

United States Senate

WASHINGTON, DC 20510

October 14, 2011

Senator Patty Murray
Co-Chair

Joint Select Committee on Deficit Reduction
448 Russell Senate Office Building
Washington, DC 20510

Representative Jeb Hensarling
Co-Chair

Joint Select Committee on Deficit Reduction
129 Cannon House Office Building
Washington, DC 20515

Dear Senator Murray and Representative Hensarling:

We are writing to urge you to eliminate \$21 billion in oil subsidies for the five largest, most profitable private oil companies in the world as part of the Joint Select Committee on Deficit Reduction's work to lower the federal debt. Everyone needs to do their part to set us on the path toward a balanced budget, even the most wealthy and powerful among us.

As you know, a bipartisan majority in the Senate voted in favor of Senator Menendez's legislation to eliminate these subsidies, but because of a filibuster, the bill failed to pass. Now is the chance to heed this majority in the Senate and the vast majority of the American people and cut these wasteful oil subsidies. President Obama has called for the elimination of these subsidies and it is time for Congress to follow suit.

Unlike working families struggling to make ends meet, BP, ExxonMobil, Shell, Chevron and ConocoPhillips have money to burn. In the last decade, they have raked in more than \$1 trillion in profits, and they are projected to make \$144 billion in profits this year alone. We simply cannot solve our budget problems by demanding sacrifices from students, seniors, soldiers, and working class families alone. Big Oil needs to join us by paying their fair share to help address the deficit.

Despite the oil companies' insistence to the contrary, we know from analyses by the non-partisan Congressional Research Service and Joint Economic Committee that cutting \$2 billion in annual oil subsidies and tax breaks for oil companies would not make oil and gasoline more expensive. The price of oil and gas is set on the world market, and federal subsidies play no role in prices consumers pay at the pump. To put it another way, if the five largest and wealthiest private oil companies were willing to live with \$142 billion in profits this year, rather than their projected \$144 billion, they would be paying their fair share in taxes without raising gasoline prices one penny.

It is also important to note that these wasteful subsidies do not create jobs. Technological improvements allow these companies to extract more oil with fewer workers which is why oil and gas companies cut over 4,400 jobs in 2010, despite earning enormous profits.

Thank you for taking the time to consider supporting the elimination of more than \$21 billion in oil subsidies for the Big 5 oil companies as part of the Joint Select Committee. Please do not hesitate to contact us or our staff if you have any questions. We look forward to working with you to lower the deficit in an equitable and effective manner.

Sincerely,



ROBERT MENENDEZ
United States Senator



DEBBIE STABENOW
United States Senator



SHELDON WHITEHOUSE
United States Senator



BERNIE SANDERS
United States Senator



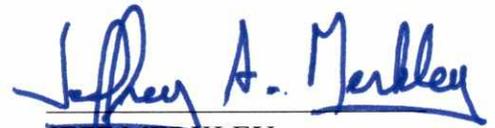
FRANK R. LAUTENBERG
United States Senator



RICHARD BLUMENTHAL
United States Senator



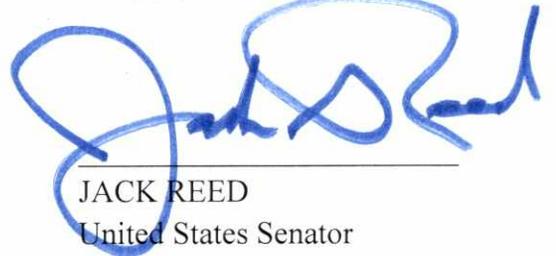
DIANNE FEINSTEIN
United States Senator



JEFF MERKLEY
United States Senator



KIRSTEN GILLIBRAND
United States Senator



JACK REED
United States Senator



BARBARA BOXER
United States Senator



JEANNE SHAHEEN
United States Senator



BEN CARDIN

United States Senator



BILL NELSON

United States Senator