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## Economic Benefits Provided by the Minerals Management Service

The Minerals Management Service (MMS) was created in 1982 to manage the development of offshore mineral resources in an environmentally safe manner, and to collect royalties, bonuses, and rents to ensure that the government receives a fair monetary return for minerals development on Federal offshore and onshore lands. Federal law requires that a portion of the monies received by the government from mineral production be shared with certain states, Indian tribes and individual Indian land owners.

Indeed, it is MMS' responsibility to ensure that all monies derived from mineral leasing are collected, and distributed properly. In addition, MMS is both resource and fiscal manager for the Nation's Outer Continental Shelf (OCS) mineral development program. In that role, MMS handles everything from collecting and accounting for OCS revenues to leasing offshore lands; from regulating development activities to protecting the coastal and marine environment.

In the service of the American taxpayer, whose energy needs continually rise (nearly 20.5 million barrels a day in 2004) MMS must monitor a rapidly changing industry and improve its operations often. The agency takes a hands-on approach in securing ocean energy and economic value for the American people.

### Every American Benefits From the Royalties MMS Collects

Since 1982, the bureau has collected \$143 billion in minerals revenue, money that directly benefits communities across the Nation. In addition, MMS delivered 38.5 million barrels of crude oil valued at around \$1.2 billion to the Department of Energy (DOE) for the Strategic Petroleum Reserve (SPR).

In 2004, MMS disbursed more than \$8 billion to states, Office of the Special Trustee for American Indians, other Federal agencies, U.S. Treasury accounts, and the Land and Water Conservation Fund, which uses the money to purchase new lands for parks and refuges.

Since 1982, MMS has disbursed:

- \$89.28 billion to the US Treasury,
- \$19.86 billion to the Land and Water Conservation Fund,
- \$16.5 billion to 38 states,
- \$10.28 billion to the Reclamation Fund,
- \$4.09 billion to 41 American tribes and 35,000 individual Indian mineral owners,
- \$3.22 billion equivalent value to the Strategic Petroleum Reserve, and
- \$3.15 billion to the National Historic Preservation Fund.

Figure 1 displays the overall fund disbursement.

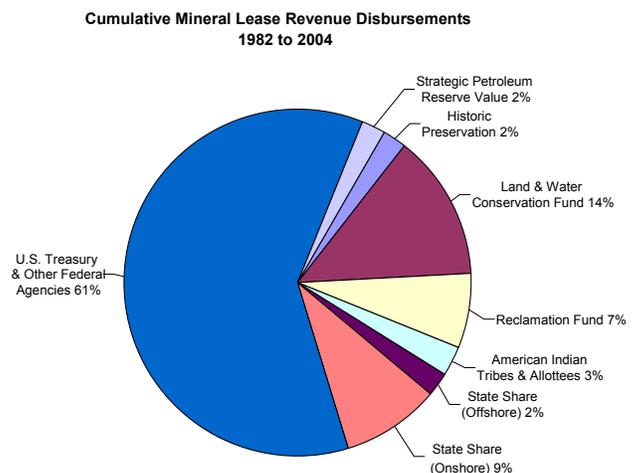


Figure 1. MMS Revenue Disbursements



In fact, revenues in 2004 were transferred into several other key areas:

- ***Income for Daily Living — \$354 Million***  
Monies collected from mineral leases on Indian lands are distributed regularly to tribal governments or individual Indian mineral owners.
- ***Critical State Infrastructure — \$1.2 Billion***  
Revenues disbursed to states are often a significant element in the state's financial resource picture, providing critical funding for local schools, roads, and libraries.
- ***Water Reclamation — \$924 Million***  
Mineral revenue receipts fund a significant portion of the U.S. Bureau of Reclamation's water resource development and maintenance work in the West.
- ***U.S. Treasury Receipts — \$4.6 Billion***  
Mineral leasing revenues are one of the Federal Government's greatest sources of non-tax receipts.
- ***Energy Security — \$1.2 Billion (equivalent value)***  
In 2004, MMS transferred oil valued at \$1.2 billion to the DOE to fill the Nation's SPR.

- ***Historic Preservation — \$150 Million***  
Preserving a nation's historic treasures is essential to enhancing its culture. Every year, around \$150 million is used to preserve historic buildings and landscapes.
- ***Land and Water Conservation Fund (LWCF) — \$899 million***  
The LWCF money helps purchase land for parks, trails, recreation areas, refurbish existing structures or build new ones like parking lots, campgrounds, maintenance facilities, visitor bureaus, and fund cooperative conservation programs.

### **American Indian Tribes**

While guarding the American Indian mineral interests, MMS also works to empower them through a variety of programs. For example, working with the Bureau of Indian Affairs and the Bureau of Land Management, MMS has been instrumental in building a positive business environment for the Navajo individual Indian mineral owners in the Federal Indian Minerals Office in Farmington, New Mexico.