United States Senate

WASHINGTON, DC 20510

March 14, 2008

The Honorable Dianne Feinstein
Chair
Subcommittee on Interior, Environment, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Wayne Allard
Ranking Member
Subcommittee on Interior, Environment, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Senator Feinstein and Senator Allard:

We are writing to oppose the "net receipt sharing" proposal in the President's Budget for fiscal year 2009 for the Department of the Interior (DOI). This proposal would reduce the States' share of receipts from mineral leasing activities on public domain lands by two percent annually. The Administration proposes to amend section 35 of the Mineral Leasing Act to make this reduction permanent.

We were disappointed that, in keeping with the Administration's proposal for fiscal year 2008, Congress enacted net receipt sharing on a one-year basis as part of Public Law No. 110-161, the "Consolidated Appropriations Act, 2008." We understand that if this provision is once again enacted for fiscal year 2009, lost revenues to the states will be over $46 million. Many States use this revenue for a variety of important purposes, including educational improvements. Withdrawal of this revenue would have substantial unnecessary negative impacts for many Western States.

Congress carefully considered this issue in the 106th Congress. In enacting Public Law No. 106-393 in 2000, which repealed the provision that allowed the sharing of administrative costs, Congress specifically cited "the complexity and administrative burden" resulting from the sharing of administrative costs of the leasing of onshore mineral resources. Congress also found that, "There is no legislative record to suggest a sound public policy rationale for deducting prior-year administrative expenses from the sharing of current-year receipts."

We hope that as the Subcommittee considers its appropriations bill, you will decline to include the net receipt sharing proposal. This provision would have a substantial and unnecessary adverse effect on the states.

Thank you for your consideration of our request.

Sincerely,

Jeff Risch

Mary Landrieu

Kent Conrad

John Barrasso

Jon Tester

Lisa Murkowski

James McClintock

Michael B. Enzi

Max Baucus

Ken Salazar

Pete V. Domenici

Byron L. Dorgan

Orrin Hatch