

THE WHITE HOUSE

WASHINGTON

April 26, 2011

The Honorable John Boehner
Speaker of the
House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Democratic Leader
House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Speaker, Senator Reid, Senator McConnell, and Representative Pelosi:

I am writing to urge you to take immediate action to eliminate unwarranted tax breaks for the oil and gas industry, and to use those dollars to invest in clean energy to reduce our dependence on foreign oil.

High oil and gasoline prices are weighing on the minds and pocketbooks of every American family. While our economy has begun to recover, with 1.8 million private sector jobs created over the last 13 months, too many Americans are still struggling to find a job or simply just to pay the bills. The recent steep increase in gas prices, driven by increased global demand and compounded by unrest and supply disruptions in the Middle East, has only added to those struggles. If sustained, these high prices have the potential to slow down the pace of our economy's growth at precisely the moment when we need to be accelerating it.

While there is no silver bullet to address rising gas prices in the short term, there are steps we can take to ensure the American people don't fall victim to skyrocketing gas prices over the long term. One of those steps is to eliminate unwarranted tax breaks to the oil and gas industry and invest that revenue into clean energy to reduce our dependence on foreign oil. Our outdated tax laws currently provide the oil and gas industry more than \$4 billion per year in these subsidies, even though oil prices are high and the industry is projected to report outsized profits this quarter. In fact, in the past CEO's of the major oil companies made it clear that high oil prices provide more than enough profit motive to invest in domestic exploration and production without special tax breaks. As we work together to reduce our deficits, we simply can't afford these wasteful subsidies, and that is why I proposed to eliminate them in my FY11 and FY12 budgets.

I was heartened that Speaker Boehner yesterday expressed openness to eliminating these tax subsidies for the oil and gas industry. Our political system has for too long avoided and ignored this important step, and I hope we can come together in a bipartisan manner to get it done.

In addition, we need to get to work immediately on the longer term goal of reducing our dependence on foreign oil, and our vulnerability to price fluctuations this dependence creates. Without a comprehensive energy strategy for the future we will stay stuck in the same old pattern of heated political rhetoric when prices rise and apathy and neglect when they fall again.

I recently laid out my approach to a comprehensive strategy in my *Blueprint for a Secure Energy Future*, which includes safe and responsible production of our domestic oil and gas resources and doubling down on fuel efficiency in the transportation sector while investing in everything from wind and solar to biofuels and natural gas. None of you will agree with every aspect of this strategy. But I am confident that, in many areas, we can work together to help show the American people that we can make progress on an energy policy that creates jobs and makes our country more secure.

And I hope we can all agree that, instead of continuing to subsidize yesterday's energy sources, we need to invest in tomorrow's. We need to invest in a 21st century clean energy economy that will keep America competitive. In the long term, that's the answer. That's the key to helping families avoid pain at the pump and reducing our dependence on foreign oil.

Sincerely,

A handwritten signature in black ink, appearing to be "John Boehner", written in a cursive style. The signature is positioned below the word "Sincerely," and extends to the right with a long horizontal stroke.