



The Administration's Constant Search for a Villain 3/16/22

When oil prices started to rise from their recent lows of October of \$70 to the low \$90's well before the Russian invasion, the Administration was quick to blame OPEC for not increasing production enough. For a brief moment, they tried to blame the public for inflation since they claimed the public wanted too much. They then tried to blame the retail gasoline operators, but politically that proved to be a non-starter. Yet they have asked the FTC to investigate the issue. We are still awaiting the results, which I believe will get very little media attention when the results finally see the light of darkness.

Never once has the administration looked internally at their own policies.

Now, the new villain (again) is the U.S. oil producer. By the way, did any of the current sponsors of the windfall profits tax suggest that in 2020 when prices were collapsing (as a result of government shutdowns)? What about a tax credit on losses for producers, refiners and retailers?

We've experienced dramatic run ups in prices for a whole host of commodities such as autos (used and new), steel, wheat, etc. Has anyone asked why the administration is choosing to single out oil for a windfall profits tax? Is it an economic issue or an ideological and political one?

The administration is now once again blaming the industry for sitting on 9,000 leases. The issue is much more complicated than they suggest. They haven't told you, according to the IPAA, that over 4,600 leases are awaiting permits from the BLM. When companies bid for the leases, the winners pay upfront bonus payments. The industry wants to monetize these payments and not let the money sit idle. The administration and industry need to sit down together and see how the process could be expedited.

After a year of scapegoating the industry, the administration now wants them to produce more. Can anyone tell me how the threat of a windfall profits tax is an incentive to comply?