

**U.S. Department of the Interior  
Minerals Management Service  
Office of Communications**

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***NEWS RELEASE***

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**FOR RELEASE:**

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***SPECIAL INFORMATION***

**DIRECTOR QUARTERMAN TO TESTIFY AT  
R-I-K CONGRESSIONAL HEARING**

Cynthia Quarterman, Director of the U.S. Department of the Interior's Minerals Management Service, will testify before the House Resources Committee, Subcommittee on Energy & Mineral Resources tomorrow on H.R. 3334, a bill requiring dramatic changes to the way the Federal government collects oil and gas royalties from Federal lands.

The legislation as introduced requires MMS to take all Federal oil and gas royalties "in-kind", as a share of production, rather than in cash.

A study completed by MMS in 1997 showed conclusively that any royalty-in-kind (RIK) program that takes all Federal oil and gas royalties in-kind would result in significantly lower net royalty revenue than the \$4 billion per year that the MMS currently collects. Under the provisions of H.R. 3334, many costs currently borne by industry would be shifted to the Federal government, resulting in Federal budget losses potentially as high as half a billion dollars annually.

Others testifying at the hearing include: Wyoming Governor Jim Geringer, Chairman of the Interstate Oil and Gas Compact Commission and Vice Chairman of the Western Governors' Association; outside counsel for the Independent Petroleum Association of America and Domestic Petroleum Council; and several representatives of oil and gas producers as well as marketing companies.

The hearing is scheduled for Thursday, March 19, at 2:00 pm, in Room 1334 Longworth House Office Building.

**-MMS-**

MMS Internet website address: <http://www.mms.gov>  
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