

OIL COMPANY SUBSIDIES

Mr. WHITEHOUSE. Madam President, I am here to call for the end of the \$4 billion in giveaways that taxpayers are providing to big oil companies every year. At a time of skyrocketing gas prices and of record oil company profits and of difficult decisions about where and how to cut the Federal deficit, we should not be providing big oil with expensive and unnecessary taxpayer handouts.

Gas prices nationwide are averaging \$3.96, up over a dollar from this time a year ago. In my home State of Rhode Island the average price per gallon is now over four bucks. These prices are putting a significant dent in family budgets across the country.

In the last 50 years prices in real terms have only been this high twice—in 1981 after the oil crisis and in parts of 2007 and 2008. High gas prices not only increase the cost of driving, but they leave families with less to spend on other basic necessities. They ripple throughout the economy as gas-guzzling buses strain school district and public transportation budgets, food prices increase from trucking costs, and wherever transportation is a factor it raises costs for American consumers.

The current price spike could not have come at a worse time. When gas prices last peaked in July 2008, unemployment nationally was 5.8 percent. Now unemployment nationally is 8.8 percent, and it is even higher in many States. In my home State of Rhode Island, we are still struggling under a staggering 11-percent unemployment rate.

I recently heard from Tony, a constituent in Wakefield, RI, about the impact rising gas prices have had on his wallet. He said:

We have few options to offset the higher pricing and thus much less to spend.

Gas prices are forcing individuals such as Tony to make difficult choices about what to cut out of the family budget. Yet even as families are struggling, oil companies are once again reaping record profits.

Here are the earnings numbers the oil companies recently announced for this quarter: ConocoPhillips earned a first-quarter profit of \$3 billion, up 44 percent from the period last year. Chevron earned \$6.2 billion, a 36-percent increase in profit. Royal Dutch Shell earned \$6.3 billion, a 30-percent increase in profit. BP earned \$7.1 billion, a 17-percent increase in profit. And the big one, ExxonMobil, earned a profit in one quarter of \$10.7 billion, a 69-percent increase from last year in quarterly profit.

These companies combined for a total profit of \$33.3 billion in the first quarter. That is \$370 million per day or more than \$250,000 in profit every minute. I have probably been speaking for at least 4 minutes, so they have made 1 million bucks.

There is a direct correlation between how much consumers pay at the pump

and how much oil companies rake in. As gas prices climbed from 2002 to 2008, so did profits. When gas prices fell in 2009, down went profits. Sure enough, as gas prices climb again to over \$4 per gallon, oil profits are up sharply.

With people in Rhode Island and across the country being forced to tighten their budgets, and with the Federal Government working to reduce our deficit, it is all the more frustrating to read about these taxpayer-subsidized, sky-high profits. At the very least, when we are looking at cutting Head Start, for instance, we should not be wasting \$4 billion per year in precious taxpayer dollars to help these big oil companies earn higher profits. They are doing wonderfully on their own.

So I am proud to join my colleagues in introducing the Close Big Oil Tax Loopholes Act to end some of these egregious subsidies for the big five oil companies. To highlight a few, the proposal would repeal subsidies to oil companies for producing oil overseas. It would repeal a deduction that can often eliminate Federal taxes for oil companies, and it would repeal the head-scratching classification of oil companies as manufacturers which allows them to take a tax credit aimed at getting our manufacturing industry back on its feet. It is time to close these loopholes and make sure oil companies are paying their fair share to help us lower our deficit.

I ask unanimous consent to have printed in the RECORD an op-ed from Jacqueline Savitz which ran today in my hometown paper, the Providence Journal, calling on Congress to end these handouts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From McClatchy-Tribune News Service, May 11, 2011]

JACQUELINE SAVITZ: MAKE CONGRESS END HANDOUTS TO BIG OIL: PROVIDENCE JOURNAL OP-ED

(By Jacqueline Savitz)

Maybe the Internal Revenue Service should rename its 1040 Form the WD-40. After all, after millions of Americans paid their taxes this year, a hefty chunk of their hard-earned pay went to grease the palms of some of the world's richest oil companies.

But these companies are already well lubricated. Despite profits that surged to nearly \$80 billion in 2010, Big Oil will pocket nearly \$5 billion in taxpayer handouts this year—even as gasoline prices soar and our national debt deepens.

One year after the Deepwater Horizon oil disaster in the Gulf of Mexico, it's time to ask whether we keep shoveling so much tax money to companies that need it so little—and seem to care even less about the long-term health of America's economy and environment.

Not surprisingly, in poll after poll, the American people are saying: "No!" A February NBC/Wall Street Journal survey found that a whopping majority of Americans—74 percent—support ending longstanding oil-industry tax credits worth tens of billions of dollars. President Obama has proposed a change designed to keep the engine of innovation humming. He has asked Congress to

dispose of some grubby subsidies that have rewarded Big Oil for bad behavior. And he wants to replace them with more effective incentives for saving energy and shifting to cleaner, greener and safer energy choices.

It's a sensible plan for leveling a playing field too long tilted in Big Oil's favor. It recognizes that we can't just pump our way out of our energy problem. And it would provide the entrepreneurs who are creating tomorrow's energy sources with the same kind of help the nascent oil industry got more than a century ago but no longer needs.

The plan is also a welcome sign that, in the wake of the Deepwater Horizon disaster, we are recognizing the true costs of dirty energy. We don't pay just once for that gallon of gas or quart of oil. We pay at least three times: Once at the station; again on Tax Day for the subsidies; and again every time taxpayers have to help clean up the environmental and economic mess created by a leaking pipeline, smashed supertanker or burning offshore rig.

It's one thing to mourn the lost lives, oiled birds, fouled beaches and fishing grounds created by these catastrophes. It's quite another, however, to realize that billions of our tax dollars contributed to these disasters by cushioning these companies from the true costs of their mismanagement.

So what's the problem? Apparently, the WD-40 has made its way to Congress, and the well-lubricated process has so far ensured that oil-industry subsidies continue to slip through the legislative process.

At Oceana, we're calling on Congress to end this expensive, self-destructive coddling. Oil and natural-gas companies have already received at least \$190 billion in subsidies since 1968, said a recent analysis by congressional staff. That could grow by an additional \$36.5 billion over the next decade, if our laws aren't changed. And that doesn't count an additional \$2 billion to \$3 billion in royalties a year that companies aren't currently paying on the oil pumped out of certain federal leases offshore, due to sloppy lawmaking and political gridlock. A private company would never give that oil away for free. Why should we the people?

In these lean times, we can't afford to waste more money on further enriching the oil behemoths. Instead, we could: Pay down our debt. Help our kids become the next Thomas Edison or Bill Gates. Let today's small offshore-wind and "smart power" firms become tomorrow's Google—or even tomorrow's BP creating new jobs and big fortunes along the way.

Replacing oil won't happen overnight. But it won't happen at all unless we make smarter choices now about spending the public's money.

First, Congress should act now, as urged by President Obama, to end unnecessary handouts to Big Oil. Second, make sure that the companies pay fair royalties on the crude they pump from public lands and waters. Finally, invest in people and companies that will create the next energy revolution—building everything from better offshore wind turbines to electric cars. It's time we started using our scarce tax dollars for the benefit of all Americans—and stopped handing them over to a handful of rich oil executives. Come on Congress, it's time for an oil change.

Mr. WHITEHOUSE. I have also called on President Obama to release some of the oil stored in our Nation's Strategic Petroleum Reserve. History has shown that releasing some of this oil into the market can have a short-term impact on prices. When President George H.W. Bush announced he was authorizing a

drawdown in 1991, oil prices fell by nearly \$10 per barrel the next day. There is not much we can do to reduce oil prices in the near term, but this action could bring some relief to American consumers.

We must also clamp down on excessive oil speculation. I joined 47 of my colleagues in opposing a Republican proposal to cut one-third of the funding for the Commodity Futures Trading Commission, the cop on the beat, for improper speculation. The Commission is responsible for cracking down on illegal speculative activities that artificially inflate the price of oil. We need to make sure Wall Street is not unfairly gouging and hurting middle-class families. We should not be taking this cop off that beat.

I am joining Senators CANTWELL and WYDEN in sending a letter calling on the Commission to impose position limits on oil trading that were required by the Dodd-Frank Wall Street reform bill. This congressionally imposed deadline has already passed, and the Commission should act swiftly to protect consumers by helping to restrain speculation. I am glad President Obama has directed an investigation into the role of speculation in our current gas prices.

In the long run, we must invest in electric vehicles, alternative fuels, public transit, high-speed rail, and freight rail. Each of these transportation methods can significantly reduce our reliance on oil in the transportation sector. Indeed, moving freight by rail is three times more fuel efficient than by truck.

If we do not take long-term action, these price spikes we are seeing now are going to keep on coming. We have seen them before, and we will see them again. As President Obama said, the United States keeps going "from shock to trance on the issue of energy security, rushing to propose action when gas prices rise, then hitting the snooze button when they fall again." Let's not hit the snooze button after this one. Let's take the long-term action necessary to get our country off of foreign oil. But in the meantime, let's work together to end the unnecessary and costly \$4 billion giveaway to these highly profitable oil companies and promote instead long-term solutions to move us off oil and to protect American consumers from the harmful price shocks they are now experiencing.

I would leave with this question: Can the deficit be at once the most important challenge facing our Nation, as many of my colleagues say it is, and at the same time less important than protecting big oil subsidies? I think not.

I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. Madam President, I ask unanimous consent to be able to speak in morning business for up to 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE BUDGET

Mr. SESSIONS. Madam President, a headline in the Hill today reads "Budgets everywhere, but not [a single] one has votes to pass." Well, that is not exactly correct. In reality, there is only one budget that has been presented, publicly debated, worked on in committee, shared with the American people, and passed on the floor in one house, and that is the budget of the Republican House. PAUL RYAN led the fight on that, and it is a courageous, serious budget that would restore fiscal sanity and prosperity to this Nation.

It deals with our short-term funding crisis and the long-term ability of our financial system. We had another budget presented by President Obama. It was an irresponsible budget. The budget presented by the President to the Senate is about this thick. It is required by law that the President submit one every year. He has around 500 people in the budget office who help prepare that. That budget—analyzed by the CBO, our independent group of analysts—was found to not reduce the debt path we are on but to actually increase the debt over 10 years more than would occur based on the Congressional Budget Office baseline we are already on—substantially, \$2 trillion more. It has tax increases in it too. This is not a responsible budget. It was never received responsibly in the Senate and not by the independent commentators. They all said it fails to do the job we have to do.

I have to say, by contrast to the House, that there still is no Senate Democratic budget—a budget set up to be passed by a majority. The majority party always has the responsibility—and sometimes they meet it and sometimes not—to present a budget. No action has even been scheduled in the Budget Committee. No plan or resolution has been brought up for a vote. In fact, it has been 742 days since the Senate passed a budget—2 years. The Democratic-led Senate has missed the statutory deadline of April 15 to produce a budget for the second year in a row. In fact, as a statutory requirement, the committee is to start work on it by April 1. We have not begun it yet and it is mid-May. Is it any wonder that this country is in a financial crisis, that we are not containing spending, when we don't even have a budget and we didn't even bring one to the floor last year? Majority Leader REID chose not to bring a budget to the floor for debate or to even attempt to pass a budget.

We are in the middle of a fiscal crisis. There is no doubt that the single greatest threat to America at this point in time is the financial situation in which we find ourselves. This year, we will spend, by September 30—and we are moving on to that date—\$3.7 trillion. We will bring in revenue of \$2.2 trillion. Forty cents of every dollar we are spending this year is borrowed. It is an unsustainable path, as every expert has told us in the Budget Committee, where I am ranking Republican.

We have heard witness after witness, Democratic and Republican, and the President's own debt commission tell us we are on an unsustainable path. Erskine Bowles, the man chosen by President Obama to head the fiscal commission the President established, told us—along with Alan Simpson, his co-chairman—that this Nation has never faced a more predictable financial crisis. We are heading right to it. It is going to hammer us, our children, and our grandchildren. If we don't get off this course, the bond markets are going to revolt, and we are going to have a serious financial crisis of some kind that will not be good for this economy.

When asked when such a crisis could occur, Mr. Bowles said 2 years, maybe a little less or a little more, and Alan Simpson said he thought it would be 1 year. These are independent people who love America. They are warning us to take action now. The President's budget simply doesn't get it.

The American people are not happy with us. They think we are not meeting our responsibilities.

Are they right? They hammered a lot of big spenders in the last election. Were they right? I totally believe they are right. I totally believe that. I am of the view that there is no way this country should be in the present debt situation. It should never, ever have happened. I opposed a lot of the spending. I would like to think I was more vigorous than most in warning against it. But I don't think I have done enough. There is no reason to borrow 40 cents out of every dollar we spend; it threatens our future.

We will double the entire debt of our country in 4 years under this President's watch. When he leaves office, completes his 4-year term, he will have doubled the entire debt of America, and we are on a course that continues to be dangerous.

As we know, Budget Committee Chairman CONRAD has been meeting privately with his Democratic caucus—it has been in the press—to try to finally bring some sort of budget forward. The Democrats apparently have been unable to do so, from reports we see, because the big spenders in their caucus cannot support a plan that would actually get the job done and put us on a sound financial path, and they can't produce a plan that will withstand public scrutiny, apparently, and that the American people would support. So they have a difficult problem.