Statement of Alex Witt
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before the
Energy and Mineral Resources Subcommittee
Natural Resources Committee
United States House of Representatives
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Congresswoman Kamlager-Dove and members of the subcommittee, thank you for having me today. My name is Alex Witt. I am a senior advisor at Climate Power, where I lead our work scrutinizing the predatory practices of oil and gas companies and their political allies. Based on that work, I'm grateful for the opportunity to share some of my observations on the ways in which Big Oil uses its power and influence to raise prices, limit competition, and thwart clean energy progress.

As most of us here today know, these oil and gas companies have known about the existence of climate change for decades. Importantly, they have understood that confronting this crisis would severely impact their business model. Despite well-documented, multi-decade campaigns of disinformation and deception by Big Oil, we are now on a path to building an economy that gives Americans real, affordable clean energy choices. Thanks to the leadership of President Biden, Vice President Harris, and congressional Democrats, the United States enacted the largest climate and clean energy investment in history.

We are at a pivotal moment because the oil industry's virtual monopoly on much of American energy, which has allowed them to raise prices as much as they want without consequences, is on the brink of crumbling. Since August 2022, there has been a boom of new manufacturing in wind, solar, batteries, electric vehicles, and energy storage projects taking place in communities across the country. In fact, Climate Power has been tracking these private-sector investments and the good-paying jobs created as a result. In two years, we have found that companies have announced or moved forward with projects accounting for more than 330,000 new clean energy jobs for electricians, mechanics, construction workers, technicians, support staff, and many others. Spanning from Georgia to Michigan to California, we know that these jobs are helping create cleaner, cheaper energy choices for all Americans.

In other words, our nation is expanding our use of affordable clean energy and reducing our reliance on fossil fuels, which scientists tell us we must do to avoid the worsening impacts of climate change. Instead of pivoting to the clean energy of the future, oil industry executives are working the system to maximize their shareholder profits at the cost of a livable planet. How, you might ask? The U.S. Federal Trade Commission (FTC) is probing executives from major oil firms for pushing up gas prices and coordinating with OPEC and other adversaries to manipulate prices.

Earlier this year, the FTC announced that it was launching an investigation into former Pioneer Natural Resources CEO Scott Sheffield. The justification for this investigation was an alleged attempt by Sheffield to collude with OPEC and OPEC+ to raise oil prices, costing the average household an estimated increase of $500 per car in fuel costs annually. This isn't the first time Big Oil has been accused of colluding to keep prices high—executives from Hess, Occidental, and Diamondback Energy have been investigated over their communications with OPEC officials. Additionally, a number of oil companies, including Continental Resources, Occidental

Petroleum, Hess, and Pioneer Natural Resources, have been hit with civil suits alleging they coordinated with each other and with OPEC to manipulate oil prices. More than a dozen lawsuits have been filed alleging collusion.

Like these executives, former President Donald Trump recognizes that as Americans get cleaner, cheaper energy alternatives, these companies will be far less dominant—and less useful to him. Earlier this year, Trump invited a group of these oil barons to his Mar-a-Lago resort and told them that if they gave $1 billion to his campaign efforts, it would be a "deal"—a deal which would protect the status quo, line their executives' and shareholders' pockets, and stop their competition. While we can't always take the former president's word at face value, his previous actions indicate that we should in this instance. During his first term, Trump asked OPEC and Russia to lower production because U.S. oil prices were too low.

The U.S. oil and gas industry enjoys nearly a dozen tax breaks, including incentives for domestic production and write-offs tied to foreign production. Estimates for annual oil and gas subsidies vary: The International Monetary Fund estimated that U.S. fossil fuel subsidies totaled $760 billion in 2022, while the Organization for Economic Cooperation and Development calculated that U.S. oil and gas subsidies totaled nearly $12 billion in 2022. Just two industry-specific tax breaks, the intangible drilling tax break and the depletion allowance tax break, are projected to give the U.S. oil and gas industry $25 billion in tax benefits over the next decade. New York Times analysis found that energy companies have spent more than $30 million since Biden was elected on lobbying efforts that included preserving the intangible drilling and depletion allowance tax breaks.

With so much on the line, oil companies have increased their political activity. Executives of some of the very companies named in the lawsuits and being probed by the FTC have ties to former President Trump: Continental Resources' billionaire founder Harold Hamm is particularly cozy with Trump and has been described as his "point person in raising funds from oil industry donors." Occidental Petroleum CEO Vicki Hollub hosted a fundraiser for Trump in May 2024, where she complained about the Federal Trade Commission's scrutiny of her company's $12 billion acquisition of CrownRock. According to the Washington Post, Trump "vowed that his administration would treat her differently if he won the presidency." Bryan Sheffield, son of former Pioneer CEO Scott Sheffield, gave more than $800,000 to Trump's joint fundraising committee this election cycle. Hess CEO John Hess contributed $1 million to Trump's inauguration. And according to Open Secrets, the oil and gas industry has given more than $40 million to Republicans this election cycle, accounting for nearly 90% of its campaign contributions. The industry also spent nearly $72 million on lobbying in the first half of 2024 after spending more than $133 million in 2023.

The oil lobby is also spending millions upon millions of dollars in this election in ads attacking those in Congress who don't do their bidding and disseminating propaganda aimed at protecting their profits by destroying the planet. And, of course, their chosen presidential candidate repeats these claims at every opportunity, giving them their money's worth by sowing falsehoods about EVs, regardless of the election outcome.

To see what a second Trump administration could look like, we need look no further than Project 2025, key sections of which were written by oil and gas executives. It prioritizes increasing oil and gas drilling, directing the Federal Energy Regulatory Commission to advocate for oil and gas, and ignoring greenhouse gas emissions when making decisions on permits for gas pipelines and natural gas export facilities. It would implement executive orders already written by the oil and gas industry, including cutting drilling costs, increasing offshore oil leases, and reversing the Biden-Harris administration's pause on LNG export permits. Furthermore, it would reopen federal lands that have been restricted to oil and gas drilling and extend the lifespan of dirty fossil fuels, pushing back projected peak demand by at least 10 years. Prioritizing fossil fuels over clean energy resources means the U.S. will be unable to reach net zero by 2050. Finally, Project 2025 calls for expanding coal and natural gas to generate power rather than focusing on clean energy sources. According to a nonpartisan report by Energy Innovation, its implementation would lead to an increase of $240 more in annual energy costs for American households and 1.7 million in total job losses in 2030.

Thank you. I would be happy to answer any questions.