

Memorandum

To: Interested Parties
From: Jan R van Lohuizen
Date: July 28, 2010
Re: Energy Issues

Background:

This memorandum summarizes the findings of a national voter survey examining energy proposals under consideration by Congress, including changes to the tax code, restrictions on offshore drilling, and industry and federal handling of the spill in the Gulf of Mexico.

Proposed changes to the federal tax code:

- 77% of voters oppose the proposal some in Congress are considering to change the tax code to tax American companies twice on income earned abroad, while foreign companies would only be taxed once, 55% strongly oppose, while just 18% of voters favor the proposal.
- Opposition to the proposal is broad-based; all demographic subgroups of our sample opposed this idea.

Messages:

Voters reacted well to a number of the points articulated by opponents of this proposal. Most prominent among these were:

- 82% agree, 68% strongly agree -- *“When taxes on the oil industry go up, inevitably they’ll be passed along to consumers in the form of higher prices at the pump.”*
- 81% agree, 61% strongly agree -- *“It makes no sense to increase taxes on American owned oil companies, while creating a tax advantage for foreign owned companies like BP.”*
- 76% agree, 55% strongly agree -- *“American oil companies mostly compete against huge oil companies owned by foreign governments; it makes no sense to hurt American oil companies by making them pay a tax that doesn’t apply to their foreign competitors.”*

Proposed Congressional Action:

- Voters have a clear set of priorities for Congressional action (if any) on the energy issue. Their top priority is to improve oversight and enforcement of existing laws (88% favor, 70% strongly favor) rather than pass additional legislation (16% oppose).
- Voters oppose a ban on offshore drilling:
 - 71% oppose banning all offshore drilling in the US. 50% *strongly oppose*, while just 26% favor a ban.
 - 60% oppose banning offshore drilling in deep waters, while 34% favor such a ban.
- Instead, voters favor increasing the production of oil and gas here in the US.
 - 77% favor increasing oil production in the US, and 58% strongly favor while just 20% oppose.

Industry and federal responses to Gulf oil spill

Not surprisingly, the public has paid a great deal of attention to news coverage of the oil spill in the Gulf of Mexico. 88% of our sample said they had paid ‘a great deal’ or ‘a fair amount’ of attention to the issue. For the most part they do not approve of the way the Gulf crisis is being handled

For each of the following please tell me whether you approve or disapprove of their response to the Gulf crisis?

	Approve	Disapprove
The Obama Administration	42	53
Other oil companies	34	40
Congress	29	60
BP	29	66

Few voters are aware that four oil companies have contributed \$1B to create a rapid-response system to deal with deep water oil spills. However on learning about it many have a positive reaction (46% say they have a more favorable impression of the participating companies, 6% say they have a more unfavorable impression, while 42% indicated it did not change their view of the participating companies.

Methodology: Voter / Consumer Research conducted a nationwide survey on behalf of the American Energy Alliance. A total of 1,005 registered voters were interviewed by telephone between 7/25/10 and 7/27/10. Voters were selected at random from a national sample. Controls were in place were for regional and gender distribution, to ensure totals proportionate to the population. Households without a landline telephone connection were interviewed cell phone. Eleven

percent of interviews were conducted on cell phones. All interviews were conducted via telephone with trained interviewers at Voter / Consumer Research's phone center in Houston, Texas. The margin of error on these findings is $\pm 3.1\%$.