula, to Rent and Bonuses From Land Leases for Resource Exploration and Extraction; and Royalties on Natural Resources, not Otherwise Classified (General Fund accounts), and Reclamation Fund. All Other, Royalties on Natural Resources (Reclamation Fund account))

2(B). States and Congressional Districts Affected: Montana, At Large

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Montana: four

