



GOP Runs from Votes to Maintain Big Oil Subsidies

May 2011

GOP members of Congress got an earful over the April recess from their constituents, who made it clear that their voting to cut Medicare while maintaining Big Oil subsidies is unacceptable. Republicans had a tough time defending their votes to maintain billions of dollars in taxpayer subsidies to oil companies with gas prices skyrocketing and oil companies reporting over \$30 billion in first-quarter profit earnings. Feeling the heat, some Republicans were forced to walk back their votes, signaling support for ending the taxpayer handouts.

Both Minority Leader Nancy Pelosi (D-CA) and Senate Majority Leader Harry Reid (D-NV) have called for votes to end taxpayer handouts to oil companies, while Sen. Max Baucus (D-MT)

has introduced a blueprint for eliminating the subsidies and Rep. Earl Blumenauer (D-OR) has also introduced a bill to end the handouts. Yet House Speaker John Boehner (D-OH) has already rejected these calls. Now that they're back in Washington, will the Grand Oil Party listen to their constituents or the Big Oil companies funding their campaigns?

Americans want to end subsidies to Big Oil

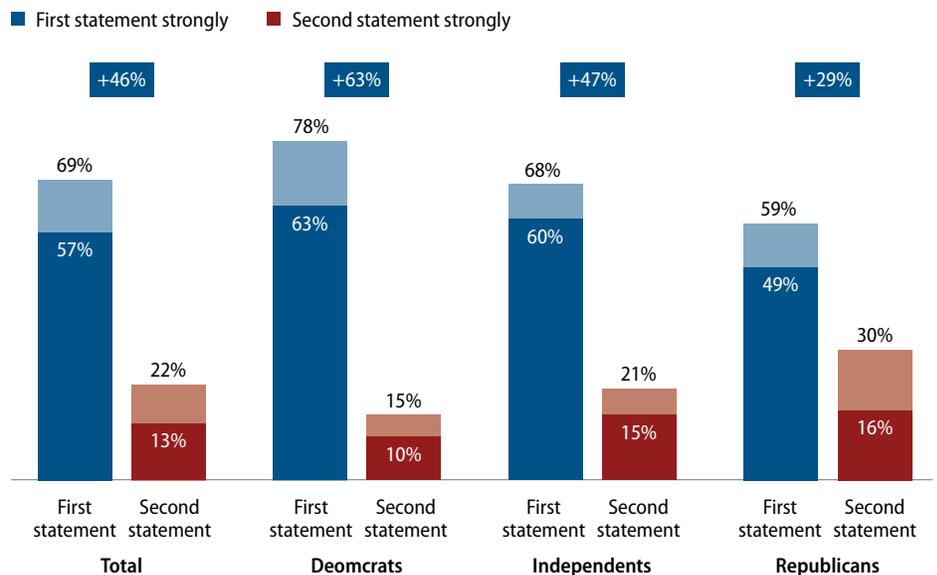
- A recent NBC/*Wall Street Journal* poll found that 74 percent of voters support eliminating tax breaks to oil companies.

Voters aren't buying claims that oil companies need subsidies

Now I'm going to read you some pairs of statements. After I read each pair, please tell me whether the first statement or the second statement comes closer to your own view, even if neither is exactly right.

First statement: We should end the billions in government subsidies for oil companies because we shouldn't be using taxpayer money to give handouts to oil companies already making huge profits.

Second statement: We should keep tax breaks for oil companies because if we raised taxes on American energy producers that would just cause gas prices to increase further, hurting regular Americans.



Source: March 2011 Greenberg Quinlan & Rosner Research survey.

- Tea partiers attending the “Continuing Revolution” in early April in Washington, D.C., told Think Progress they supported ending taxpayer handouts to oil companies.
- A March 2011 survey by polling firm Greenberg Quinlan & Rosner Research, or GQRR, revealed almost 70 percent of Americans supported ending Big Oil subsidies even when they were presented with opposition arguments that it would increase the price of gas (see chart on page 1).

The big five oil companies raked in \$32.2 billion in the first quarter then doled out campaign contributions to Republicans

- Exxon Mobil posted a \$10.7 billion profit for the first quarter of 2011—a 69 percent increase from the previous year. BP netted a profit of \$5.37 billion in the first quarter of 2011 despite causing a catastrophic spill in the Gulf of Mexico last year. Conoco Phillips netted \$3.03 billion, Royal Dutch Shell earned \$6.9 billion, and Chevron raked in \$6.2 billion.
- Meanwhile, ExxonMobil, BP, Conoco Phillips, and Chevron’s political action committees doled out \$285,500 in campaign contributions—a whopping \$266,000 of that went to members of Congress who voted to maintain Big Oil subsidies. Exxon contributed by far the largest with \$234,500 of the total.
- A new report shows that Big Oil spent between 58 percent to 89 percent of its profits from 2005 to 2010 on paying dividends and buying back stock to enrich its executives’ bank accounts while only spending a mere 10 percent of its profits on exploration for more oil.

Americans blame oil companies for high gas prices

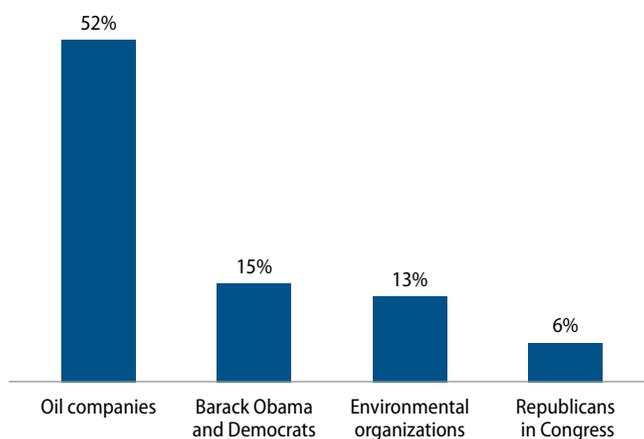
- According to a GQRR poll the majority of voters—52 percent—blame oil companies for the recent increase in gas prices.

Flashback: GOP voted to protect oil subsidies

- In early February the Senate voted 44-54 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.

Voters think Big Oil is responsible for high prices at the pump

Now I am going to read you a list of organizations, and please tell me which one you think is most to blame for the recent increase in gas prices.



Source: March 2011 Greenberg Quinlan & Rosner Research survey.

- In early March House Republicans voted to protect billions of dollars in taxpayer handouts to Big Oil, but then in April voted to slash Medicare by \$30 billion.
- House Republicans also rejected a measure in February that would have saved American taxpayers \$53 billion over the next 25 years, including savings of \$1.5 billion in 2011 by collecting payments for oil companies' production and sale of oil owned by all Americans.

Congressmen have a tough time defending their votes

- Over the April recess numerous members of Congress said ending subsidies to Big Oil should be on the table. Rep. Paul Ryan (R-WI) agreed with a constituent who called for an end to taxpayer handouts to oil companies, as did Reps. Tom Graves (R-GA), Mick Mulvaney (R-SC), Denny Rehberg (R-MT), Joe Walsh (R-IL), and Daniel Webster (R-FL).
- Similar calls to end Big Oil subsidies have also been made by other members of Congress over the past two months. Sens. Mark Kirk (R-IL) and Lamar Alexander (R-TN) both said they could support a measure. And during a House Natural Resources Committee hearing in late March Rep. McClintock (R-CA) called for the end to all energy subsidies.