

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

October 3, 2012

The Honorable Mike Pompeo
U.S. House of Representatives
107 Cannon HOB
Washington, DC 20515

Dear Representative Pompeo,

Recently, you and 46 other Republican House Members sent a letter to Speaker Boehner expressing opposition to continuing vital tax incentives for the wind industry. Without these tax incentives, the wind industry has stated that we will lose nearly 40,000 American wind energy jobs by early next year. Indeed, we have already had more than 2,700 recent layoffs in the wind industry as a result of uncertainty surrounding these important incentives, including 146 Siemens employees in Kansas. In your letter, you state that the wind tax incentive “distorts markets” and that “it is time for the federal government to stop picking winners and losers in the energy market place.” Given that you and the 46 other Republican Members who signed this letter feel so strongly about ending government subsidies for specific forms of energy, I invite you all to join me in calling for an end to special tax subsidies and other policies that favor the oil, gas and nuclear industries.

Right now, the oil and gas industry receives more than \$4 billion a year in special tax breaks. The five largest oil companies made \$137 billion in profits last year, but these companies and the rest of the oil industry are still benefiting from tax breaks – some of which were put on the books nearly 100 years ago -- that will cost taxpayers more than \$43 billion over the next decade.

The House has twice voted on repealing some of these tax breaks to the largest oil and gas companies in this Congress¹. Only a single Republican has joined the majority of Democrats in voting to protect taxpayers and end these unnecessary subsidies to this highly profitable industry. Nevertheless, in your letter, you wrote “Today, when the U.S. is more than \$15 trillion in debt and borrowing \$0.40 of every dollar it spends, we cannot afford to borrow money to subsidize the operations of a politically preferred technology.” If you are really serious about getting rid of taxpayer funded subsidies for “politically preferred technology” I would urge the 47 Republicans who signed this letter to join me in calling for an end to these special tax breaks for the oil industry.

The oil and gas industry also currently benefits from roughly \$1 billion per year in royalty-free drilling on public lands in the Gulf of Mexico. The oil and gas below our public

¹ House Roll Call vote 153, March 1, 2011; House Roll Call vote 409, June 21, 2012.

lands belongs to the American people, yet this industry is exploiting a loophole to not pay taxpayers a single dime in royalties for the oil and gas that belongs to them. According to the Interior Department, this will translate into a subsidy of nearly \$10 billion to the oil and gas industry over the next 10 years from American taxpayers. The Government Accountability Office has said that the American people could lose up to \$53 billion over the next 25 years as a result of this loophole.

The House has voted five times this Congress on amendments to end this free drilling and each time, the Majority of House Republicans has voted to continue this massive subsidy to the oil and gas industry.² In light of the comments in your letter, I urge you and the 46 signatories to join me in protecting taxpayers and reducing our debt by calling for an end to this free drilling.

In addition, earlier this month, the Majority brought the so-called “No More Solyndras Act” to the House Floor. Despite claims that this legislation would end the loan guarantee program, it actually leaves in place DOE’s authority to approve any of the roughly \$88.5 billion in loan applications for the nuclear and coal industries that have already been submitted. In fact, the Republican Majority even refused to allow a vote on an amendment to simply terminate the loan guarantee program altogether. If you truly believe we should not be picking winners and losers, I would urge you call for an end to loan guarantees for the nuclear and coal industries.

Beyond loan guarantees, the nuclear industry has carved out a long list of additional federal taxpayer subsidies as well. In 2005, the Republican Energy Bill gave the nuclear industry special Production Tax Credits worth \$5.7 billion. That legislation also gave the nuclear industry \$500 million in special regulatory risk insurance and extended the Price-Anderson Nuclear Industries Indemnity Act, which distorts electricity markets by putting the U.S. taxpayers on the hook to act as the insurers of the risks nuclear utilities face for damages in the event of a nuclear accident. I would urge you and the 46 other Republican Members who signed your letter to join me in calling for an end to these special subsidies for the nuclear industry.

If you and the other Members who signed your letter truly believe that we should not pick winners and losers in energy markets and that we should reduce the debt by ending unnecessary subsidies, then I would hope they would join me in calling for an end to the unnecessary subsidies and the beneficial treatment enjoyed by the oil, gas and nuclear industries. If, on the other hand, you and your colleagues are unwilling to give up these special subsidies for your preferred wealthy and well-established energy industries, please don’t begrudge the emerging competitive wind industry the tax incentives it needs to have a fighting chance to compete.

Sincerely,



Edward J. Markey
Ranking Democratic Member

² House Roll Call vote 109, February 18, 2011; House Roll Call 313, May 11, 2011; House Roll Call vote 68, February 16, 2012; House Roll Call vote 403, June 21, 2012; House Roll Call vote 507, July 25, 2012.

cc: The Honorable Jeff Flake (AZ-06)
The Honorable Ed Whitfield (KY-01)
The Honorable Joe Barton (TX-06)
The Honorable John Culberson (TX-07)
The Honorable Cliff Stearns (FL-06)
The Honorable Mike Simpson (ID-02)
The Honorable Jeff Miller (FL-01)
The Honorable Lynn Westmoreland (GA-03)
The Honorable Trent Franks (AZ-02)
The Honorable John Kline (MN-02)
The Honorable Louie Gohmert (TX-01)
The Honorable Jo Bonner (AL-01)
The Honorable Joe Wilson (SC-02)
The Honorable Marlin Stutzman (IN-03)
The Honorable Bill Flores (TX-17)
The Honorable Richard Nugent (FL-05)
The Honorable Dave Schweikert (AZ-05)
The Honorable Alan Nunnelee (MS-01)
The Honorable Tom Graves (GA-09)
The Honorable Jason Chaffetz (UT-03)
The Honorable Mick Mulvaney (SC-05)
The Honorable Justin Amash (MI-03)
The Honorable Andy Harris (MD-01)
The Honorable John Carter (TX-31)
The Honorable Dennis Ross (FL-12)
The Honorable Joe Pitts (PA-16)
The Honorable Randy Hultgren (IL-14)
The Honorable Tom McClintock (CA-04)
The Honorable Steve Scalise (LA-01)
The Honorable Joe Walsh (IL-08)
The Honorable Doug Lamborn (CO-05)
The Honorable Paul Broun (GA-10)
The Honorable Pete Olson (TX-22)
The Honorable Richard Hanna (NY-24)
The Honorable Brett Guthrie (KY-02)
The Honorable Dave McKinley (WV-01)
The Honorable Jeff Landry (LA-03)
The Honorable Marsha Blackburn (TN-07)
The Honorable Vicky Hartzler (MO-04)
The Honorable Stephen Fincher (TN-08)
The Honorable Jim Jordan (OH-04)
The Honorable Ed Royce (CA-40)
The Honorable John Fleming (LA-04)
The Honorable Phil Roe (TN-01)
The Honorable Sandy Adams (FL-24)
The Honorable Raul Labrador (ID-01)