

August 11, 2022

Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

The undersigned trade associations, representing thousands of businesses across the United States that collectively employ millions of Americans, write to express our opposition to the *Inflation Reduction Act* (IRA) as passed by the U.S. Senate. Further, we write to urge you to reconsider policies within the legislation before proceeding.

The United States has experienced its second consecutive quarter of negative GDP growth, and American consumers are facing record high inflation. We share the goal of addressing climate change, as evidenced in the policies we support and in the actions that we take every day. However, the considerable tax increases and new government spending in the IRA amount to the wrong policies at the wrong time.

We are also facing the most significant global energy crisis since the 1970's, and U.S. energy security—and that of our strategic allies abroad—is being put to the test. Further, U.S. energy costs have increased 40% over the past twelve months, creating a serious strain on American household incomes.

With these current conditions as the backdrop for this legislation, there are several specific policies included in the IRA which are particularly troubling and deserve re-consideration. We would like to draw your attention to three such provisions:

1. The IRA imposes a new corporate minimum tax, increasing taxes on Americans by more than \$300 billion over the next 10 years. As President Obama noted in 2009, “the last thing you want to do is raise taxes in the middle of a recession.”
2. The IRA imposes an \$11.7 billion tax on crude oil and petroleum products. At a time of record-high energy prices, Congress should not add additional costs on American energy companies competing globally.
3. The IRA imposes additional constraints on the ability of companies to develop and produce the energy that Americans need to fuel our economy and strengthen our energy security. This includes increased fees on domestic production and the establishment of a new \$6.3 billion natural gas tax.

Finally, the IRA fails to address permitting reform, which is desperately needed and is essential to effectively deliver affordable, reliable energy to consumers in a growing economy.

To date, neither the House nor the Senate have introduced comprehensive permitting reform legislation. We urge Congress to quickly consider and pass permitting reform without delay.

For the above-stated reasons, we express our opposition to the IRA and request that you reconsider passage of this legislation.

Sincerely,

American Petroleum Institute
American Exploration and Production Council
American Fuel & Petrochemical Manufacturers
Independent Petroleum Association of America
Energy Workforce & Technology Council
Plumbing-Heating-Cooling Contractors—National Association
Manufacture Alabama
The Coalbed Methane Association of Alabama
Arkansas Independent Producers and Royalty Owners
Arkansas Oil Marketers Association
California Independent Petroleum Association
Colorado Oil and Gas Association
West Slope Colorado Oil & Gas Association
Colorado Wyoming Petroleum Marketers Association
Associated Industries of Florida
Florida Independent Petroleum Producers Association
Florida Natural Gas Association
Florida Petroleum Marketers Association
Florida Propane Gas Association
Florida State Hispanic Chamber of Commerce
Florida Transportation Builders Association
Floridians for Better Transportation
The James Madison Institute
Georgia Association of Convenience Stores
Georgia Mining Association
Illinois Fuel Retailers Association
Illinois Manufacturers Association
Illinois Retail Merchants Association
Chemistry Industry Council of Illinois
Fuel Iowa
Kansas Independent Oil & Gas Association
Louisiana Association of Business and Industry
Louisiana Oil and Gas Association
Michigan Association of Convenience Stores
Michigan Oil and Gas Association
Michigan Petroleum Association
Minnesota Service Station & Convenience Store Association
Associated Industries of Missouri

New Mexico Business Coalition
New Mexico Oil and Gas Association
North Carolina Chamber
North Carolina Petroleum & Convenience Marketers Association
North Dakota Petroleum Council
Ohio Energy and Convenience Association
Ohio Manufacturers Association
Ohio Oil and Gas Association
The Petroleum Alliance of Oklahoma
Pennsylvania Chamber of Business & Industry
Pennsylvania Grade Crude Oil Coalition
Pennsylvania Independent Oil & Gas Association
Pennsylvania Independent Petroleum Producers
Pennsylvania Manufacturers Association
South Dakota Petroleum and Propane Marketers Association
Texas Alliance of Energy Producers
Texas Independent Producers & Royalty Owners Association
Permian Basin Petroleum Association
Associated Builders & Contractors West Virginia
Petroleum Association of Wyoming