
NEWS RELEASE

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Secretary Babbitt Announces Plan to Reopen the Comment Period for Federal Oil Valuation Rule

Secretary of the Interior Bruce Babbitt today announced plans to reopen the comment period for the federal oil valuation rule. The Secretary explained that this decision was in response to many requests from Members of Congress and parties interested in moving the process forward to publish a final rule.

Babbitt emphasized that the Department is seeking new, not-previously-considered ideas that can help move the process forward while still ensuring that the public receives fair value for production of its resources.

"A number of our constituents have appealed to us for the opportunity to submit new ideas to resolve remaining concerns surrounding the oil rule " said Babbitt. "This additional time for comments provides that window of opportunity."

The Secretary pointed out that while developing the rule over the last three years, the Department provided numerous opportunities for comments and reviewed many options to address the few remaining concerns. The new comments and received during opened period will be evaluated based on the same criteria used to examine those previous options-- simplification, efficiency of administration, adaptability to market conditions, and certainty for the lessees and lessor. Most important, the Department wants to ensure that the new proposals accurately reflect today's crude oil market so that the American taxpayer receives fair value for development of the public's resources.

A notice to reopen the comment period will be published in the Federal Register as soon as public workshop sites and dates can be determined. The comment period will remain open for 30 days.

The federal oil valuation rule establishes improved procedures for determining the value of oil produced from federal lands for purposes of calculating the royalties owed to the public.

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