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SCHAKOWSKY: CONSUMERS SHOULDN'T FOOT THE BILL FOR OIL AND GAS COMPANIES' RECORD PROFITS

IN LETTER, SCHAKOWSKY RENEWS CALL ON BUSH TO FORCE ENERGY EXECUTIVES TO REDUCE CONSUMERS' BILL, NOT WRITE INDUSTRY-FRIENDLY LEGISLATION

WASHINGTON, DC - U.S. Representative Jan Schakowsky, a member of the House Energy and Commerce Committee, today sent a letter to President Bush calling on him to meet with energy industry officials to develop a plan to reduce consumers' energy bills. Representative Schakowsky also condemned the record profits reported this week by oil and gas companies in light of the record energy prices consumers have paid.

"After charging consumers record prices to heat their homes and fuel their cars, oil and gas companies are now reporting record profits," said Schakowsky. "President Bush and the Republicans in Congress have given oil and gas companies the keys to consumers' bank accounts by offering industry executives a seat at the policymaking table, where they were rewarded with subsidies and giveaways. Instead of inviting energy companies to write federal energy bills, the Bush Administration should force energy companies to lower consumers' heating and gasoline bills."

Representative Schakowsky wrote to President Bush before his inauguration to raise concerns about rising energy prices. In that letter, she called on the President to bring together energy industry executives to develop a strategy that would keep energy costs affordable for consumers. Since that date, oil and gas prices have steadily increased.

The price of natural gas across the Midwest has increased an average of 40% this winter, leaving millions of families with unaffordable heating bills. A gallon of regular gasoline in the Chicago area costs an average of \$2.30. The Energy Information Administration has projected that high energy prices will stay steady in 2006.

These rising energy prices have been profitable for oil and gas companies:

ConocoPhillips (the 3rd largest U.S. oil and gas producer) reported a 52% increase over 2004 in its 2005 fourth quarter earnings.

ConocoPhillips raked in \$3.78 billion in profits, up from \$2.48 billion in 2004.

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Amerada Hess (the 5th largest U.S. oil producer) reported that its 2005 fourth quarter earnings had doubled over the year before, \$452 million from \$229 million.

The largest major U.S. oil and gas companies (Exxon Mobil and Chevron Corp.) are expected to announce their profits within a week, but their record 3rd quarter profits indicate that their profits could be substantially higher than those in 2004.

Representative Schakowsky is an original co-sponsor of H.R. 4479, the Energy Consumer Relief Act, which would roll back the giveaways to oil and gas companies provided by last year's Republican-sponsored energy legislation and provide assistance to consumers and small businesses. Schakowsky is also a co-sponsor of H.Res. 299, which calls on the President to take immediate action to lower the price of gasoline and to prevent members of OPEC from reaping windfall profits on exports to the United States.

The full text of Representative Schakowsky's letter to President Bush is below:

Dear President Bush:

Before your first inaugural, I wrote to you to express my concern about the record energy prices facing consumers. I called on you to bring together leaders from the energy industry to develop a solution that would reduce costs for consumers. With your Administration's close ties to the energy industry, I believed you would be able to leverage an agreement with your former colleagues that would help consumers afford their energy bills. Today, with oil companies announcing record profits and consumers paying record heating bills, I renew that call.

The energy crisis facing the United States is significant and immediate. Across the Midwest, the average consumer is paying 40% more to heat their homes this winter than last winter, and average gas prices remain well above \$2.00/gallon. Businesses and farmers are also struggling to cope with higher costs that are affecting their financial viability. Today, two of the nation's largest oil companies reported record earnings for the fourth quarter of 2005 - up over 50% from last year and more massive profit reports are expected soon. Consumers are footing the bill for the record profits oil and gas companies are gaining.

Over the past five years, your Administration has given representatives from the energy industry a prime seat at a policymaking table from which consumers were excluded.

While your Administration refused to give us details, we know that Vice President Cheney's Energy Task Force of May 2001 gave officials from utility companies and the oil, gas, coal, and nuclear energy industries a leading role in setting your Administration's policy. Your Republican allies in Congress passed two major energy bills in 2005, which you supported, that provided giveaways to oil and gas companies without doing anything to address gasoline prices that had skyrocketed above \$3.00/gallon and an impending heating crisis facing consumers across the Midwest and other parts of the country. The priorities of the energy industry have trumped the priorities of American consumers in each of your major energy initiatives.

Today, I am asking for you to call energy industry officials into your office to demand that they lower energy prices and stop reaping excessive profits at every consumer's expense. I look forward to hearing an update on whether your Administration will now work with the energy industry to keep energy costs affordable for American consumers.