

GOP Reaffirms Its Energy Plan: Oil Above All

May 2011

Key facts

- Most Republican senators, in just the first five months of 2011, voted four times for measures that would benefit Big Oil.
- In the first five months of 2011, the House GOP has taken 13 votes that would directly benefit the oil and gas industry.
- Republican legislation and talking points have mirrored the oil industry's talking points.

The GOP has touted its "all of the above" approach to lowering gas prices and reducing dependence on foreign oil. But time and time again, they've shown their "all of the above approach" is actually an oil industry wish list.

In May, the majority of Republican senators voted for a bill that would expand offshore drilling—a big win for Big Oil. It would set timelines for review of offshore drilling permits and require the Interior Department to sell leases off the Virginia coast and in the Gulf of Mexico. And this month Senate Republicans and three conservative Democrats voted against advancing a bill that would end taxpayer giveaways to the big five oil companies that raked in more than \$30 billion in profits in just the first quarter of 2011.

Meanwhile, in the House, the GOP has voted to gut efficiency programs, cut research and development for energy innovation, and cut \$2.5 billion in funding for high-speed rail that would reduce oil use—all while maintaining billions of dollars in subsidies. Further, the House Republicans passed Rep. Paul Ryan's 2012 budget plan, which would cut clean energy programs by a whopping 70 percent. And while voting to slash investments in clean energy, the House voted for three drilling bills that won't bring down the price of gas, but will help pad Big Oil profits.

Supporting only Big Oil investments is not an "all of the above" strategy. It's an "oil above all" policy.

OIL ABOVE ALL. This year alone, most GOP members of the Senate have taken <u>four votes that would benefit Big Oil</u>

The Senate GOP voted for a bill that would expand and speed up offshore drilling. The Hill reported in May 2011 that the Senate failed to pass S. 953, a bill that "sets deadlines for several upcoming Gulf of Mexico lease sales. It also requires sales off the coasts of Alaska and Virginia that the Interior Department had canceled after last year's oil spill. In addition, it requires the Interior Department to approve or deny offshore drilling permit applications within 60 days of filing, and permits are deemed approved if no action is taken." The bill failed 42–57, with five Republicans defecting. [The Hill, 5/18/11]

All but two Senate Republicans voted to block a bill that would end Big Oil subsidies. By a vote of 52-48, the Senate failed to pass a bill that would end \$21 billion in tax breaks to the big five oil companies over the next 10 years. *The Hill* reported that, "The legislation would eliminate a slew of tax breaks for the five largest oil companies: Exxon Mobil, Shell, BP, ConocoPhillips, and Chevron. Democrats say the bill would save \$21 billion over the course of 10 years, savings that can be used to reduce the deficit at a time of increased belt-tightening." Three Democrats joined the Republicans, and Sens. Olympia Snowe and Susan Collins of Maine joined Democrats. [Senate Vote #72, 5/17/11; The Hill, 5/17/11]

Most Senate Republicans—and some Democrats—voted against ending certain tax breaks to Big Oil. In early February the Senate voted <u>44-54</u> to kill an amendment by Sen. Carl Levin (D-MI) that <u>would end certain tax breaks</u> for Big Oil and offset the revenue lost due to the repeal of the 1099 provision in the health care law. [Senate Vote #7, <u>2/2/11</u>]

The Senate GOP voted to prevent the EPA from limiting carbon dioxide pollution.

The Senate GOP—with only Sen. Collins defecting—voted for Senate Minority Leader Mitch McConnell's (R-KY) amendment to the small business bill, S. 493, which would have eliminated EPA's ability to protect public health from carbon dioxide pollution. The amendment mirrored Reps. Fred Upton (R-MI) and James Inhofe's (R-OK) "Energy Tax Prevention Act." The oil industry's lobbying arm, the American Petroleum Institute, pushed the Upton-Inhofe bill, which would block the EPA from limiting carbon pollution. The final vote failed 50-50. [Senate Vote #54, 4/6/11; Platts, 2/4/11]

OIL ABOVE ALL. The Senate isn't alone—House GOP members have taken <u>13 votes</u> this Congress that would directly benefit Big Oil

The majority of House Republicans voted for, and passed, a bill (H.R. 1231) that
would require a fixed level of oil production regardless of public health and environmental consequences, and open fragile coastal areas to drilling. [House vote #320,
 5/12/2011]

- 2. All but one member of the House GOP voted against requiring Big Oil to sell oil produced on public lands only to Americans. [House vote #319, <u>5/12/2011</u>]
- 3. Republicans voted unanimously for H.R. 1229, passing a bill that would establish a 60-day maximum deadline for the Interior Department to approve permit applications for drilling. After 60 days, the permits would be automatically approved regardless of whether they met safety and clean up standards. [House vote #309, <u>5/12/2011</u>]
- 4. GOP voted against prohibiting "the Secretary of Interior from issuing a permit to any applicant that has been required to pay a civil penalty, criminal fine or monetary damages resulting from the applicant's drilling activities on the Outer Continental Shelf." [House vote #308, 5/11/2011]
- 5. The House passed a bill (H.R. 1230) that would require the administration to sell offshore leases in areas in the Gulf of Mexico and Virginia. [House vote #298, 5/5/2011]
- 6. In early May, House Republicans unanimously voted to block consideration of a bill that would prevent the domestic manufacturing tax credit from going to Big Oil, which could have saved \$18 billion over a decade. [House vote #293, 5/5/2011]
- 7. GOP voted against requiring that if oil is drilled in public lands, it should benefit American families. [House vote #297, $\frac{5}{5}/2011$]
- 8. All but four Republicans voted for Rep. Ryan's budget on April 15. The budget cuts the Commodity Futures Trading Commission or CFTC budget by two-thirds. The CFTC policies oil speculators. [House vote #277, 4/15/11]
- 9. The House GOP passed Reps. Upton and Inhofe's "Energy Tax Prevention Act," which would restrict the EPA's ability to limit carbon dioxide pollution. The oil industry's lobbying arm, the American Petroleum Institute, strongly urged its passage to avoid pollution reductions at oil facilities. [House vote #249, 4/7/2011; Platts, 2/4/11]
- 10. Republicans voted to deny the Federal Price Gouging Prevention Act of 2011 from being considered. [House vote #165, 3/9/2011; House Democratic whip, 3/9/11]
- 11. House GOP unanimously voted against repealing \$40 billion in subsidies to the oil companies over 10 years. [House vote #153, 3/1/2011]
- 12. House GOP voted for H.R. 1, which would cut funding for the Commodities Futures Trading Commission by one third, which would hinder the agency's ability to crack down on oil speculators. [House vote #147, 2/19/2011]
- 13. Most GOP members of the House voted against recovering \$53 billion over 25 years in foregone royalty fees from oil and gas companies. [House vote #109, 2/18/2011; The Times-Picayune, 2/19/2011]

GOP House members have taken *eight votes just this year* to slash funding for policies to reduce our dependence on foreign oil

- 1. GOP members voted for Rep. Ryan's budget plan that has a "70 percent cut to clean energy programs, compared to the president's plan, and deep reductions to U.S. EPA funding. By way of comparison, Ryan's goal is to spend about \$1 billion a year on 'basic science' research for energy, compared to more than \$7 billion annually planned by President Obama." [House vote #277, 4/15/2011; Climate Wire, 5/9/11]
- 2. All but four members of the House GOP voted to restrict the EPA's ability to protect public health from carbon dioxide pollution. "The legislation also would undermine efforts that would save American drivers thousands of dollars at the pump over the life of their vehicles through stronger fuel efficiency standards," according to the Union of Concerned Scientists. [Union of Concerned Scientists, March 10, 2011; House vote #96, 2/18/2011]
- 3. House GOP voted for H.R. 1, which would gut funding for renewables, high-speed rail, and public transit. [House vote #147, 2/19/2011]
- 4. The majority of the House GOP voted against cleaner biofuels. [House vote #134, 2/19/2011]
- Most GOP members of the House voted to block funding for construction of homegrown ethanol facilities. [Roll Call #125 (261-158; R: 183-53), 2/19/2011]
- 6. In a failed amendment, most of the House GOP voted to cut funding for Amtrak. [House vote #79, 2/17/2011]
- 7. Most GOP members of the House voted to cut the EPA science and technology budget by \$64.1 million, which includes funding for clean energy research [House vote #63, 2/16/2011]
- 8. All but 13 members of the House GOP voted against restoring ARPA-E funding to invest in R&D for advanced batteries and other 21st century technologies. [House vote #56, 2/16/2011]

OIL ABOVE ALL. Republican bills follow oil industry talking points

When Big Oil speaks, the GOP listens. An analysis of the oil industry's wish list shows that the GOP's bills and votes have echoed what Big Oil has called for. And a Think Progress video details how Sen. Orrin Hatch's (R-UT) talking points mirrored that of the oil and gas CEOs in a Senate Finance Committee hearing in early May.

Big Oil says... ...GOP does

Open additional areas for drilling

Before the new Congress was sworn in, the oil industry called to open more areas to drilling. CNN reported in January 2011 that, "The American Petroleum Institute, or API, has a message to Congress as it starts work Wednesday: Open more areas for drilling and we will create more jobs for the American people." [CNN, 1/4/2011]

House GOP passed two bills that open areas to drilling. The majority of House Republicans voted for a bill, H.R. 1231, which would set oil production goals and requires opening coastal areas to drilling. Additionally, the House passed H.R. 1230, which would open areas in the Gulf of Mexico and Virginia to drilling. [House vote #298, 5/5/2011; House vote #320, 5/12/2011]

The Senate GOP voted for a bill that would expand offshore drilling. The Hill reported in May 2011 that S. 953, while also speeding up offshore drilling permitting, "sets deadlines for several upcoming Gulf of Mexico lease sales. It also requires sales off the coasts of Alaska and Virginia that the Interior Department had canceled after last year's oil spill." The bill failed 42-57, with five Republicans defecting. [The Hill, 5/18/11]

Speed up permitting API spokesman said permitting was moving too slowly. API Upstream Director Erik Milito said he wanted the administration to speed up the permitting process. "They are still moving too slow...These wells had both plans and permits approved and a rig under contract in place at the time Interior put the deep water under moratorium." He continued, "We aren't looking at a specific number. We are looking for an effective, efficient process that provides for the approval of plans and permits at a steady enough pace to provide the confidence to the industry to invest in these U.S. projects." [The Hill, 3/27/11]

House Republicans passed a bill that automatically approves permits within 60 days if the Interior Department doesn't act on them. Republicans voted unanimously for H.R. 1229 (with only four members not voting), which would establish a 60-day maximum deadline for the Interior Department to approve permit applications for drilling, otherwise they would be automatically approved. [House vote #309, 5/11/2011]

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Keep oil subsidies

Oil industry opposed President Obama's proposal to end oil subsidies. An API press release read: "API President and CEO Jack Gerard said raising taxes on the oil and natural gas industry, as the administration is proposing in its budget, would harm job creation and lower government revenues long term." [API press release, 2/14/11]

Oil CEOs defended their tax breaks. Marketwatch reported in May 2011 that at a Senate Finance Committee Hearing, the big five oil executives defended their tax breaks: "Top oil-company executives told U.S. lawmakers that taking away tax breaks won't lower the price of gasoline and they said their industry should not be unfairly singled out." [Marketwatch, 5/12/11]

House votes three times against measures aimed at stripping oil subsidies. In March the House voted against repealing \$40 billion in oil subsidies over 10 years. In February, GOP members of the House voted against recovering \$53 billion over 25 years in foregone royalty fees from oil and gas companies. And in May, House Republicans unanimously voted to block consideration of a bill that would prevent the domestic manufacturing tax credit from going to Big Oil. [House vote #109, <u>2/18/2011</u>; #153, <u>3/1/2011</u>; #293, <u>5/5/2011</u>]

The Senate voted twice against ending certain tax breaks for Big Oil. In early February the Senate voted <u>44-54</u> to kill an amendment by Sen. Carl Levin (D-MI) that would end certain tax breaks for Big Oil and pay for repeal of the 1099 provision in the health care law. And in May 2011, it voted against ending \$21 billion over 10 years in tax breaks for the big five oil companies. [Senate vote #7, 2/2/11; Senate Vote #72, 5/17/11]

Oppose reduction of carbon dioxide pollution

API President and CEO Jack Gerard: "We oppose EPA unilaterally regulating greenhouse gas emissions" [YouTube, 1/4/11]

Platts: "API pushing for bipartisan bill on limiting EPA greenhouse gas regulations" [Platts, 2/4/11]

The House voted to block the EPA from limiting carbon pollution. [House vote #249, 4/7/2011]

The Senate voted to prevent the EPA from limiting carbon pollution. [Senate vote #54, 4/6/11]