

prices are near an alltime high and we as American taxpayers, are subsidizing the oil industry to the tune of \$4 billion a year. You need the imagination of Lewis Carroll, who wrote "Alice in Wonderland," to come up with a more ridiculous scenario.

That is why I strongly support and am proud to cosponsor Senator MENENDEZ's "Close Big Oil Tax Loopholes Act."

This legislation will put an end to taxpayer handouts to the five largest integrated oil companies and use that \$21 billion in savings to reduce the deficit. This \$21 billion is an excellent downpayment on the effort to get our fiscal house in order. If we use this \$21 billion, it will be a little easier to reach our huge goal of reducing the deficit. It will be a little easier to complete our dual goals of reducing the deficit but still growing the economy.

The bill repeals a host of Byzantine tax provisions that only a lobbyist could love, such as the deduction for tertiary injectants and the deduction for intangible extraction costs. Some thought these up a long time ago. They have sat in our Tax Code, but they mean lots of money to Big Oil.

Small- and medium-sized oil firms are exempt. The only companies the legislation deals with are the big five—Shell, ExxonMobil, Chevron, Conoco-Phillips, and British Petroleum.

I have heard pundits from the hard right parrot Big Oil's talking point that repealing these giveaways would increase gas prices for consumers. Nothing could be further from the truth. Last week, two major studies—one from the nonpartisan Congressional Research Service and another from the Joint Economic Committee—found that ending these absurd subsidies would not—would not—impact the price of gas. Neither of these studies—these were scientific studies done by economists. They did not have any biases.

In what was perhaps an inadvertent moment of candor at last week's Finance Committee hearing, ExxonMobil's CEO Rex Tillerson said:

Gasoline prices are a function of crude oil prices, which are set in the marketplace by global supply and demand, not by companies such as ours.

Let me repeat what he said because it directly answers the argument that some on the other side of the aisle have made that if we repeal these subsidies, we will raise gas prices because that means the companies would decide to raise them because they are getting less subsidy. Here is what Mr. Tillerson said:

Gasoline prices are a function of crude oil prices, which are set in the marketplace by global supply and demand, not by companies such as ours.

That does not seem like an objectionable comment; it is true. But when he made that comment, Mr. Tillerson of ExxonMobil was conceding that repealing taxpayer-funded subsidies for the big five will not increase prices. Prices

are set, as he says, by global supply and demand. That is not to say repealing the subsidies would necessarily bring down prices. We are not making that claim. All along we have been clear that the purpose of this bill is to make a dent in the deficit by repealing tax breaks for the five companies that are the least in need of help from Uncle Sam.

Lowering the cost of gasoline and ridding our country of its dependence on foreign oil requires, of course, a long-term comprehensive approach. It is something we must do. It is outrageous that our country sends \$1 billion a day overseas, wealth out of American pockets. To whom do we send them? People we dislike intensely—Ahmadinejad of Iran and Chavez of Venezuela. Why are we doing that? Because we failed to come up with a long-term policy that reduces our dependence on foreign oil.

In the months ahead, I expect the Democratic caucus will unveil a thorough and forward-thinking plan to do just that. In the meantime, if Republicans in the House are serious about deficit reduction, the Menendez bill is their chance to show it now.

If we are going to come together, is this not the easiest place to come together? We are going to have a lot of hard struggles as we attempt to reduce the deficit, as the debt ceiling looms over us. But this is an easy one, and many people on my side of the aisle are scratching their heads. If our colleagues on the other side cannot give in on something such as this, what are they going to give in on? Speaker BOEHNER said earlier this week he wants to make trillions of dollars in cuts. Here is a good place to start. Indeed, the Speaker himself has said as much.

At one point, he seemed to say it makes some sense to eliminate subsidies to the big five. Let's not forget that Speaker BOEHNER was in favor of repealing oil subsidies before he was against it.

The bottom line is this: At a time of sky-high oil prices, it is unfathomable to continue to pad the profit of companies with taxpayer-funded subsidies. The time to repeal these giveaways is now. No more should we send \$4 billion this year, next year, or any year to the five big oil companies which have made record profits and admittedly, by the admission of Mr. Tillerson, if we take them away from them it would not raise gas prices a plug nickel.

Our plan to cut the deficit begins with ending wasteful subsidies to Big Oil. The Republican plan, as embodied by the Ryan amendment, for which almost every Republican in the House voted begins with ending Medicare as we know it. That is a bright line difference between our side and theirs. We know what choice the American people want us to make.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

EXTENSION OF MORNING BUSINESS

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that morning business be extended until 8 p.m. for debate only, with Senators permitted to speak therein for up to 10 minutes each.

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

CLOSE BIG OIL TAX LOOPHOLES ACT

Mr. BROWN of Ohio. Mr. President, I thank the senior Senator from New York who has been a real leader on this issue to bring more tax fairness to the American people and take away the subsidies of these five companies that absolutely do not need those subsidies and to help deal with the budget deficit. We can do that with one simple step that far too many conservative politicians in this city are resisting. I join Senator SCHUMER in expanding on his comments.

We think our Nation's spending and its budget should reflect our Nation's priorities, should reflect our investments in education, infrastructure, how it will strengthen our economic competitiveness, whether in Charleston, WV, or Ironton, OH, through the innovation of entrepreneurs and small businesses.

Our Tax Code should also reflect our priorities to create jobs at home—to encourage companies to invest in clean energy to end our Nation's dependence on foreign dirty oil.

Last week, unfortunately, we heard just how out of touch some politicians and their benefactors in the oil industry are with the real priorities and real problems facing our Nation—huge Federal deficits, \$4-a-gallon gas, Americans struggling to find a job or put food on the table even if they are employed.

I received a letter from Laurie from Lakewood, OH:

This recession has hurt our family budget for the past three years. My husband and I have had our pay reduced.

We cut our expenses—not going out to eat or to the movies or the department stores. My husband and I are both working second jobs to keep our kids in school and food on the table. We carpool and do everything we can to cut expenses.

I'm at the end, I don't know where else to cut and I don't have the option of not putting gas in my tank because I have to get to my jobs.

She said "jobs," plural.

Please, if you can do anything, it would help so many of us who are struggling.

Laurie's story is similar to that of many other Americans and so many Ohioans from Ashton, OH, to Hamilton, from Lima to Gallipolis, the working mom who drives from home in the suburbs to work downtown; truckdrivers in Toledo where high gas prices jeopardize their ability to operate and transport products across the country;

small business owners in Lima, in Zanesville, Findlay, Mansfield, and Chillicothe who worry that high gas prices cut into already razor-thin margins, where money spent on gas means less spent on finished products, goods, and services.

Their stories stand in sharp contrast to what we heard last week when the CEOs of the five largest oil companies testified before the Senate Finance Committee. They insisted on holding on to those tax loopholes that they said before they do not want and they have acknowledged they will not use to expand production.

A common refrain we hear from conservative Washington politicians is that just as American families are tightening their belts, so, too, should the Federal Government. Just ask Laurie and the thousands of other Ohioans who work hard and play by the rules and are doing everything they can to get by.

What about big oil? They are doing just fine with windfall profits, billions and billions. The five largest oil companies made \$32 billion in profits in the first quarter of this year. Based on that, over four quarters over this full calendar year of 2011, we can project the five companies' profits being \$128 billion plus—\$128 billion. Their profits are good. But when their profits are more than \$30 billion in the first quarter alone, it is clear they do not need these taxpayer-funded giveaways.

Americans spent 28 percent more for gas in the first 3 months of 2011 than they did in the same period in 2010. Meanwhile, the big five oil companies—BP, Chevron, ConocoPhillips, ExxonMobil, and Shell—made 38 percent more profit. The companies then used a major portion of these additional profits to buy back stock to enrich their board of directors, senior managers, and shareholders.

These massive profits are possible by a misguided part of the Tax Code—one that allows them to take advantage of credits that are, in fact, meant to encourage American manufacturing. That is why the Close Big Oil Tax Loopholes Act is so important. The bill would end more than \$2 billion in tax subsidy deductions and royalty relief that big companies receive each year.

Consumers who are already paying for \$4-a-gallon gas at the pump should not be forced to write another \$2 billion check to companies that do not need it. But that is exactly what our Tax Code allows. To put it another way, it grants corporate welfare to Big Oil. It is unnecessary and undermines the actual manufacturing that can create jobs and strengthen our production of domestic clean energy.

We should promote only those tax credits—only precisely those tax credits—that constitute an effective use of tax dollars. For example, manufacturers from across Ohio and the Nation have benefited from the 48(c) advanced manufacturing tax credits that help us move away from our dependence on foreign oil.

Mr. President, 48(c) leverages public incentives to attract private sector investment. That means government and business working together to create jobs and build a clean energy economy. Seven Ohio companies were awarded \$125 million in initial 48(c) funding in the first phase of last year. These companies and their workers—in Bedford, Bucyrus, Circleville, Dayton, Findlay, Perrysburg, and Toledo, OH—will retool their factories to build clean energy products from wind turbine bolts to energy-efficient lamps and home appliances to state-of-the-art solar panel technologies.

I introduced the Security in Energy and Manufacturing Act—the SEAM Act—to extend the 48(c) program. The SEAM Act will promote grants as a means to invest in more companies, especially small- and medium-sized manufacturers that do not have tax liabilities or companies that struggle to find credit in the tight financial market.

We want these manufacturing tax credits—very different from what the oil industry is demanding they keep because their tax incentives accomplish none of this. We are asking that those startup companies, those companies that are not yet so profitable, take these 48(c) tax credits because they simply do not have the tax liability yet. We are asking that those be part of the code so those companies can get some assistance as they begin to grow their businesses and conserve energy.

This would further promote U.S. clean energy manufacturing and ensure our manufacturers produce all the component parts in the clean energy supply chain.

Yet instead of adopting this valuable incentive, Republican opposition in the Senate and Republican opposition in the House forces us to continue to allow Big Oil to exploit the manufacturing deduction to extract oil from the ground. They do not need any more incentives to drill for oil when they are getting close to \$100 a barrel. What they are doing is not manufacturing in any sense of the word.

We need a more comprehensive reexamination of the corporate Tax Code. In the meantime, we should be able to agree there is no justification to continuing tax subsidies to companies that have no need for them. This legislation is modest. It is only in the scheme of a huge Federal budget, in the scheme of \$125 billion profits for the oil companies. It is only in the scheme of that a first step. After removing these unnecessary tax loopholes, the Senate should work on cracking down on both reckless Wall Street speculators and OPEC members that manipulate prices through collusion and price fixing.

One step is to take away the tax subsidies. Middle-class families in Dayton, Akron, Canton, Youngstown, Huntington, Charleston, in Beckley are reaching into their pockets and giving to the oil companies. We are taking that away. At the same time, the administration needs to crack down on

Wall Street speculators that are gaming the system as they manipulate prices with OPEC nations through collusion and price fixing. By taking these necessary steps, we show how our spending and our Tax Code and our budget can reflect not only our priorities but how we can actually meet them.

The time to ask is now. I ask my more conservative colleagues here to join us. It is a pretty easy step to move toward a better fiscal situation, a more coherent budget policy—that we eliminate these tax subsidies that have gone to America's five largest oil companies, some of the most profitable companies, frankly, in the history of the world.

Mr. President, I yield the floor.

NATIONAL POLICE WEEK

Mr. WHITEHOUSE. Mr. President, I rise to honor the service of our Nation's law enforcement officers on the occasion of National Police Week, which is taking place this year from May 15 through May 21.

Every day, in cities and towns across America, police officers put their lives on the line to protect their fellow citizens. As a State and Federal prosecutor, I was proud to work alongside so many fine law enforcement officers in Rhode Island. I saw their hard work, their dedication to protecting the public, their commitment to upholding the rule of law, and the sacrifices they make for their communities.

During National Police Week, we remember those officers who have fallen in the line of duty, and we honor their families. It is a tragedy for a single officer to be killed in the line of duty. Yet according to the National Law Enforcement Officers Memorial Fund, there were 162 law enforcement fatalities in America last year, a jump of nearly 40 percent from the year before. In 2011, the statistics are even more upsetting: as of May 12, there have already been 69 officer fatalities, a 17-percent increase from this time a year ago.

Here in the Nation's Capital, we are marking the service and loss of our country's fallen police officers through the events of National Police Week. Yesterday more than 20,000 officers gathered in Washington, DC, to observe National Peace Officers Memorial Day. I was proud to join with Chairman LEAHY, Ranking Member GRASSLEY, and other members of the Senate in cosponsoring a resolution recognizing that day, and commemorating the dedication of those officers killed or injured in the line of duty.

I also wanted to highlight for my colleagues two recent events to honor this occasion in my home State.

Earlier this month, Newport hosted the 28th annual Aquidneck Island National Police Parade. Hundreds of officers from nearly every police agency in Rhode Island marched alongside more than 1,000 fellow police officers from across the Northeast and Canada.