



NEWS

U.S. DEPARTMENT OF THE INTERIOR

FOR RELEASE:

June 29, 1998

CONTACT: Mike
Gauldin
(202)
208-
6416

OFFICE OF THE SECRETARY

STATEMENT BY SECRETARY OF THE INTERIOR BRUCE BABBITT ON OIL VALUATION RULES FOR FEDERAL AND INDIAN LANDS

"Last week the Senate Appropriations Committee moved to require DOI to delay new oil valuation rules for Federal and Indian lands until October 1, 1999. This follows a Congressional action earlier this spring that delayed these rules until October 1 of this year.

"Interior's new valuation rules are designed to provide clearer guidance on the royalty obligations of oil companies that lease Federal and Indian oil and gas, and to prevent companies from underpaying their royalty obligations. These rules have been developed through an open, consultative process with the industry, the states, tribes and other affected interests.

"The Committee's action, taken on behalf of oil companies liable for these royalty payments, is completely unjustified. If this delaying tactic were to become law, it would cost American taxpayers about \$66 million and Indian royalty owners nearly \$4 million, while enriching the oil companies a like amount."

-DOI-