



**Testimony of Wenonah Hauter,  
Director,  
Public Citizen's Critical Mass Energy  
& Environment Program**

**on Solutions to Competitive Problems in the  
Oil Industry**

**before the Committee on the Judiciary  
United States House of Representatives  
Washington, D.C.**

**June 28, 2000**

## About Wenonah Hauter

Wenonah Hauter joined Public Citizen's Critical Mass Energy & Environment Program in September 1997. She has twenty-five years of advocacy and grassroots organizing experience. Wenonah spent ten years working on poverty and aging issues in rural and urban Virginia. During this time she became involved in local environmental issues and the anti-nuclear movement. From 1989 until 1995 she worked for the Union of Concerned Scientists in the Climate Change and Energy Program where she promoted sustainable energy policy through state level legislative campaigns. As Environmental Policy Director for Citizen Action from 1996-1997 she directed campaigns on sustainable energy policy, food safety, and Superfund. Wenonah is also a trainer for the Midwest Academy, and she has a Masters Degree in Anthropology from the University of Maryland.

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Public Citizen, founded by Ralph Nader in 1971, is a non-profit research, lobbying, and litigation organization based in Washington, DC. Public Citizen advocates for consumer protection and for government and corporate accountability, and is supported by over 150,000 members throughout the United States. The Critical Mass Energy & Environment Program is Public Citizen's energy policy arm, working to decrease reliance on nuclear and fossil fuels and to promote safe, affordable and environmentally-sound energy alternatives.

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## Summary

By stopping oil company mergers, by making investments in energy efficiency, mass transit, renewable energy, by eliminating oil company corporate welfare, and by changing campaign finance laws, Congress can help protect consumers from future oil shocks. Congress should consider adopting the following policies:

***Stop Oil Company Merger Mania.*** While mergers give greater power to individual companies, industry consolidation makes the industry itself more influential as power becomes concentrated in the hands of the very few.

***Efficient Automobiles.*** The American Council for an Energy Efficient Economy and the Sierra Club estimate that by increasing the efficiency of cars and light trucks, we could save more oil than what would be produced by drilling in the Arctic National Wildlife Refuge or off-shore in the Gulf of Mexico or the West Coast.

***Mass Transit.*** Congress should increase investments in mass transit, such as light rail systems, subways, and buses.

***Eliminate Oil Company Corporate Welfare.*** Congress should follow the advice of the Green Scissors Coalition and eliminate the tax breaks for the oil & gas industry.

***Windfall Profits Tax.*** Revenues from such a tax could provide rebates to people who buy ultra-efficient cars, or could help reduce mass transit fares, or could help increase the availability of mass transit options.

***Residential Weatherization Programs.*** Congress should increase support for programs that make homes and businesses more energy efficient.

***Government Buildings, Vehicles, and Purchasing.*** The federal government should step up efforts to make government buildings and vehicles more energy efficient. Federal agencies should make sure they are buying the most efficient appliances and equipment for government facilities. Money saved through energy efficiency can be used to support other vital government services.

**Energy Efficiency Appliance Standards.** Congress, federal, and state agencies should establish, update, and enforce energy efficiency standards for appliances and equipment used in American homes, businesses, and factories.

**Building Codes.** Congress should encourage the states to adopt the strongest residential and commercial building codes, which not only ensure quality living/working environments, but also save tremendous amounts of energy.

**Renewable Energy.** Congress should encourage the development of alternative fuels for vehicles (such as biofuels derived from agricultural products) and for generating electricity, such as wind, solar, and biomass technologies.

**Campaign Finance Reform.** Campaign contributions and heavy lobbying encourage politicians to support massive subsidies that enrich oil and gas companies on the backs of consumers, competitors, and the environment. Congress should enact laws that take private money out of public elections.

## Introduction

Mr. Chairman and members of the Committee, thank you for this opportunity to testify regarding competitive problems in the Oil Industry.

My name is Wenonah Hauter, and I am director of Public Citizen's Critical Mass Energy & Environment Program.

Public Citizen, founded by Ralph Nader in 1971, is a non-profit research, lobbying, and litigation organization based in Washington, DC. Public Citizen advocates for consumer protection and for government and corporate accountability, and is supported by over 150,000 members throughout the United States. The Critical Mass Energy & Environment Program is Public Citizen's energy policy arm, working to decrease reliance on nuclear and fossil fuels and to promote safe, affordable and environmentally-sound energy alternatives.

## Oil Consumption in the U.S.

In 1999, oil provided 41 percent of our nation's energy needs. Americans consume more oil than ever before; we consumed 38 quads (quadrillion Btu) in 1999 and 34 quads in 1990, an increase of 12 percent. Oil use grew in 1999 by 3.2 percent when compared to 1998, the largest year-to-year growth since 1998.<sup>1</sup> Oil consumption in the U.S. is projected to increase steadily during the next 20 years.<sup>2</sup>

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<sup>1</sup> Energy Information Administration, *Short-Term Energy Outlook*, Washington, DC, June 2000.

<sup>2</sup> U.S. Energy Information Administration, *Annual Energy Outlook 2000*, Washington, DC.

Since 1985, domestic production of oil has been declining, which means that the U.S. is more dependent on imported oil. In 1974, imports of oil provided about 35 percent of our oil needs; today the United States imports 55 percent of its oil.<sup>3</sup> The U.S. Energy Information Administration projects that our dependence on imported oil will keep growing during the next 20 years, reaching about 60 percent by 2010.<sup>4</sup>

## Increasing Oil Prices

The year-and-a-half long increase in price for crude oil has been caused by many factors. So much oil was available during 1997 and 1998 that prices for a barrel of crude oil reached historic lows of \$9.06 in December 1998.<sup>5</sup> In order to increase oil prices, oil companies, OPEC members,<sup>6</sup> and non-OPEC members<sup>7</sup> reduced their production of oil (oil companies have tried to place all the blame for higher prices on foreign producers, especially OPEC, even though the companies have very close ties with most producing countries).

Meanwhile, with prices for oil products at near all-time lows in the United States, Americans sharply increased their use of oil, the use of which grew in 1999 by 3.2 percent when compared to 1998, the largest year-to-year growth since 1998.<sup>8</sup> With a cutback in oil production and increasing demand, the excess oil of 1997 & 1998 was quickly consumed, and oil prices started rising through 1999 and into 2000, hitting a peak of \$31.13 in March 2000.

Although OPEC and non-OPEC producers announced increases in oil production in late March, which helped reduce oil prices for several weeks, prices began rising again, as the announced increases do not appear to be large enough to meet growing demand. As of June 16, the price for an imported barrel of oil stood at \$30.35.

## U.S. Gasoline Supplies Are Tight ...

As mentioned, Americans increased their demand for oil products during 1999, especially for transportation fuels. Americans are consuming more gasoline than ever before.

With crude oil prices rising since early 1999, refiners started producing less gasoline. As shown in Table 1, we have less gasoline on hand than in previous years—total motor gasoline stocks for May are 11 percent less than May 1999. In fact, the

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<sup>3</sup> U.S. Energy Information Administration, *Monthly Energy Review*, Washington, D.C.

<sup>4</sup> EIA *Annual Energy Outlook*.

<sup>5</sup> In this report, all prices for crude oil are United States estimated contract prices, from Energy Information Administration, *Crude Oil Watch*, Washington, DC.

<sup>6</sup> OPEC, the Organization of Petroleum Exporting Countries, includes the nations of Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

<sup>7</sup> Notable non-OPEC members include Angola, Canada, Columbia, Mexico, Norway, Russia, the United Kingdom, and the United States.

<sup>8</sup> EIA, *Short-Term Energy Outlook*.

amount of gasoline on hand has been lower for each of the past 12 months (June 1999 through May 2000) when compared to stocks from the previous year.

### **... but Midwest Supplies of Reformulated Gasoline Are Fine**

Ironically, stocks of reformulated gasoline sold in the Midwest appear to be increasing when compared to previous years. As shown in Table 2, Midwest monthly stocks for reformulated gasoline in May are 9 percent higher than in May 1999; 1 percent higher for April, 114 percent higher for March, 235 percent higher for February, and 155 percent higher for January. In other words, when compared to previous years, more reformulated gasoline has been available in the Midwest for the past five months (Jan-May) than was available for similar periods during 1999 and 1998. This refutes oil company arguments that there are shortages of reformulated gasoline in the Midwest.

### **U.S. Gasoline Prices Have Increased for Seven Straight Weeks**

As of June 19, 2000, the average retail gasoline price rose to a new all-time high of \$1.68, which was almost 56 cents per gallon higher than a year ago. The Energy Information Administration reports that this is the seventh straight week of increases in the average price of retail gasoline.<sup>9</sup>

Midwest consumers appear to have been hit the hardest. As shown in Table 3, Midwest average prices for conventional gasoline were \$1.85, or 17 cents higher than the national average. Prices are even higher for Midwest reformulated gasoline, which recently was priced at over \$2.00, or 30 cents higher than the national average for reformulated gasoline, even though most analysts agree that reformulated gasoline should only cost up to 5 cents more per gallon compared to conventional gasoline.<sup>10</sup> Even though supplies of reformulated gasoline are at levels higher than in previous years, Midwest gasoline consumers are paying some of the highest prices ever seen in the United States.

### **Oil Companies Are Making Record Profits**

Table 4 shows that the profits of most of the world's major private oil companies rose dramatically during the 1<sup>st</sup> quarter of 2000 (Jan.-Mar.) when compared to the 1<sup>st</sup> quarter of 1999. BP Amoco, Coastal, Conoco, ExxonMobil, and Shell set all-time record quarter profits. Texaco led the pack with a 473 percent increase in 1<sup>st</sup> quarter profits, followed by Conoco with 371 percent, BP Amoco with 296 percent, Chevron with 291 percent, Phillips with 257 percent, ARCO with 136 percent, Shell with 117 percent, ExxonMobil with 108 percent, and Coastal with 30 percent (Marathon went from a net loss in the 1<sup>st</sup> quarter of 1999 to a profit in 2000).

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<sup>9</sup> Energy Information Administration, *Motor Gasoline Watch*, Washington, DC, June 21, 2000.

<sup>10</sup> EIA, *Short-Term Energy Outlook*.

Many analysts expect even larger profits for the oil companies from the 2<sup>nd</sup> quarter, which ends June 30.

Although Big Oil has been trying to blame OPEC for the price increases, there is no question that many consumer dollars are flowing straight into the greedy hands of the oil companies. Because oil company profits are so outrageous, the U.S. Federal Trade Commission has launched an investigation to see whether oil companies have engaged in price fixing.

On an annual basis, Table 5 shows that many oil companies did very well during 1999 when compared to 1998, with ARCO showing a 165 percent increase in annual profits between 1999 and 1998, followed by Phillips with 46 percent, and BP Amoco, Marathon, Shell, and Texaco all around 35 percent.

## **Presidential Politics May Be Influencing Oil Prices and Policy**

As oil and gasoline prices have quickly risen, so have calls from Republican members of Congress, such as Senate Majority Leader Trent Lott (Miss.) and Energy & Natural Resources Chairman Frank Murkowski (Alaska), to increase oil production from Alaska by drilling in the Arctic National Wildlife Refuge, and by drilling in the off-shore oil fields in the Gulf of Mexico and the West Coast. Accompanying these environmentally irresponsible suggestions are attacks on state and federal gasoline taxes, which provide funding for road repair and mass transit; attacks on clean air regulations, which help reduce harmful pollution that kills and injures thousands of Americans each year; and attempts to provide additional taxpayer subsidies for domestic oil producers, who already receive massive subsidies (while harvesting record profits!), as shown in Table 6.

Big Oil has made similar demands.<sup>11</sup> Is it just a coincidence that Republicans and Big Oil share the same agenda? Public Citizen is concerned that massive campaign and soft money contributions by the oil & gas industry have been influencing national energy policy in ways that benefit Big Oil at the expense of consumers, workers, and the environment. For example, as shown in Table 7, Republicans running for federal office (excluding the race for president) have taken in \$680,000 in Oil & Gas PAC contributions versus \$180,000 for Democrats, while the Republican Party has collected \$1.4 million in soft money contributions compared with \$510,000 for Democrats), as compiled by the Center for Responsive Politics.

Interestingly, Republican presidential candidate Governor George W. Bush (Texas) has received PAC contributions from Big Oil totaling \$1.5 million so far, an amount much greater than that received by Democratic candidate Vice President Al Gore (\$100,000), Green Party candidate Ralph Nader (\$0), or Reform Party candidate Pat Buchanan (\$7,600). No doubt Big Oil considers Gov. Bush a friend, as Mr. Bush

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<sup>11</sup> For more information on what Big Oil wants, see the hearing transcripts from the House Commerce Subcommittee on Energy & Power hearing held on May 24, 2000.

previously owned Arbusto Energy, Inc., an oil exploration firm, and who also supports policies called for by the oil companies.<sup>12</sup>

The Gore family, too, has had close connections to the oil industry—the vice president’s father, Sen. Albert Gore, worked for Occidental Petroleum founder Armand Hammer after leaving public office, and the family still owns hundreds of thousands of dollars worth of stock in the company.<sup>13</sup>

## What Can Congress Do To Protect Consumers?

Except for the recent price spikes and the ones that accompanied the Gulf War in early 1991, gasoline prices have been near historic lows for the last half of the 1980s and most of the 1990s. In other words, for around 15 years, U.S. energy policy has encouraged the provision of heavily subsidized gasoline and other oil products. Policy makers have ignored efforts to conserve energy, making U.S. consumers vulnerable to the apparent price fixing and gouging of large oil companies and oil producing countries. Increased pollution, sprawl, and traffic congestion have all been made worse as policy makers from both Republican and Democratic parties ignored responsible energy policy while providing huge subsidies to oil & gas companies.

However, by stopping oil company mergers, by making investments in energy efficiency, mass transit, renewable energy, by eliminating oil company corporate welfare, and by changing campaign finance laws, Congress can help protect consumers from future oil shocks.

***Stop Oil Company Merger Mania.*** The past year saw a merger of Exxon and Mobil (previously, the 1<sup>st</sup> and 3<sup>rd</sup> largest private oil companies in the world) and a merger between BP Amoco and Atlantic Richfield (previously, the 2<sup>nd</sup> and 7<sup>th</sup> largest private oil companies). While mergers give greater power to individual companies, industry consolidation makes the industry itself more influential as power becomes concentrated in the hands of the very few.

***Efficient Automobiles.*** Contributing to the current oil spikes is the fact that Congress has for years prohibited the U.S. Department of Transportation from even studying whether the fuel economy of cars and light trucks should be changed. Corporate Average Fuel Economy (CAFE) standards have remained unchanged since 1985, and the highway fuel economy of cars peaked in 1991 at about 21 miles per gallon, which is about where it stands today.<sup>14</sup> The standards should be raised for all cars, especially light trucks (which includes vans, pickups, and sport utility vehicles), since these vehicles now account for more than half of all new car sales. The American Council for an Energy Efficient Economy and the Sierra Club estimate that by increasing the efficiency of cars

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<sup>12</sup> Mike Allen, Oil ties leave Bush in a slippery situation, *Washington Post*, June 23, 2000.

<sup>13</sup> Mike Allen, Oil ties leave Bush in a slippery situation, *Washington Post*, June 23, 2000.

<sup>14</sup> U.S. Department of Transportation, *National Transportation Statistics Annual Report 1999*, Washington, D.C.: Bureau of Transportation Statistics.

and light trucks, we could save more oil than what would be produced by drilling in the Arctic National Wildlife Refuge or off-shore in the Gulf of Mexico or the West Coast.<sup>15</sup>

**Mass Transit.** Congress should increase investments in mass transit, such as light rail systems, subways, and buses. Not only do mass transit investments help save oil, they make it easier for everyone to get to and from work, and they reduce sprawl and environmental degradation.

**Eliminate Oil Company Corporate Welfare.** As shown in Table 6, the oil & gas industry receives many tax-payer subsidies, as identified by the Green Scissors Coalition, [www.foe.org](http://www.foe.org). Big Oil currently receives subsidies of \$2.4 billion for “intangible drilling costs” and \$7.1 billion for “non-conventional fuel production credits,” among others. Congress should follow the advice of the Green Scissors Coalition and eliminate the tax breaks for the oil & gas industry.

**Windfall Profits Tax.** Congress should impose a tax on excessive profits harvested out of the pockets of hard-working Americans by Big Oil. Revenues from such a tax could provide rebates to people who buy ultra-efficient cars, or could help reduce mass transit fares, or could help increase the availability of mass transit options.

**Residential Weatherization Programs.** Federal and state funding of residential weatherization programs have been drastically cut back during the past five years, even though energy efficiency is one of the cheapest ways to “create energy.” Congress should increase support for programs that make homes and businesses more energy efficient. The programs should address the needs of any household or business regardless of the type of fuel used for heating or cooling.

**Government Buildings, Vehicles, and Purchasing.** The federal government should step up efforts to make government buildings and vehicles more energy efficient. Federal agencies should make sure they are buying the most efficient appliances and equipment for government facilities. Money saved through energy efficiency can be used to support other vital government services.

**Energy Efficiency Appliance Standards.** Congress, federal, and state agencies should establish, update, and enforce energy efficiency standards for appliances and equipment used in American homes, businesses, and factories. Billions of dollars could be saved while creating thousands of jobs, reducing pollution, and saving valuable natural resources.

**Building Codes.** Congress should encourage the states to adopt the strongest residential and commercial building codes, which not only ensure quality living/working environments, but also save tremendous amounts of energy.

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<sup>15</sup> Sierra Club, *Crude Behavior: The Oil Industry's Influence Over America's Energy Policy*, [www.sierraclub.org/wilderness/Artic%20Report.asp](http://www.sierraclub.org/wilderness/Artic%20Report.asp), viewed on April 4, 2000.

**Renewable Energy.** Congress should encourage the development of alternative fuels for vehicles (such as biofuels derived from agricultural products) and for generating electricity, such as wind, solar, and biomass technologies. *Energy Innovations*, a report issued by a group of non-profit organizations,<sup>16</sup> shows how a combination of renewable energy and energy efficiency could save tremendous amounts of money and pollution.

**Campaign Finance Reform.** For over a century the oil and gas industry has engaged in a scheme of legalized bribery of local, state, and federal officials. As shown in Table 7, the oil industry has poured almost \$3 million into year 2000 federal campaigns (not counting the race for president); nearly \$900,000 in “hard money” contributions and \$2 million in “soft money” contributions. So far, the oil & gas industry has given George Bush \$1.5 million and Al Gore \$100,000. Oil & gas federal lobbying expenditures from 1998 totaled nearly \$30 million. Campaign contributions and heavy lobbying encourage politicians to support massive subsidies that enrich oil and gas companies on the backs of consumers, competitors, and the environment. Congress should enact laws that take private money out of public elections.

	<b>2000</b> (million barrels)	<b>1999</b> (million barrels)	<b>Change</b> <b>1999 to 2000</b>	<b>1998</b> (million barrels)	<b>Change</b> <b>1998 to 1999</b>
<b>January</b>	208	232	-10%	221	5%
<b>February</b>	202	228	-11%	221	3%
<b>March</b>	204	216	-6%	216	0
<b>April</b>	203 <sup>a</sup>	216	-6%	215	0
<b>May</b>	201 <sup>a</sup>	225	-11%	220	2%
<b>June</b>		216		222	-3%
<b>July</b>		204		216	-6%
<b>August</b>		199		210	-5%
<b>September</b>		204		207	-1%
<b>October</b>		201		203	-1%
<b>November</b>		202		212	-5%
<b>December</b>		190		216	-12%

Source: Energy Information Administration, *Monthly Energy Review*, Washington, DC.

<sup>16</sup> Alliance to Save Energy, American Council for an Energy Efficient Economy, Natural Resources Defense Council, Tellus Institute, and the Union of Concerned Scientists, *Energy Innovations*, Washington, DC: Alliance to Save Energy, June 1997.

	<b>2000</b> <b>(thousand</b> <b>barrels)</b>	<b>1999</b> <b>(thousand</b> <b>barrels)</b>	<b>Change</b> <b>1999 to 2000</b>	<b>1998</b> <b>(thousand</b> <b>barrels)</b>	<b>Change</b> <b>1998 to 1999</b>
<b>January</b>	1,816	712	155%	1,035	-31%
<b>February</b>	1,750	522	235%	1,159	-55%
<b>March</b>	1,141	532	114%	1,192	-55%
<b>April</b>	1,100 <sup>a</sup>	1,105	1%	708	56%
<b>May</b>	1,700 <sup>a</sup>	1,559	9%	1,003	55%
<b>June</b>		1,790		1,363	31%
<b>July</b>		1,501		1,148	31%
<b>August</b>		1,986		1,156	72%
<b>September</b>		1,696		1,372	24%
<b>October</b>		1,608		1,030	56%
<b>November</b>		1,740		1,120	55%
<b>December</b>		1,448		909	59%

Source: Energy Information Administration, *Petroleum Supply Annual 1999* and *Petroleum Supply Monthly*, Washington, DC.

<b>Region</b>	<b>Conventional Gasoline</b> <b>(cents per gallon, including taxes)</b>				<b>Reformulated Gasoline</b> <b>(cents per gallon, including taxes)</b>			
	<b>March 27</b>	<b>April 24</b>	<b>May 22</b>	<b>June 19</b>	<b>March 27</b>	<b>April 24</b>	<b>May 22</b>	<b>June 19</b>
<b>East Coast</b>	148	138	147	155	154	149	153	163
<b>Midwest</b>	144	137	151	185	146	147	173	200
<b>Gulf Coast</b>	146	139	145	152	148	141	146	151
<b>Rocky Mount.</b>	156	152	151	158	na	na	na	na
<b>West Coast</b>	166	162	157	156	178	169	167	161
<b>U.S. Average</b>	148	140	149	168	158	153	161	169

Source: Energy Information Administration, *Motor Gasoline Watch*, Washington, DC.

**Table 4. Revenues and Net Income (Profit) of Major Private Oil Companies, 1<sup>st</sup> Quarter 2000 & 1999.**

<b>Oil Companies</b>	<b>1<sup>st</sup> Quarter 2000 Revenues &amp; Net Income (Profit)*</b>	<b>1<sup>st</sup> Quarter 1999 Revenues &amp; Net Income (Profit)*</b>	<b>Change</b>
ARCO	\$4.19 billion \$333 million <sup>a</sup>	\$2.55 billion \$141 million <sup>a</sup>	64% 136%
BP Amoco	\$33.1 billion \$2.68 billion <sup>b</sup>	\$18.0 billion \$677 million <sup>b</sup>	84% 296%
Chevron	\$11.7 billion \$1.10 billion	\$6.70 billion \$281 million	74% 291%
Coastal	\$ 2.93 billion \$ 174 million <sup>c</sup>	\$ 1.71 billion \$134 million <sup>c</sup>	71% 30%
Conoco	\$8.69 billion \$ 391 million	\$5.34 billion \$83 million	63% 371%
ExxonMobil	\$55.1 billion \$3.35 billion	\$38.7 billion \$1.61 billion	42% 108%
Marathon	\$7.96 billion \$199 million	\$4.85 billion \$(11) million	64% ---
Phillips	\$4.77 billion \$250 million	\$2.54 billion \$70 million	88% 257%
Shell	\$45.2 billion \$3.13 billion <sup>d</sup>	\$31.4 billion \$1.44 billion <sup>d</sup>	44% 117%
Texaco	\$11.3 billion \$602 million	\$7.19 billion \$105 million	57% 473%

\* Unless otherwise noted, net income does not include non-recurring charges or special items, making it easier to identify trends related to normal business operations.

a. Income from operations, before special items, adjusting for Exploration and Production Alaskan assets sold to Phillips Petroleum.

b. Replacement cost profit before exceptional items.

c. Net earnings available to common stockholders.

d. Adjusted CCS earnings.

Source: Company reports.

**Table 5. Annual Revenues and Net Income (Profit) of Major Private Oil Companies, 1999 & 1998.**

<b>Oil Companies</b>	<b>1999 Revenues &amp; Net Income (Profit)*</b>	<b>1998 Revenues &amp; Net Income (Profit)*</b>	<b>Change</b>
ARCO	\$13.1 billion \$1.52 billion	\$10.8 billion \$575 million	21% 165%
BP Amoco	\$101 billion \$5.33 billion <sup>a</sup>	\$83.7 billion \$3.96 billion <sup>a</sup>	21% 35%
Chevron	\$36.6 billion \$2.29 billion	\$30.6 billion \$1.95 billion	20% 18%
Coastal	\$8.20 billion \$499 million <sup>c</sup>	\$7.37 billion \$438 million <sup>c</sup>	11% 14 %
Conoco	\$27.3 billion \$782 million	\$23.1 billion <sup>b</sup> \$663 million <sup>b</sup>	18% 18%
ExxonMobil	\$187 billion \$8.38 billion	\$169 billion \$8.81 billion	10% -5%
Marathon	\$24.3 billion \$434 million	\$22.0 billion \$321 million	11% 35%
Phillips	\$13.9 billion \$548 million	\$11.8 billion \$375 million	18% 46%
Shell	\$150 billion \$7.09 billion <sup>d</sup>	\$138 billion \$5.15 billion <sup>d</sup>	8% 38%
Texaco	\$35.7 billion \$1.21 billion	\$31.7 billion \$894 million	13% 36%

\* Unless otherwise noted, net income does not include non-recurring charges or special items, making it easier to identify trends related to normal business operations.

a. Replacement cost profit before exceptional items (same as net income)

b. 1998 revenues and net income are on a pro forma basis.

c. Net earnings available to common stockholders.

d. Adjusted CCS earnings.

*Source:* Company reports.

**Table 6. Federal Tax Subsidies for the Oil & Gas Industry.**

<b>Tax Subsidies</b>	<b>Five Year Total</b>
Enhanced Oil Recovery	\$300 million
Gas Guzzler Exemption for Mini-vans and Trucks	\$n/a
Intangible Drilling Costs	\$2.4 billion
Non-conventional Fuel Production Credit	\$7.1 billion
Passive Loss	\$125 million
Percentage Depletion Allowance for Uranium and Fossil Fuels	\$3.6 billion
<b>Total</b>	<b>\$13.5 billion</b>

Source: Friends of the Earth, Taxpayers for Common Sense, U.S. Public Interest Research Group, *Paying for Pollution*, Washington, DC: Friends of the Earth, 2000.

**Table 7. U.S. Oil Company PAC Contributions and Soft Money Contributions for 1999-2000, and Lobbying Expenditures for 1998.**

U.S. Oil Companies	1999-2000 PAC Contributions	1999-2000 Soft Money Contributions	1998 Lobbying Expenditures
ARCO	\$81,000 R=\$59k D=\$22k	\$677,000 R=\$481k D=\$195k	\$3.00 million
BP Amoco	\$63,000 R=\$44k D=\$19k	\$142,000 R=\$119k D=\$23k	\$1.76 million <sup>d</sup>
Chevron	\$109,000 R=\$87k D=\$22k	\$440,000 R=\$259k D=\$181k	\$3.00 million
Coastal	\$103,000 R=\$73k D=\$30k	\$76,000 R=\$76k D=\$0	\$280,000
Conoco/DuPont	\$25,000 <sup>b</sup> R=\$13k D=\$12k	\$25,000 <sup>b</sup> R=\$15k D=\$10k	\$1.87 million
Exxon <sup>a</sup>	\$155,000 R=\$144k D=\$11k	\$244,000 <sup>c</sup> R=\$189k D=\$55k	\$5.62 million
Marathon	\$74,000 R=\$58k D=\$16k	\$20,000 R=\$20k D=\$0k	\$4.06 million
Mobil <sup>a,c</sup>	\$107,000 R=\$95k D=\$12k	n/a <sup>c</sup>	\$6.16 million
Phillips	\$56,000 R=\$49k D=\$7k	\$86,000 R=\$86k D=\$0	\$980,000
Texaco	\$86,000 R=\$58k D=\$28k	\$197,000 R=\$152k D=\$45k	\$4.23 million
<b>Total</b>	<b>\$859,000</b> <i>R=\$680k D=\$179k</i>	<b>\$1.9 million</b> <i>R=\$1.4M D=\$509k</i>	<b>\$31.0 million</b>

a. Although merged together as ExxonMobil, Exxon and Mobil maintain separate PACs.

b. PAC contributions from Dupont, soft money contributions from Conoco.

c. Soft money contributions for Exxon include soft money contributions from Mobil.

d. Lobbying expenditures are for Amoco, which was acquired by British Petroleum in August 1998.

*Source: Center for Responsive Politics, data to May 1, 2000.*