

Mr. BENTSEN. Mr. Speaker, I strongly support H.R. 1975, the Federal Oil and Gas Royalty Simplification and Fairness Act. H.R. 1975 would streamline our Federal royalty collection system by improving the management of royalties from Federal and outer continental shelf oil and gas leases.

Currently, about \$4.2 billion is collected annually by the Federal Government in mineral receipts—our Nation's third largest revenue source. However, reform of our Nation's royalty collection system has been needed for some time. H.R. 1975 achieves the goals set out by the administration, the States, and industry to provide simplicity and fairness in the partnership between the Federal Government and the leaseholders of Federal lands.

Specifically, this legislation would establish a clear statute of limitations on royalty collection, expand existing delegation to States provisions, and set time limits on administrative appeal decisions. This legislation also provides marginal well relief by reforming royalty collections for low-production wells—an issue of great importance to my home State of Texas.

At a time when we continue to see increasing reliance on oil imports, this legislation provides the necessary relief to enhance domestic production in both an economically efficient and environmentally sound way. In addition, H.R. 1975 would help Congress in its efforts to balance the budget by providing an additional \$51 million in royalties over the next 7 years.

H.R. 1975 is supported by the administration, a bipartisan delegation of Members from Congress as well as 14 of our Nation's Governors who represent most of our Federal onshore production. It is also supported by the Interstate Oil and Gas Compact Commission and industry trade associations representing our Nation's Federal lessees. I urge my colleagues to support royalty simplification and fairness by voting in favor of H.R. 1975.

Mr. CALVERT. Mr. Speaker, I reserve the balance of my time.

Mr. ABERCROMBIE. Mr. Speaker, I have no further requests for time.

I include for the RECORD a letter from the White House addressed to me and signed by the Chief of Staff, Mr. Leon Panetta, in support of the bill:

THE WHITE HOUSE,
Washington, DC, May 30, 1996.

Hon. NEIL ABERCROMBIE,
House of Representatives,
Washington, DC.

DEAR MR. ABERCROMBIE: I am writing to inform you of the Administration's position regarding the pending Oil and Gas Royalty Simplification and Fairness legislation (S. 1014). Let me assure you that the Administration remains committed to ensuring the efficient management of Federal lands and finding new ways for the States to work cooperatively and creatively with the Federal Government. The President shares your hope that an agreement can be reached on the State delegation issue.

In an effort to resolve this issue, Administration representatives, working with the staff of the Senate Energy Committee, were

successful in reaching an agreement on language that would expand the list of delegable royalty management authorities, without reducing the Secretary of the Interior's responsibility with respect to the management of Federal lands. That language was included in S. 1014, which was reported out of the Senate Energy Committee on May 1st. The Administration supports S. 1014 as reported out of committee, but will seek a minor technical amendment. The Administration believes this bill's State delegation language is acceptable, unlike the language included in H.R. 1975, the House Resources Committee bill on Royalty Simplification.

The Administration will continue to work with Congress as the legislative process moves forward, and stands ready to work in support of the language included in the Senate Energy Committee bill. I appreciate your interest and support in this important legislation.

Sincerely,

LEON E. PANETTA,
Chief of Staff.

□ 1630

Mr. Speaker, I yield back the balance of my time.

Mr. CALVERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing I would like to first thank the gentleman from Hawaii [Mr. ABERCROMBIE], my good friend. We worked through this bill over the last year and had many occasions to go back and forth, but in the end I think we ended up with a good piece of legislation which is supported by most everyone here, and I certainly am appreciative of the time and effort that both him and his staff have put into this, and I thank him and look forward to other legislation in the future; and also to the gentleman from California [Mr. MILLER], the ranking member of the subcommittee, for all of his, and the overall committee, for all his help.

Mr. Speaker, this bill, in closing, will raise money for the Feds and the States. It certainly has bipartisan support in the House, the Senate and 14 Governors. It has the administration support from the White House; the Secretary of Interior, Bruce Babbitt. It enacts clear and equitable reform, gives more power to the States. It establishes a certain statute of limitation period.

It is a good bill, and I urge its passage.

Mr. MARKEY. Mr. Speaker, I rise in opposition to H.R. 1975. This ill-named royalty fairness bill is yet another example of corporate welfare for well-heeled oil and gas producers operating on public lands.

Just 2 months ago, press reports reveals that 10 oil companies may have underpaid royalties and interest to the Federal Government by as much as \$856 million on land in California they lease from the Federal Government to drill for oil.

What has the Republican-controlled Congress proposed in response to this royalty rip-off?

First, the Republican majority in the House voted to repeal the gas tax, a move that most economists agree the oil companies will quickly pocket for themselves. Consumers are unlikely to actually see any of this cut reflected

in lower prices at the pump, as the Republicans rejected all Democratic efforts to assure the savings would actually be rebated to consumers.

And now today, with this bill, we will be providing the big oil and gas companies with yet another windfall. H.R. 1975 will:

Result in more than \$200 million being paid out to oil and gas companies over the next 20 years by requiring the taxpayers to pay interest payments to oil companies who—through their own stupidity, mismanagement, or incompetent accounting—have overpaid royalties to the Federal Government; and

Establish a 7-year statute of limitations that will undermine the Federal Government's ability to collect moneys owed it by huge oil and gas companies.

I think it's time we stopped providing Federal freebies to deadbeat drillers. We should defeat this bill. It is bad energy policy and bad fiscal policy. Thank you, and I yield back the balance of my time.

Mr. CALVERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from California [Mr. CALVERT] that the House suspend the rules and pass the bill, H.R. 1975, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CALVERT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 1975, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MINING AND MINERAL RESOURCES INSTITUTES ACT

Mr. CALVERT. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 3249) to authorize appropriations for a mining institute to develop domestic technological capabilities for the recovery of minerals from the Nation's seabed, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ABERCROMBIE. Mr. Speaker, reserving the right to object, and I will not object, I would like to have time to speak under the reservation.

Mr. Speaker, under my reservation, I yield to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Speaker, I thank my colleague and friend from Hawaii, Mr. ABERCROMBIE, for yielding me this time, and I shall not take much time, but I am pleased to speak in support of