

# KEY VOTE ALERT!

March 26, 2012

TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly opposes S. 2204, the "Repeal Big Oil Tax Subsidies Act," because levying new taxes on America's oil and natural gas industry would increase U.S. dependence on foreign oil, increase consumer costs, cost U.S. jobs, and further erode economic competitiveness.

While the Chamber supports the extension of certain energy extenders, such as the wind production tax credit and percentage depletion for oil and natural gas from marginal wells, it strongly opposes the punitive tax provisions in S. 2204 aimed at major integrated oil producers.

Taxes and new fees would decrease domestic energy production and have previously proven to increase reliance on imported energy and to increase costs for consumers. Legislation intended to selectively punish energy companies is discriminatory, misguided, unwarranted, and ultimately counterproductive. Congress could instead address the Administration's failure to allow energy companies greater access to resource rich federal lands and waters is further jeopardizing America's energy security.

For example, the denial and limitations of the Section 199 deduction for oil and gas companies provided in S. 2204 could discourage energy investment, result in lost jobs and ultimately decrease domestic supply and increase energy costs for American businesses and families. Furthermore, the proposed modification of the foreign tax credit rules for U.S. oil and natural gas companies would place domestic firms at a competitive disadvantage to foreign oil and gas producers, especially National Oil Companies which control 85% of the world's proven oil reserves.

The Chamber believes it is long past time Congress and the Administration took a serious effort to craft a comprehensive energy policy. Rather than legislation, such as S. 2204, that smacks of political gimmickry, the Chamber urges the Senate to begin work on legislation that expands domestic energy production – including coal, on shore and off shore oil and natural gas, nuclear, and renewables – increases efficiency, increases transmission, and streamlines approvals for important energy projects – including for projects such as the entire Keystone XL pipeline.

In sum, while the Chamber supports extension of certain energy tax provisions, we strongly oppose the targeting of specific industry sectors. **The Chamber will consider including votes on, or in relation to, S. 2204 – including votes on cloture on the motion to proceed – in our annual *How They Voted* scorecard.**

Sincerely,



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