

Washington, D.C. - Congressman Maurice Hinchey (D-NY) today released the following statement in response to the U.S. Department of the Interior's announcement that it is increasing the royalty rate for offshore oil and gas leases from 12.5 percent to 16.7 percent.

"I certainly welcome the news that the Interior Department is increasing the royalty rate for future offshore deepwater leases. It seems like the message that voters sent in November is starting to get through just a little bit to the people at Interior. The days of subsidizing the oil industry at the expense of the public must come to an end. I appreciate the fact that the agency is now taking steps to increase the amount of revenue it will earn for American taxpayers by bumping up the royalty collection rate, but that does not excuse the fact that hundreds of existing leases from 1998 and 1999 remain royalty free.

"Next week, the House will take up an energy bill that will include language to effectively close the royalty loophole and help begin collecting payments on oil and gas taken from public property. Through those leases, energy companies are currently able to drill for oil and gas in coastal waters without having to pay the American people a dime in royalties. The fact that the Interior Department is raising the royalty rate is good news. The fact that Democrats in the House are about to increase the number of leases that will be paying royalties is even better news."