

Mr. HINCHEY. And it just strikes me as very curious as to whether or not we ought to be trying to protect and preserve that resource for as long as possible because obviously the price of this material is going to continue to go up. So if we, for example, provide leases now under the present set of economic circumstances, the value of those leases are at some level but that level is going to increase dramatically over time, and if we were approaching this issue with regard to a concern about the future of our economy and the future availability of this resource to the people of this country, I think we would be trying to protect and preserve those areas from being leased at the moment. Do you think that makes any sense?

Ms. BURTON. It certainly makes sense on the surface. I think you need to go maybe a little deeper. Most of the major companies who do the production have also invested an enormous amount of money in alternative energy, and that is where they get their money. They get it from the hydrocarbons to put it into alternative energy. I think we need to develop alternative energy, wind, ocean current, et cetera. In order to get there, we still have to keep our economy running, and running our economy on foreign oil impacts our security. We need to look at the tradeoff between the security of importing from the Middle East versus producing at home.

Mr. HINCHEY. Well, I disagree with you on that. I do not think that relying on foreign oil impacts our security. I think that if you engage in proper relationships with other countries, it will not impact it at all because they are interested in selling the product because it is critically important for their economies that they do so. So I think that this idea of security as a part of the fear tactic associated with much of our policy really does not make any sense. So I would hope, and I really do not expect it under this Administration, but maybe under your leadership it might be possible, that there might be a new approach to this whole issue and that approach would essentially mean let us import as much as we possibly can and let us protect and preserve as much of our domestic resources, of these hydrocarbons, oil and natural gas, as possible while we invest ourselves in alternative energy. That would be the most important thing to do if you were doing it from a public policy perspective that is designed to be in the best interests of the general public rather than in certain corporate interests.

I know that there are a lot of leaseholders out there in the Gulf of Mexico, about 80 percent of them, who have not yet agreed to pay any royalties on the leases that they have.

Ms. BURTON. For those two years, yes.

1998 AND 1999 LEASES

Mr. HINCHEY. Right, for those two years, 1998 and 1999.

Ms. BURTON. Yes, sir.

Mr. HINCHEY. What do you think is the likelihood that you will be able to get them to renegotiate those leases and begin to pay what they owe?

Ms. BURTON. I do not know. I honestly do not know. I have been working pretty hard at trying to convince them to get to the table. They tell me that they are under a lot of pressure from their stock-

holders, boards of directors, money that the lease to

Mr. HINCHEY. Nobody is going to ask you to give it back? That is the

Ms. BURTON. Well, w

Mr. HINCHEY. I know they knew when they got something which was and whether or not that time knew it as a significant investigation.

tion indicates that we press the kind of amendment committee and passed

negotiate future leases, leases that you have u

of money to the people taking their product, y

paying them appropriate I think we have to pr

are being pressed by t are, and particularly b

their interest not to pa Mr. DICKS. Will the g

Mr. HINCHEY. Yes.

Mr. DICKS. What abo viously have boards of

this, because it is clear stand is, in a contract s

has the right to cancel is an egregious inequi

That also can be raised still not convinced, an

sponsible for this. I me uation where these co

mean, it has been a lo to get back into this, u

not fair and clearly w about that. But to me,

work out a compromise keep pursuing these oth

I yield back to the ge

Mr. HINCHEY. Thank with you. I think you

evidence that is presen sional Research, that s

any future leases to a under the context of th

ment was behaving app of the public rather th

would be saying to the negotiate the leases, then s

ness with you in the f