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WASHINGTON - U.S. Interior Secretary James Watt has suggested to Louisiana officials that a quick settlement of a tidelands dispute would provide the necessary state funding to buy the land for Gov. Treen's Atchafalaya Basin protection plan.

The Watt suggestion poses a delicate problem for Louisianians privately negotiating the tidelands lawsuit with Interior and U.S. Justice Department officials. Overeagerness to find Atchafalaya Basin funding could cause Louisiana to settle for less money in the tidelands case than if the state held out longer in negotiations or simply waited for a decision from the U.S. District Court in New Orleans.

Therefore, the Louisiana argument to Watt likely would be that Interior should be generous in a negotiated agreement - in effect using the tidelands lawsuit as a way to find the money for the Basin plan that would not be subject to the difficulties of getting authorization and appropriations bills past a budget-conscious House and Congress.

The negotiations are in the "8-G" case now before U.S. District Judge Morey Sears. Louisiana and the Interior Department are at odds over which revenues rightly belong to the state and which belong to the federal government, when an oil or gas well is located close to, or on, the three-mile line dividing Outer Continental Shelf mineral rights.

About $1 billion has been reserved in an escrow account by the court pending a final decision. The court has also ordered Louisiana and the federal government to try to negotiate a settlement.

Treen recently visited Watt and officials of President Reagan's Office of Management and Budget to discuss his Basin protection plan. In a press conference here after the meetings, the governor refused to reveal any details from the discussions.

President Reagan's fiscal 1984 budget request was released last week, and - as Watt expected - it sought no money from Congress for the Basin plan, either under Interior's wetlands programs or under the U.S. Army Corps of Engineers' budget for flood control.

The Basin preservation plan involves both flood control and wetlands protection in a carefully balanced compromise among private landowners, sportsmen, environmental groups, oil and gas interests and state officials.

While private landowners pledged to sell 51,000 acres into the preservation area, they also held Treen to a timetable for proposing some sort of plan indicating that the state or the federal government - or a combination of the two - actually would finance the purchase.

Treen recently offered landowners a three-year purchase-payment plan. Estimates of the total cost have been $55 million, although the figures are still being negotiated with landowners, according to Treen aide Kai Midboe.

Mississippi Valley Corps' officials have suggested that the federal government kick in $32 million of that total amount. Treen administration officials have said, at various times, that the state share of financing might range from one-third to 50 percent of the total.

If a pricing is agreed on, "we are going to have to make some type of presentation to the Legislature," Midboe said. Treen's present plan generally is geared toward financing in the first year of the phased acquisition. On hopes the federal government will begin funding the Basin plan in the second and third years.

Midboe said Treen's argument to federal officials remains the same: that any offer of any state financing is generous, because Louisiana believes Basin protection is actually "a federal project," since Louisiana's unusual flood control problems result from the state receiving more than 40 percent of the nation's drainage through the Mississippi River.

Meanwhile, there were at least three significant Basin-related developments on Capitol Hill during the week, where - despite the odds against it - two Louisiana House members began trying to push Treen's Basin plan through a regular authorizing process. Those developments were:

- Rep. Lindy Boggs, D-New Orleans, a subcommittee member, extracted a promise from Gianelli that he would try to finish his Basin report to Congress soon, possibly by February's end. At a separate public works subcommittee hearing, Rep. John Breaux, D-Crowley, also pressed other Corps officials to speed up the Corps' review.

- Corps officials from the Mississippi Valley region have sent recommendations for federal funding to the Corps' Chief of Engineers here. A spokesman for Breaux told the Advocate that, as of Thursday, the Chief of Engineers was saying he could forward his report to Gianelli almost immediately, meaning "in three to five days." Gianelli then would seek comment from other federal agencies - including, most critically, the Office of Management and Budget - before making his own final report to Congress.