



**JOINT ECONOMIC COMMITTEE**  
**DEMOCRATS**  
Senator Charles E. Schumer (D-NY)



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**NEW JOINT ECONOMIC COMMITTEE REPORT  
REVEALS: OIL AND GAS ROYALTY RELIEF  
YIELDS NO ECONOMIC BENEFIT**

*Report's Startling Conclusion – Billions Of Taxpayer Giveaways  
Produce Virtually No Oil*

*JEC Chairman Announces New Push To Eliminate All Royalty Relief  
For Oil And Gas Companies*

***Schumer: “Taxpayers Get No Bang For Their Billions Of Giveaways To Big Oil”***

Washington, D.C. – U.S. Senator Charles E. Schumer today released a new Joint Economic Committee report showing that, despite costing taxpayers tens of billions of dollars, oil and gas royalty relief does not reduce U.S. dependence on foreign oil, create net new jobs, or lower energy prices for consumers. On the eve of a Senate Energy Committee hearing on oil and gas royalty collection and enforcement, Senator Schumer announced plans to push for the elimination of royalty relief for oil and gas companies.

“American taxpayers get no bang for their billions of giveaways to wealthy oil companies,” said **Sen. Charles E. Schumer** (D-NY), **Chairman** of the **Joint Economic Committee**. “This report proves what we've suspected for so long, that oil company giveaways do little to reduce energy prices for consumers. Instead of supporting royalty relief that is only effective in boosting oil company's record profits, the Bush administration should focus on policies that will directly reduce our dependence on foreign oil sources, like energy efficiency and alternative fuels.”

The justification for royalty relief and other special subsidies for oil and gas companies rests on the arguments that they will increase domestic oil and gas production and lessen our dependence on foreign oil, promote employment and economic growth, and hold down energy prices for consumers. The JEC report finds no solid evidence to support any of these arguments.

Highlights from the report include the following:

- Royalty relief for oil and gas companies could cost taxpayers up to \$80 billion without increasing our domestic supply of energy.
- Shifting the tens of billions of taxpayer dollars lost on royalty relief and other tax incentives for oil and gas production to demand-side policies like conservation or renewable energy would give taxpayers more “bang for their buck” in terms of energy security.
- Royalty relief has not led to the creation of net new jobs or the lowering of consumers' energy prices.

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“It’s important to expose the mismanagement and faulty implementation of this program, but the logical conclusion from this report is that we need to get rid of the royalty relief itself,” said Senator Schumer. “It’s time to stop helping oil companies and start achieving energy independence.”

**Link to JEC report:** <http://jec.senate.gov/democrats/Documents/Reports/royaltyrelief.pdf>

*The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.*

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