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OCS escrow – $6 billion

1981: Cabinet: held out for
5-7% for states

Clark: 2 months ago, see
pay off states.
Cabinet: need more analysis.
Clark: no, to Pres. Pres
said no.

McClosky
Cunningham
Richardson

Settlement: Clark: 17%
Dist judge: vague analysis
AG for to look at it, but
still any 17% [to Gov White]

Pres release + to 17%
| Kedowri |

offshore leasing

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THE FEDERAL TRIANGLE

5 States Offered Drilling Revenues

Seeking to head off an election-year battle over revenues from offshore oil and gas drilling, the Reagan administration yesterday offered to distribute about $270 million in disputed revenues among five coastal states.

At the same time, however, the administration warned that any congressional efforts to force additional revenue-sharing would invite a presidential veto.

The warning came a few hours after House and Senate conferees approved a measure that would give about 4 percent of the royalties from offshore development to coastal and Great Lakes states to "mitigate the effects of exploration and development."

In a letter to each of the conferees, the administration said the legislation amounted to "windfall payments" to states unaffected by leasing and "would act as a disincentive to exploration and development."

"If the legislation were to pass the Congress, we would have no alternative but to recommend that it be vetoed," said the letter, which was signed by Interior Secretary William P. Clark, Treasury Secretary Donald T. Regan, Energy Secretary Donald P. Hodel and Office of Management and Budget Director David A. Stockman.

Earlier yesterday, Clark announced that he had offered five coastal states "a good-faith proposal" to end a five-year battle over about $5.3 billion in revenues from oil drilling operations that straddle state and federal waters.

The money has been held in escrow since 1978, when Congress directed the Interior secretary to negotiate agreements with states on how such revenue should be apportioned. Only one agreement has been reached, and two states, Texas and Louisiana, have sued to force distribution of the funds.

Clark said he had offered to give the other five states involved—California, Alaska, Alabama, Florida and Mississippi—a 16 2/3 percent share of the rentals affecting their waters, plus interest.

Interior officials said California would get $204 million under such an arrangement, and the other states would get lesser amounts ranging down to $16,000 for Florida.

In their letter yesterday, Clark and the other administration officials called the proposal a "constructive step" toward resolving the acrimonious debates over how revenues from offshore mineral development should be divided.

Clark had hoped to develop a more comprehensive plan for revenue-sharing this year, in an effort to win coastal-state support for accelerated offshore oil development. At one point, President Reagan was sympathetic to that idea, but the plan collapsed under opposition from Stockman and other White House officials.

It is unclear how the veto threat will be received by Congress, where the revenue-sharing bill has been popular. The vote in the House last year was 301 to 93, enough to override a veto, but the Senate has never considered the issue on the floor. Conferees were considering the measure as an amendment to another Senate bill.

Surprise Mine Inspections Called Success

A decision to send 700 inspectors into the coal fields of Kentucky, West Virginia, Virginia and Tennessee after 16 people had been killed in roof-fall accidents achieved results, the chief of the **Mine Safety and Health Administration** said.

David A. Zegeer said the growth of roof-fall accidents had become "very alarming" earlier this year.

The surprise coal mine inspections by federal authorities helped break the trend of roof-fall deaths, he said Tuesday during a mining conference in Kentucky. "We went for over 50 days without a roof- or rib-fall accident," he said.

The MSHA recently began a similar safety crackdown at surface mines, including copper and limestone quarries, after an increase in accidents involving vehicles and equipment, he said.

Although there might have been legitimate questions about the MSHA's authority to shut down mine sections where employes were found going beyond roof supports, the technique worked and was not challenged in court, Zegeer said.

BLM Rule on Land Sales Criticized

By Myron Struck
Washington Post Staff Writer

The Interior Department has issued a new rule that will make it easier for private citizens to pick out tracts of federally owned land and ask the Bureau of Land Management to put them on the mar-

sion of the rule, Herschler said it will amount to a "significant burden" on the way land-use plans are developed and the way land sales are handled.

"I am particularly dismayed that the proposed public nomination process will apparently be layered on

said: "Suppose I nominated a tract where I would like to build a cabin next to my favorite fishing stream? And got my congressman to back up my request? Suppose the congressman were a member of the subcommittee on Interior appropriations?"

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