

Sen. Cornyn On Energy & Gas Prices

“In my view, the solution is straightforward. We need more energy. Government should get out of the way, let the free market work and allow more domestic energy production. This would reduce gas prices even in the near-term, expand job opportunities in Texas—a world energy leader—and reduce our dependence on foreign oil.” — U.S. Sen. John Cornyn

EXECUTIVE SUMMARY

- **Most recently, Sen. Cornyn co-sponsored and voted for *The American Energy Production Act* in May 2008, which strengthens domestic energy production by increasing refinery capacity and energy exploration by exploring in ANWR, additional outer continental shelves, and shale areas.**
- **Sen. Cornyn supports ANWR, in addition to other offshore drilling and exploration. ANWR would produce up to 1 million barrels per day, which is more oil than any other state in the U.S. In addition, ANWR would provide jobs to Americans and boost the economy.**
 - He was an original co-sponsor of *The Gulf of Mexico Energy Security Act*.
 - He has voted for ANWR exploration at least 7 times during his time in the Senate.
- **Sen. Cornyn voted for comprehensive energy bills in 2003, 2005 and 2007.**
- **Sen. Cornyn has supported the development of renewable energy.**
 - He co-sponsored and voted for *The Clean Energy Tax Stimulus Act*.
 - He co-sponsored both *EXTEND the Energy Efficiency Incentives Act of 2007* and *The CREST Act*.
- **Sen. Cornyn has continually opposed raising taxes on domestic energy companies.**
 - He voted against the windfall profits tax on several occasions.
 - He opposed amendments that included provisions to increase taxes on energy companies.
 - He also voted to require 60 votes in the Senate (instead of 50) for passage of any Senate legislation that would result in increasing the national average price of fuel.
- **Sen. Cornyn supports expanding refinery capacity.**
 - He said if the U.S. doesn't “increase refinery capacity, prices will only continue to go higher.”
 - He also co-sponsored and voted for an amendment that would expand refineries.

Sen. Cornyn & The GOP Energy Plan To Address Rising Gas Prices In 2008

Sen. Cornyn Is A Co-Sponsor Of *The American Energy Production Act* (S. 2958):

“The American Energy Production Act Focuses On Common Sense Measures That Will Increase Production Of Oil And Gas Here At Home. If Enacted, This New Legislation Would Lead To The Estimated Production Of Up To 24 Billion Barrels Of Oil – Enough Oil To Supply America For 5 Years With No Foreign Imports.” (Sen. John Cornyn, “Cornyn Co-Sponsors New Bill To Reduce Gas Prices, Increase America’s Energy Security,” Press Release, 5/1/08)

- **“The Legislation Will Strengthen Domestic Energy Production By Exploring In ANWR, Additional Outer Continental Shelves, Shale Areas, And Provide For Increased Refinery Capacity.”** (Sen. John Cornyn, “Cornyn, Senate Republicans Press For Action On Bill To Address High Gas Prices,” Press Release, 5/7/08)

“Specifically, the American Energy Production Act:

- Allows petitions for leasing activities in the Atlantic and Pacific regions of the Outer Continental Shelf in order to tap into the 14 billion barrels of known recoverable oil in this area.
- Establishes a competitive oil and gas leasing program for the Arctic National Wildlife Refuge Coastal Plain under the Mineral Leasing Act, providing access to over 10 billion barrels of recoverable oil.
- Creates a revenue sharing agreement for participating states in which 37.5 percent of revenues will go to new producing states, 12.5 percent to the Land and Water Conservation Fund, and 50 percent to the Federal Treasury.
- Repeals the \$4,000 fee for new applications for permits to drill that was established in last year’s Omnibus Appropriations Bill.
- Suspends filling the Strategic Petroleum Reserve for 180 days.

- Repeals a provision in last year's Omnibus which reduced mineral leasing revenue payments to States by 2 percent, and restores the 50/50 Federal-State revenue sharing structure." (Sen. John Cornyn, "Cornyn Co-Sponsors New Bill To Reduce Gas Prices, Increase America's Energy Security," Press Release, 5/1/08)

Sen. Cornyn: "This legislation would increase oil and gas production in America, boost refinery capacity in America, and allow energy exploration in ANWR and the Outer Continental Shelf. This is an important start to lowering gas prices." (Sen. John Cornyn, "Cornyn, Senate Republicans Press For Action On Bill To Address High Gas Prices," Press Release, 5/7/08)

Sen. Cornyn Voted For *The American Energy Production Act*, Which Was Offered As An Amendment To A Flood Insurance Bill In May:

Sen. Cornyn Voted For An Amendment To *The Flood Insurance Reform And Modernization Act*, Which Would "Allow Energy Exploration In The Arctic National Wildlife Refuge And Allow States To Authorize Oil Drilling In Offshore Coastal Waters Currently Subject To A Federal Moratorium. It Also Would Promote Development Of Clean Coal Technology And Suspend Oil Acquisition For The Strategic Petroleum Reserve For 180 Days." (S. 2284, CQ Vote #123: Rejected 42-56: R 41-6; D 1-48; I 0-2, 5/13/08, Cornyn Voted Yea)

- **48 Senate Democrats Voted Against The Measure.** (S. 2284, CQ Vote #123: Rejected 42-56: R 41-6; D 1-48; I 0-2, 5/13/08)

Sen. Cornyn Has Supported ANWR, Offshore Drilling & Exploration

Sen. Cornyn Was An Original Co-Sponsor And Voted For *The Gulf of Mexico Energy Security Act* (S. 3711):

"Sen. John Cornyn Joined A Bipartisan Group Of Senators In Introducing A Bill That Will Allow Texas To Share Revenue From The Exploration Of Offshore Oil And Gas In The Eastern Gulf Of Mexico And Increase Our Domestic Energy Production. ... The Bill Would Open New Areas In The Eastern Gulf Of Mexico For Energy Development And Would Give Texas A Share Of That Revenue As Well As A Portion Of Revenues From New Leases In The Entire Gulf Of Mexico After 2017." (Sen. John Cornyn, "Bill Introduced In Senate That Will Provide Texas With Revenue Share Of Energy Exploration," Press Release, 7/21/06)

- **Sen. Cornyn:** "Texas is an energy leader and our state will play a strong role in this new offshore oil and gas exploration. I'm encouraged that we will benefit from a reasonable and fair revenue-sharing program to help coastal states." (Sen. John Cornyn, "Senate Passes Bill That Will Benefit Texas," Press Release, 8/1/06)

In 2006, Sen. Cornyn Voted For Final Passage Of *The Gulf of Mexico Energy Security Act* To Authorize Drilling In The Gulf Of Mexico. "Passage of the bill that would authorize drilling in about 8.3 million acres of the eastern Gulf of Mexico, including about 2.5 million acres within a section known as 'Lease Area 181.' It would direct 37.5 percent of drilling proceeds to Alabama, Louisiana, Mississippi and Texas for coastal restoration, 12.5 percent to the federal Land and Water Conservation fund and the remaining 50 percent for the federal treasury. It would establish a 125-mile buffer until 2022 for energy development in Gulf waters off the Florida coast and extend existing moratoria on energy exploration and development in the Gulf from 2012 to 2022." (S. 3711, CQ Vote #219: Passed 71-25: R 53-1; D 18-23; I 0-1, 8/1/06, Cornyn Voted Yea)

- **Sen. Cornyn Twice Voted For Cloture On The Bill.** (S. 3711, CQ Vote #217: Motion Agreed To 86-12: R 54-1; D 31-11; I 1-0, 7/26/06, Cornyn Voted Yea; S. 3711, CQ Vote #218: Motion Agreed To 72-23: R 52-1; D 20-21; I 0-1, 7/31/06, Cornyn Voted Yea)

Sen. Cornyn Has Repeatedly Voted In Favor Of ANWR Exploration:

Sen. Cornyn Has Voted For ANWR Exploration At Least 7 Times During His Tenure In The Senate. (S. 2284, CQ Vote #123: Rejected 42-56: R 41-6; D 1-48; I 0-2, 5/13/08, Cornyn Voted Yea; S. Con. Res. 83, CQ Vote #74: Adopted 51-49: R 50-5; D 1-43; I 0-1, 3/16/06, Cornyn Voted Yea; H.R. 2863, CQ Vote #364: Motion Rejected 56-44: R 52-3; D 4-40; I 0-1, 12/21/05, Cornyn Voted Yea; S. 1932, CQ Vote #288: Rejected 48-51: R 7-48; D 40-3; I 1-0, 11/3/05, Cornyn Voted Nay; S. Con. Res. 18, CQ Vote #81: Adopted 51-49: R 51-4; D 0-44; I 0-1, 3/17/05, Cornyn Voted Yea; S. Con. Res. 18, CQ Vote #52: Rejected 49-51: R 7-48; D 41-3; I 1-0, 3/16/05, Cornyn Voted Nay; S. Con. Res. 23, CQ Vote #59: Adopted 52-48: R 8-43; D 43-5; I 1-0, 3/19/03, Cornyn Voted Nay)

- **Sen. Cornyn:** "I strongly support reasonable oil and gas exploration in the Arctic National Wildlife Refuge and the Gulf of Mexico." (Sen. John Cornyn Website, cornyn.senate.gov, Accessed 12/17/07)

Sen. Cornyn: “The only way to keep prices from rising further, at a time of rising demand, is to increase supply of energy. It’s a simple lesson of economics ... I believe increasing American energy supply will help provide near-term relief at the pump and long-term security.” (Sen. John Cornyn, Op-Ed, “Energy: Near-Term Relief, Long-Term Security,” cornyn.ews.senate.gov, 5/6/08)

ANWR Would Produce Up To One Million Barrels Per Day, More Oil Than Any Other State In The U.S., And It Would Provide Jobs To Americans And Boost The Economy:

“At Peak Production, ANWR Could Produce More Oil Than Any U.S. State ...” (Department Of The Interior Website, www.doi.gov, Accessed 6/9/08)

- **Oil In ANWR Could Produce “About One Million Barrels Of Oil Per Day – About 20% Of Our Domestic Daily Production.”** (Department Of The Interior, “Facts: Environmentally Responsible Energy Production In Alaska’s ANWR,” Press Release, 9/7/05)

According To A Study Conducted By The National Defense Council Foundation, Safe Energy Exploration And Production Would Lead To More Than 1 Million New Jobs In The United States. (U.S. House Committee On Resources, “The Arctic National Wildlife Refuge (ANWR): Putting It Into Perspective,” www.resourcescommittee.house.gov, Accessed 3/9/05)

Sen. Cornyn Voted For Offshore Oil And Gas Exploration:

In 2003, Sen. Cornyn Voted Against “Strik[ing] A Provision Requiring A Survey And Inventory Of Possible Off-Shore Oil And Natural Gas Deposits By The Interior Secretary.” (S. 14, CQ Vote #221: Rejected 45-53: R 10-41; D 34-12; I 1-0, 6/12/03, Cornyn Voted Nay)

Sen. Cornyn Voted To Allow The Commonwealth Of Virginia To Conduct Oil And Gas Exploration In Its Coastal Zone:

Sen. Cornyn Voted To Authorize Virginia To Petition “For The Authority To Conduct Natural Gas Drilling And Exploration In The State’s Coastal Zone.” (H.R. 6, CQ Vote #212, Rejected 43-44: R 37-5; D 6-37; I 0-2, 6/14/07, Cornyn Voted Yea)

Sen. Cornyn Has Supported Comprehensive Energy Bills That Passed The Senate, Two Became Public Law

Sen. Cornyn Voted For The Energy Bill (H.R. 6) In 2007:

Sen. Cornyn Voted For *The Energy Independence And Security Act*. (H.R. 6, CQ Vote #430: Motion Agreed To 86-8: R 40-7; D 44-1, I 2-0, 12/13/07, Cornyn Voted Yea)

The 2007 Energy Bill:

- **Raises Fuel Economy Standards To 35 Miles Per Gallon.**
- **Increases The Renewable Fuel Standard.**
- **Invests In Research, Development And Demonstration Of New Technologies That Will Help Cut Greenhouse Gas Emissions.** (“The Energy Independence And Security Act,” Senate Energy & Natural Resources Committee, energy.senate.gov, 12/07)

President Bush Signed *The Energy Independence And Security Act* Into Law On December 19, 2007. (White House, “Fact Sheet: Energy Independence And Security Act Of 2007,” 12/19/07)

Sen. Cornyn Voted For The Energy Bill (H.R. 6) In 2005:

Sen. Cornyn Voted For *The Energy Policy Act Of 2005*. (H.R. 6, CQ Vote #213: Adopted 74-26: R 49-6; D 25-19; I 0-1, 7/29/05, Cornyn Voted Yea)

The 2005 Energy Bill:

- **Encouraged Expansion Of Nuclear Energy.**
- **Promoted Development Of Biofuels.**
- **Reauthorized The Energy Savings Performance Contract Program, Which Allows Private Contractors To Help Federal Agencies Improve The Energy Efficiency Of Their Facilities.**
- **Included The First-Ever Tax Credit For Residential Solar Energy System.**

- **Provided Tax Credits For Energy Efficient Hybrid, Clean-Diesel, And Fuel-Cell Vehicles.** (White House Website, www.whitehouse.gov, Accessed 6/9/08)

President Bush Signed *The Energy Policy Act Of 2005* Into Law On August 8, 2005. (White House, "Fact Sheet: President Bush Signs Into Law A National Energy Plan," 8/8/05)

Sen. Cornyn Voted For The Energy Bill (H.R. 6) In 2003:

Sen. Cornyn Voted For *The Energy Policy Act*. (H.R. 6, CQ Vote #456: Motion Rejected 57-40: R 44-7; D 13-32; I 0-1, 11/21/03, Cornyn Voted Yea)

The 2003 Energy Bill:

- **Authorized \$300 Million For Solar Programs;**
- **Provided For An Average Of \$600 Million Per Year For Existing And New Coal-Based Research And Development;**
- **Launched Programs For Hydrogen Fuel-Cell Transit Buses And Hydrogen Fuel-Cell School Buses;**
- **Launched Hydrogen-Powered Automobile Program To Get Cars On Road By 2020;**
- **Authorized Over \$2.9 Billion In Funding Over The Next Five Years For Renewable Energy Research And Development.** ("Highlights Of Energy Policy Act Of 2003," Senate Energy & Natural Resources Committee, energy.senate.gov, 11/15/03)

Sen. Cornyn Has Supported The Development Of Renewable Energy

Sen. Cornyn Co-Sponsored *The Clean Energy Tax Stimulus Act (S. 2821)*:

"U.S. Sen. John Cornyn ... Joined With A Bipartisan Group Of Senators To Cosponsor New Legislation That Encourages The Development Of Renewable Energy And Expands Energy Efficiency In Buildings, Homes And Appliances." (Sen. John Cornyn, "Cornyn Joins Bipartisan Effort To Encourage Development Of Renewable Energy," Press Release, 4/3/08)

- **"[T]he Bipartisan Clean Energy Tax Stimulus Act Of 2008 Extends Incentives To Encourage Renewable Energy Including Tax Credits For Wind Power, Geothermal, Biomass, And Hydropower. It Also Includes A 30 Percent Business Credit For The Purchase Of Fuel Cell Power Plants And Solar Energy Property, In Addition To Extending Credit For Residential Solar Property And A One-Year Credit For Energy Efficiency Improvements To Existing Homes."** (Sen. John Cornyn, "Cornyn Joins Bipartisan Effort To Encourage Development Of Renewable Energy," Press Release, 4/3/08)

Sen. Cornyn: "Developing clean, renewable energy sources that help meet our future energy needs, while reducing our dependence on foreign sources remains one of the great challenges facing our country today ... This bipartisan legislation gives Congress an opportunity to break the political stalemate and begin to move forward on this critical issue." (Sen. John Cornyn, "Cornyn Joins Bipartisan Effort To Encourage Development Of Renewable Energy," Press Release, 4/3/08)

Sen. Cornyn Voted For *The Clean Energy Tax Stimulus Act*, Which Was Attached As An Amendment To Housing Legislation Debated Earlier This Year:

Sen. Cornyn Voted For An Amendment To *The Foreclosure Prevention Act*, Which "Would Extend Existing Renewable Energy Tax Breaks Totaling \$6 Billion For Producing Energy From Wind, Sunlight And Other Renewable Sources, Including A One-Year Extension Of The Renewable Energy Production Tax Credit." (H.R. 3221, CQ Vote #95: Adopted 88-8: R 42-5; D 44-3; I 2-0, 4/10/08, Cornyn Voted Yea)

- **The Senate Overwhelmingly Passed The Amendment 88-8.** (H.R. 3221, CQ Vote #95: Adopted 88-8: R 42-5; D 44-3; I 2-0, 4/10/08)

Sen. Cornyn Co-Sponsored *The CREST Act (S. 1020)*:

"Cornyn Co-Sponsored The Creating Renewable Energy Through Science And Technology (CREST) Act Of 2007, Which Encourages The Development Of New And Emerging Energy Technologies Such As Wind Power." (Robert Francis, "Hutchison Proposes Legislation To Develop Renewable Energy," *Fort Worth Business Press*, 4/9/07)

- **“The CREST Act Establishes And Authorizes Funding For A Council On Renewable Energies (CORE). CORE Will Advise Congress On National Renewable Energy Strategy, Research And Development, Including Offshore Wind Production, Solar Power, Geothermal, Alternative Biofuels And Wave Energy. It Will Push Collaboration Across Federal Agencies And Departments On Executing National Renewable Energy Objectives ...”** (Robert Francis, “Hutchison Proposes Legislation To Develop Renewable Energy,” *Fort Worth Business Press*, 4/9/07)

Sen. Cornyn Co-Sponsored *EXTEND The Energy Efficiency Incentives Act Of 2007 (H.R. 1385):*

The Legislation “Would Provide Consumers And Businesses Relief From High Energy Prices By Extending Energy-Efficiency And Solar Energy Tax Incentives Enacted By The Energy Policy Act Of 2005. The EXTEND The Energy Efficiency Incentives Act Of 2007 ... Would Continue To Increase Energy Efficiency, Reduce The Demand For Natural Gas, The Strain Placed On Our Nation’s Power Grid And Offer Savings And Tax Credits For Those Homes And Businesses That Work To Reduce Their Energy Consumption.” (Sen. Olympia Snowe et al, “Bipartisan Legislation Would Extend Tax Incentives, Lower Energy Costs, Increase Energy Independence,” Press Release, 3/8/07)

Additional Support For Renewable Energy By Sen. Cornyn:

Sen. Cornyn Voted For *The Renewable Fuels, Consumer Protection And Energy Efficiency Act, Which Increased The Renewable Fuel Standard.* (H.R. 6, CQ Vote #430: Motion Agreed To 86-8; R 40-7; D 44-1, I 2-0, 12/13/07, Cornyn Voted Yea; *The Energy Independence And Security Act*,” Senate Energy & Natural Resources Committee, energy.senate.gov)

Sen. Cornyn Voted For *The Energy Policy Act, Which Authorized Over \$2.9 Billion In Funding Over The Next Five Years For Renewable Energy Research And Development.* (H.R. 6, CQ Vote #456: Motion Rejected 57-40; R 44-7; D 13-32; I 0-1, 11/21/03, Cornyn Voted Yea; “Highlights Of Energy Policy Act Of 2003,” Senate Energy & Natural Resources Committee, energy.senate.gov, 11/15/03)

Sen. Cornyn Has Opposed Raising Taxes On Domestic Energy Companies

Sen. Cornyn Has Voted Against The Windfall Profits Tax Several Times:

Sen. Cornyn Voted Against Waiving The Budget Act For An Amendment To *The FY06 Senate Tax Reconciliation Bill* That “Would Impose A Temporary 50 Percent Tax On Oil Company Profits From The Sale Of Crude Oil. Funds From The Tax Would Be Used To Provide A Consumer Tax Credit For Petroleum Products.” (S. 2020, CQ Vote #331: Motion Rejected 35-64; R 0-55; D 34-9; I 1-0, 11/17/05, Cornyn Voted Nay)

Sen. Cornyn Voted Against Waiving The Budget Act For An Amendment To *The FY06 Senate Tax Reconciliation Bill* That Would Impose “A One-Year Temporary Tax On Oil Company Profits From The Sale Of Crude Oil.” (S. 2020, CQ Vote #339: Motion Rejected 50-48; R 9-45; D 40-3; I 1-0, 11/17/05, Cornyn Voted Nay)

Sen. Cornyn Voted Against Waiving The Budget Act For An Amendment To *The FY06 Senate Tax Reconciliation Bill* That “Would Impose A Temporary Tax On Oil Company Profits From The Sale Of Crude Oil. The Funds Would Be Used To Provide Every Taxpayer With A \$100 Non-Refundable Tax Credit For 2005 For Each Person In Their Household.” (S. 2020, CQ Vote #341: Motion Rejected 33-65; R 0-54; D 32-11; I 1-0, 11/17/05, Cornyn Voted Nay)

Sen. Cornyn Voted Against Raising Taxes On Energy Companies To Provide A Refundable Tax Credit For Farmers:

Sen. Cornyn Voted Against Waiving The Budget Act For An Amendment To *The FY06 Senate Tax Reconciliation Bill* That “Would Provide A Refundable Tax Credit For Farmers Of An Amount Equal To The Lesser Of 30 Percent Of Their Energy Costs For 2005, Or \$3,000. It Would Increase Taxes On Foreign Oil And Gas Income For U.S. Energy Companies Through Modifications To Foreign-Tax Credit Rules.” (S. 2020, CQ Vote #345: Motion Rejected 47-51; R 3-51; D 43-0; I 1-0, 11/17/05, Cornyn Voted Nay)

In 2007, Sen. Cornyn Voted Against A \$32 Billion Tax Hike Package Democrats Attempted To Add To The 2007 Energy Bill:

Finance Chairman Max Baucus, D-Mont., Proposed \$32 Billion Energy Tax Hike To The Energy Bill. “The Senate Finance Committee, meanwhile, included language to establish a new excise tax on royalty-free production in the Gulf in a \$32

billion energy tax package it approved June 19.” (Jeff Tollefson, “Democrats Put Offshore Drilling Language, Energy Proposals In Farm Bill,” *CQ Today*, 7/26/07)

Sen. Cornyn Voted Against Cloture On An Amendment That “Would Establish \$32.1 Billion Of Tax Incentives For Alternative Energy Sources While Imposing Taxes On The Oil And Gas Industry.” (H.R. 6, CQ Vote #223: Rejected 57-36: R 10-34; D 45-2; I 2-0, 6/21/07, Cornyn Voted Nay)

- **Republicans Blocked The “Massive Tax Package” In June 2007.** “On taxes, Democrats came three votes shy, 57-36, of the 60 votes needed to overcome a threatened GOP filibuster and add the massive tax package to the energy bill.” (H. Josef Hebert, “Republicans Block Tax Increases For Oil Companies,” *The Associated Press*, 6/21/07)

The Tax Hike Would Negatively Affect Domestic Oil And Gas Manufacturing. “Meanwhile, most of the revenue-raising offsets in the measure would affect the oil and gas industry, which would lose a deduction for domestic manufacturing and face a new tax on operations in the Gulf of Mexico.” (Richard Rubin, “Baucus Says Energy Tax Package Can Be Revived, But Details Are Sketchy,” *CQ Today*, 7/10/07)

- **A Heritage Foundation Study Found The Tax Increase Would Have Raised Gas Prices To Over \$6 By 2016.** “A study by the conservative Heritage Foundation think tank showed that the proposed tax increase would boost the average price of regular unleaded gasoline from \$3.14 per gallon to \$6.40 in 2016.” (S.A. Miller, “Senate Votes To Raise Auto Mileage Standards,” *The Washington Times*, 6/22/07)

Sen. Cornyn Voted To Make It More Difficult For The Senate To Increase Gas Taxes:

Sen. Cornyn Voted To Waive The Budget Act For An Amendment That Would Require 60 Votes (Instead Of 50) For Passage Of Any Legislation That Would Result In Increasing The National Average Price Of Fuel. (H.R. 6, CQ Vote #217: Motion Rejected 37-55: R 36-9; D 1-44; I 0-2, 6/20/07, Cornyn Voted Yea)

Experts Cast Doubt On Effectiveness Of Taxing Domestic Energy Companies

A 2007 Study By Former Clinton Undersecretary Of Commerce For Economic Affairs Robert J. Shapiro Found Ownership Of Oil And Gas Companies To Be “Broadly Middle-Class”:

Ownership Of Oil And Natural Gas Company Shares Is “Broadly Middle-Class.” “These data, along with previous analyses that we conducted further suggest that ownership of oil and natural gas company shares is broadly middle-class.” (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” Sonecon, 9/07)

- **“42.7 Percent Are Owned Or Held By Mutual Funds And Other Asset Management Companies That Have Mutual Funds.”** (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” 9/07)
- **Mutual Funds Manage Accounts For Over 55 Million American Households With A Median Income Of \$68,700.** “Mutual funds manage accounts for 55 million U.S. households with a median income of \$68,700, and the owners of mutual funds include 16 percent of households with incomes of \$25,000 or less, as well as 83 percent of households with incomes of \$100,000 or more.” (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” Sonecon, 9/07)

27 Percent Of Oil And Gas Company Shares Are Held In Private And Public Pension Funds, Which Operate On Behalf Of 129 Million Pension-Fund Participants. “Earlier analysis found that an estimated 27 percent of oil and natural gas company shares are held in private and public pension funds, and these funds manage assets, directly or indirectly, on behalf of 129 million pension-fund participants whose accounts have an average value of \$62,280.” (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” Sonecon, 9/07)

- **In 2004, Public Pension Funds Held \$64 Billion In Shares Of Oil And Gas Companies.** “For example, some 28 million public pension accounts in over 2,650 public employee pension funds represent the major retirement security for current and already-retired soldiers, teachers, police and fire personnel, social workers and office workers employed at every level of government. In 2004, these funds held approximately \$64 billion in shares of U.S. oil and natural gas companies.” (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” Sonecon, 9/07)

14 Percent Of Oil And Natural Gas Company Shares Are Held By 45 Million Americans In Individual Retirement Accounts Worth An Average Value Of \$22,465. “An estimated 14 percent of oil and natural gas company shares are held in IRA-type retirement accounts with an average value of \$22,465, owned by 45 million Americans.” (Robert J. Shapiro and Nam D. Pham, “The Distribution Of Ownership Of U.S. Oil And Natural Gas Companies,” Sonecon, 9/07)

NOTE: Shapiro Was The U.S. Undersecretary Of Commerce For Economic Affairs Under President Bill Clinton. “Dr. Robert J. Shapiro is the co-founder and chairman of Sonecon, LLC. He is also Senior Fellow of the Progressive Policy Institute, director of the Globalization Initiative of the New Democrat Network, and a board member of the Ax:son-Johnson Foundation in Sweden. From 1997 to 2001, Dr. Shapiro was U.S. Under Secretary of Commerce for Economic Affairs.” (Sonecon Website, www.sonecon.com, Accessed 2/20/08)

In 2005, Shapiro Authored An Op-Ed About How A Windfall Tax Would Hurt Retirees:

“A New Windfall Profits Tax, However Emotionally Satisfying It May Seem Also Harms Most People Saving For Their Retirement Or Living On Retirement Savings.” (Robert Shapiro, Op-Ed, “Making A Scapegoat Out Of A Windfall,” *The Wall Street Journal*, 11/8/05)

A Windfall Tax Would Decrease Domestic Oil Production. “First, domestic production falls by about 100 million barrels per year, just as it did when Congress passed the 1980 windfall profits tax.” (Robert Shapiro, Op-Ed, “Making A Scapegoat Out Of A Windfall,” *The Wall Street Journal*, 11/8/05)

Oil Company Shareholders Would Stand To Lose Up To \$120 Billion A Year In Foregone Dividends And Capital Gains. “Second, oil company shareholders take a big hit: they stand to lose between \$21 billion and \$122 billion a year in foregone dividends and foregone increases in the value of their stock ... [T]aking account of how much those higher oil prices would also raise the earnings and market value of oil companies, their shareholders would see that investment fall by 2.7% to 10.9% by 2010.” (Robert Shapiro, Op-Ed, “Making A Scapegoat Out Of A Windfall,” *The Wall Street Journal*, 11/8/05)

More Than 40 Percent Of The Cost – Up To \$50 Billion A Year - Would Fall Upon The Millions Of Savers And Retirees Who Happen To Own Oil Stock. “More than 40% of that cost would fall on tens of millions of savers and retirees who own oil stocks directly or indirectly through their pension plans or retirement accounts. ... [a] windfall profits tax would take back an average of \$8.7 billion to \$50 billion a year ... from pension and retirement saving holdings. That comes out to between \$50 and \$287 per account per year.” (Robert Shapiro, Op-Ed, “Making A Scapegoat Out Of A Windfall,” *The Wall Street Journal*, 11/8/05)

- **Shapiro:** “Just how much the tax will cost the average individual saver or retiree also depends on the size of their pension or retirement account. ... If oil remains at \$55 per barrel for the next five years, more than \$630 a year of their potential dividends and share gains will go the windfall profits tax. With five years of \$55 oil, the foregone dividends and gains come to more than \$260 a year for an average IRA account and nearly \$170 a year for a typical 401(k).” (Robert Shapiro, Op-Ed, “Making A Scapegoat Out Of A Windfall,” *The Wall Street Journal*, 11/8/05)

The Windfall Profits Tax Reduced Domestic Oil Production, According To The Nonpartisan Congressional Research Service:

The Congressional Research Service Found That The 1980 Windfall Profits Tax Reduced Domestic Oil Production By As Much As Six Percent And Increased Dependence On Foreign Oil By Up To 16 Percent. “According to a 1990 Congressional Research Service study, the WPT in place from 1980 to 1988 ‘reduced domestic oil production from between 3 and 6 percent, and increased oil imports from between 8 and 16 percent.’” (Ben Lieberman, “Windfall Profits of Doom,” The Heritage Foundation, 11/15/05)

- **NOTE: The 1980 Windfall Profits Tax Was Repealed In 1988.** “The landmark trade bill President Reagan signed into law Tuesday in California included the repeal of the eight-year-old windfall profits tax on oil companies.” (Kelley Shannon, “Texans Applaud Windfall Profits Tax Repeal,” *The Associated Press*, 8/24/88)

Sen. Cornyn Supports Refineries

Sen. Cornyn Supports Expanding Refinery Capacity, Said If The U.S. Doesn’t “Increase Refinery Capacity, Prices Will Only Continue To Go Higher”:

Sen. Cornyn: “While opening American resources would be beneficial, it will not have the full intended effect unless we also encourage companies to build new refinery capacity here in America. ... [A] lack of adequate refinery capacity to take that oil and to make it into gasoline is another reason why the supply has been limited and prices continue to go up.” (Sen. John Cornyn, *Congressional Record*, 4/28/08, p. S3422)

Sen. Cornyn: “We have not built any new refineries in America since the 1970s, primarily because of burdensome regulation by the Federal Government. Since we have that limited capacity, we once again run in that pesky old law of supply and demand; the only law that, try as some of my colleagues might, we cannot repeal and we cannot ignore. If we do not increase refinery capacity, prices will only continue to go higher.” (Sen. John Cornyn, *Congressional Record*, 4/28/08, p. S3422)

Cornyn Co-Sponsored And Voted For An Amendment That Would Expand Refineries:

Sen. Cornyn Voted To Expedite The Permitting Process For The Expansion Of Refinery Facilities. (H.R. 6, CQ Vote #210: Rejected 43-52: R 43-2; D 0-48; I 0-2, 6/13/07, Cornyn Voted Yea)

- **The Amendment “Would Have Allowed States And Indian Tribes To Opt Into A New Program To Streamline The Oil Refinery Permitting Process And Provide Grants For New Refineries On Former Military Bases And Tribal Lands.”** (Jeff Tollefson, “Renewable-Power Dispute Stalls Senate,” *CQ Weekly*, 6/15/07)

Sen. Cornyn Was A Co-Sponsor Of The Amendment. (Library Of Congress Website, thomas.loc.gov, Accessed 6/9/08)

Additional Support For Expanding Refinery Capacity By Sen. Cornyn:

Sen. Cornyn Co-Sponsored *The American Energy Production Act*, Which Would “Provide For Increased Refinery Capacity,” Among Other Initiatives. (Sen. John Cornyn, “Cornyn, Senate Republicans Press For Action On Bill To Address High Gas Prices,” Press Release, 5/7/08)