Panel backs bill boosting La. royalties

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By GERARD SHIELDS

The House Resources Committee overwhelmingly approved a bill Wednesday that would eventually give Louisiana up to $2 billion a year in offshore oil and gas royalties.

The panel voted 29-9 to back a measure by U.S. Rep. Bobby Jindal, R-Kenner. Jindal, a committee member, said the measure is the closest the state has come to getting an ample share of oil and gas royalties given to inland states.

"This margin is important because it increases the pressure on the administration and the Senate to work with us," Jindal said.

The bill mandates that Louisiana receive 75 percent of the royalties accrued by the federal government from oil and gas production three to 12 miles off its coast.

The bill would also phase in over 15 years an eventual 50 percent share of royalties from drilling 12 miles and beyond.
Jindal estimates the law would give Louisiana $10 billion in the first 10 years, $28 billion over 20 years, and eventually $2 billion a year.

The committee vote means the measure will now head to the full House for a vote, maybe as early as next week before Congress recesses for July 4.

Despite the lopsided committee vote, the measure does not lack opposition.

The Bush administration and its congressional supporters are against diverting oil and gas royalties from the federal treasury. The royalty money, up to $8 billion each year, is the second-largest payment to the treasury next to federal taxes.


"The Congress' position up until what we did today was 'Just say no,'" said Melancon, also a committee member.

If the measure passes the House, it will also face a challenge in the Senate, where Bush budget hawks have scuttled previous measures. But with 103 House sponsors, Jindal said he believes his bill has the necessary
political muscle.

"It gives us momentum going into next week," Jindal said.