

**\*UNDER EMBARGO UNTIL 6AM EST on WEDNESDAY 8/18\***

## **The Exxon strategy: why a handful of right-wing Democrats want to tank infrastructure**

**By Sarah Lutz, Climate Campaigner at Friends of the Earth**

Nine conservative Democrats have issued [an ultimatum](#) to Speaker Nancy Pelosi: pass the Senate's anemic bipartisan infrastructure bill before proceeding to the truly ambitious \$3.5 trillion reconciliation package.

This is certainly a lot of legislative jargon, and in recent weeks the back-and-forth on infrastructure has become dizzyingly complex. So to recap: Before the Senate broke for recess this August, it passed a bipartisan \$1 trillion infrastructure bill that progressives generally panned as [too small](#) and [too friendly](#) to fossil fuels. It also passed a Democrat-only budget resolution clearing the path for a \$3.5 trillion reconciliation bill covering clean energy, healthcare, and education--a potentially revolutionary investment in climate justice and care across our entire economy. As action shifts to the House, Speaker Pelosi [has said](#) that the bipartisan bill can only come to the floor after the reconciliation bill. To do otherwise would put both bills in danger.

In other words, the nine Democrats threatening to withhold their votes are hostage takers, demanding that Speaker Pelosi surrender her only leverage to protect the size and scope of Democrat-only legislation. But who exactly are these rebels? Of the nine, it turns out that six are some of Big Oil's most prominent defenders in the Democratic Party. Following the money tells the whole story.

The nine original signers of the ransom note have cumulatively accepted \$2.5 million from oil and gas interests. Six of the signers - Representatives Cuellar, Costa, Schrader, González, Vela, and Gottheimer - have the dubious distinction of being among the top 15 House Democrat recipients of oil and gas money during the 2020 election cycle. Cuellar alone boasts the highest lifetime record for oil and gas contributions of any Democrat in the entire House. What have these 'donations' bought for Big Oil?

### **#1: Rep. [Henry Cuellar](#) (TX-28)**

- Over the 2019-20 cycle, Cuellar was the 2nd largest recipient of oil and gas money among House Democrats
- Lifetime oil and gas contributions: \$1,002,109 (his biggest contributor by industry).
- Fun Fact: ConocoPhillips was one of his top fifteen contributors during the 2019-20 cycle, as well as his career.

Cuellar has been a member of the House Oil and Gas Caucus since its inception in 2017. His messaging is littered with pro-oil propaganda and he frequently [votes against](#) drilling restrictions, repealing fossil fuel subsidies, and emissions standards. While he may give renewable energy the occasional lip service, his actions speak much more loudly. In this year

alone, he has supported [legislation](#) to expand fossil gas exports and offshore leasing for oil and gas extraction. With such prolific support for Big Oil, it is little wonder that Cuellar has garnered the attention and backing from [Americans for Prosperity](#), which was founded and funded to advance the Koch brothers' agenda.

## #2: Rep. [Vicente González](#) (TX-15)

- Over the 2019-20 cycle, González was the 4th largest recipient of oil and gas money among House Democrats.
- Lifetime oil and gas contributions: \$242,006 (his biggest contributor by industry).
- Fun Fact: ExxonMobil was one of his top fifteen contributors during the 2019-20 cycle and top twenty over his career.

González is the chair and founder of the [Oil & Gas Caucus](#), which he intends to “assure that there is support on this side of the aisle for the oil and gas industry.” He has voted to allow expanded offshore drilling and to undermine NEPA review of pipelines. Yet González also claims membership in the Renewable Energy Caucus. This dual-membership makes González an effective mouthpiece for Big Oil's “all of the above” narrative. This idea, that we can simultaneously expand fossil infrastructure and renewables, is designed to protect dirty energy.

## #3: Rep. [Kurt Schrader](#) (OR-5):

- Over the 2019-20 cycle, Schrader was the 6th largest recipient of oil and gas money among House Democrats.
- Lifetime oil and gas contributions: \$279,000.
- Fun Fact: ExxonMobil was one of his top thirty contributors during the 2019-20 cycle.

Schrader consistently deploys Big Oil's stalling tactics, most recently through his proposed “clean” energy standard (CES) in the [Clean Energy Future through Innovation Act of 2021](#). By forestalling emissions targets to 2050 and betting big on carbon capture, Schrader (and the Oil executives pulling his strings) hope to continue business as usual until it is too late to address our fossil addiction. His bill would also explicitly define fossil gas as a source of “clean energy,” putting it squarely in line with [ExxonMobil's position](#) in a recent sting video about their lobbying tactics.

## #4 Rep. [Jim Costa](#) (CA-16)

- Over the 2019-20 cycle, Costa was the 7th largest recipient of oil and gas money among House Democrats.
- Lifetime oil and gas contributions: \$637,979 (his second biggest contributor by industry).
- Fun Fact: Chevron has contributed \$80,250 throughout Costa's House career, including \$10,000 for the pending 2022 election cycle.

Costa is mind-bogglingly a member of both the Congressional Natural Gas Caucus and House Renewable Energy and Energy Efficiency Caucus, which makes him well positioned to help Big

Oil co-opt climate policy. As an original cosponsor of Schader's CES, he has proven fond of the "delay" tactic, paying lip service to climate policy while standing in the way of the needed rapid changes to our reliance on dirty energy. Among the few energy related bills that Costa has directly sponsored is a [resolution](#) that explicitly celebrates using hydrogen to greenwash fracked gas and an oil friendly carbon capture [credit](#).

#### #5: Rep. [Josh Gottheimer](#) (NJ-5)

- Over the 2019-20 cycle, Gottheimer was the 11th largest recipient of oil and gas money among House Democrats.
- Lifetime oil and gas contributions: \$136,251.
- Fun Fact: Chevron is a top fifteen contributor over his career.

Gottheimer has voted multiple times to undermine the NEPA review process for fossil pipelines, supporting [H.R. 4606](#) in 2018 and [H.R. 2883](#) in 2017. These bills would have been a double win for Big Oil, as they would increase its ability to expand fossil fuel infrastructure and weaken one of the bedrock environmental policies in the U.S. Although Gorrheimer released a five point Green Action Plan in 2019, it has a comparatively underdeveloped section on climate policy, focusing much more on conservation, co-pollutants, and water than proposing actionable and ambitious steps to move away from the driver of the climate crisis — fossil fuels.

#### #6: Rep. [Filemon Vela](#) (TX-34)

- Lifetime oil and gas contributions: \$167,000.
- Over the 2019-20 cycle, Vela was the 12th largest recipient of oil and gas money among House Democrats.
- Fun fact: ExxonMobil was one of his top twenty contributors during the 2019-20 cycle and top fifteen over his career.

As a member of the Oil & Gas Caucus, Vela has been a fair-weather friend to environmental protections, with a mixed record on bills [undermining drilling protections](#) in the Arctic refuge and [Florida Gulf Coast](#), and attempts to undermine pipeline [NEPA review](#) and [methane standards](#). Because Vela has announced that he will [not run](#) for re-election in 2022, this backbench rebellion could be Big Oil's last chance to see a return on their investment.

### **Reconciliation Woes**

What is Big Oil so afraid of in reconciliation legislation that its favorite Democrats are threatening to derail the entire process? The answer is ultimately two-fold: what the bill would spend money on, and how the money itself would be raised.

Unlike the bipartisan bill, which includes no direct funding for the deployment of renewable energy, reconciliation has the potential to directly confront the market share of fossil fuels. For example, it is expected to include [Senator Wyden's Clean Energy for America Act](#), which would provide a ten-year extension for tax credits available for wind, solar, and storage. The package

could also include a [Clean Energy Payment Plan](#), an incentive and penalty structure that pays utilities to increase their purchases of clean energy. Although there has been substantial [debate](#) about the definition of “clean,” key lawmakers like Leader Schumer and Senator Smith contend that this policy will explicitly exclude any qualification for fossil gas.

The second, and potentially more substantial objection comes from the revenue needs of reconciliation. For partly political and partly procedural reasons, the entirety of the \$3.5 trillion legislation [cannot increase](#) the national debt and must be fully paid for. Both the Biden Administration and Congressional leaders have signaled that [corporate and international tax reform](#), including repealing fossil fuel tax loopholes, will likely be in line as reconciliation pay-fors.

For Big Oil, this could undo over a century of work and lose them an estimated [\\$121 billion](#) in taxpayer funded giveaways over the next decade. In fact, recent research from the [Stockholm Environment Institute](#) indicates that tax subsidies are essential to the industry’s business model. These giveaways drive increased drilling when oil and gas prices are low and pad executives’ pockets when prices are high. The deduction for intangible drilling costs — a tax incentive targeted for repeal by both President Biden and Senate Finance Committee Chairman Ron Wyden — has the largest single effect on future profits, increasing the prospective rate of return 11 percent for oil and 8 percent for gas. Lawmakers willing to protect such special treatment are worth Big Oil’s investment indeed.

The essence of this anti-reconciliation strategy was outlined most explicitly not by any of the nine Democrats, but by ExxonMobil itself. When investigators at Unearthed caught company lobbyists talking candidly about their plans to undermine Biden’s climate agenda, infrastructure spending was a major topic. If the legislation could be shrunk down to [“roads and bridges.”](#) as Exxon Lobbyist Keith McCoy put it, the result would be not only fewer climate investments, but also fewer tax increases needed to cover them. The ransom note to Speaker Pelosi is Big Oil’s strategy on Congressional letterhead.

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