Public lands: Group seeks gas, oil extraction royalty rates increase

Royalty rates, which are set to ensure the American people are properly compensated for the extraction and sale of oil and gas from public lands, do not reflect the present-day value of public lands, nor do they reflect rates charged on state and private lands for minerals of equal value, according to a statement from The Mountain Pact, a nonprofit conservation group.

Increasing royalty rates from 12.5 percent to 18.75 percent on federally managed lands, as has been done by many states, would increase taxpayer revenue from $400 to $700 million over the next 10 years, said the group.

Likewise, if rental rates and minimum leasing bids for land parcels were raised, an additional $400 million and $100 million in revenue, respectively, would be realized by taxpayers. This increase in revenue could be used to fund conservation and management of all federal public lands, the pact believes.

“Thoughtful stewardship of public lands and accurate valuation of all their resources are crucial for mountain communities’ long-term well-being,” Moab City Council Member Kalen Jones told the organization. “The proposals being reviewed by the RPC maintain the prioritization of oil and gas development over other values and sustainable yield economic activity. The RPC needs to re-evaluate rates to maintain broad public lands access for all Americans, balance multiple uses, and ensure taxpayers are getting a fair deal from responsible energy development.”

Hunter Mortenson, mayor pro tem of Frisco, Colorado, said, “The RPC has enacted a long list of industry wishes in support of the administration’s ‘energy dominance’ agenda. There are now 2.9 million acres on the auction block – more than offered at any point in history – at bargain basement $2 per acre prices. This is surely not an adequate return on investment for the American people. And meanwhile, tying up lands from other uses, such as recreation, farming, conservation, hunting/fishing, and more – all economic drivers and values of the American people and mountain communities.”

Western local elected officials submitted comments from Mountain Pact members asking the RPC, “Continue to follow common sense environmental safeguards, and respect voices from mountain communities that rely on healthy, well-managed public lands for economic stability, outdoor recreation, and cultural vitality.”