MEMORANDUM TO DEMOCRATS:
IT'S TIME TO TAKE ON THE GREEDY BIG OIL CEOS

TO: Interested Parties
FROM: John Podesta and Geoff Garin
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The cost of living has become a dominant economic concern for voters, and rising energy costs have become a focal point for that concern. In national polling we completed recently, 64% percent of voters say that gasoline prices have increased a lot in their part of the country, and the large majority of them expect that prices will remain high well into next year. While just 19% say their utility bills for electricity and home heating have risen a lot, 71% expect their utility bills to be higher this winter than last winter as we enter the home heating season.

The Big Oil companies and their Republican allies are selling a simple narrative on rising energy costs: blame Joe Biden and the Democrats. Our research shows that this false narrative has the potential to take hold unless Democrats move aggressively to offer a counter-narrative. Our research also shows that a counter-narrative built around the greedy actions of Big Oil CEOs is both compelling and credible with voters.

A large majority of voters already are inclined to believe that the CEOs of the big oil companies bear a large share of the responsibility for rising energy costs: 60% say Big Oil CEOs deserve a lot or a fair amount of the blame for recent increases in gasoline and other energy prices.

Moreover, our polling has identified four messages that evoke major concerns about the role of the oil company CEOs – *outpolling any message we tested against President Biden*.

	Major Concerns	Some Concerns	No Real Concerns
Oil company executives are taking advantage of the current situation with the pandemic to boost their profits. In the third quarter of this year alone, Exxon Mobil made a profit of $6.8 billion and in the same period Chevron had a $6.1 billion profit. Instead of using the profits to boost production and lower gas prices, they are spending it on stock buybacks to benefit wealthy shareholders	61	30	9
It is getting cheaper for oil companies to produce gasoline, yet they keep charging more at the pump. Right now, the gap between the cost of unfinished gasoline and the price consumers are paying at the pump is 25 cents per gallon higher than it has been on average over the years--a clear indication that companies may be manipulating gasoline prices at the expense of consumers	57	33	10
Oil companies got billions in tax cuts during the last administration and used their windfall to reward big shareholders instead of investing in further energy development that would have increased supplies and lowered prices	55	33	12
Oil companies successfully lobbied Congress in 2015 to be allowed to export American crude oil (what gasoline is made from) to foreign countries. Last year, U.S. oil companies exported 3.5 million barrels of oil every day. This means bigger profits for oil and gas companies but less supply and higher prices here at home	53	36	11

Let's be clear about what is motivating Big Oil and their Republican allies in their attacks on President Biden. First, they want to injure the President and Democrats politically in advance of the 2022 elections. Second, they want to stop the reform provisions in the Build Back Better Act that will make sure taxpayers get a fair deal for energy production on public lands. Third, Big Oil and their Republican allies are committed to undermining meaningful efforts to tackle climate change and move the economy from fossil fuels to clean energy sources.

With regard to this last objective, Big Oil CEOs and congressional Republicans are not only on the wrong side of history but they also are on the wrong side of public opinion. Democrats should be playing offense, not defense, when it comes to climate and clean energy.

Sixty-two percent of voters today say that taking action to deal with climate change should be an important priority for the President and Congress this year, notwithstanding the fact that 64% say in the same poll that gasoline prices are rising a lot. Moreover, 70% express support for "policies to move our economy from fossil fuels like oil and gas to clean energy sources, including electricity from wind and solar power." Sixty-one percent say these policies will be good for the environment, and 59% say they will either lower energy costs in the long run (47%) or not affect the cost of energy (12%).

The poll results also demonstrate that Democrats have a credible case to make that transitioning to clean energy is the solution to high energy prices, not the cause of them. Fully 69% of voters agree with the following statement – a clear indication that it will pass the "nod test" when Democrats advance this argument:

> "There will continue to be big spikes in gasoline prices and energy costs as long as we are dependent on fossil fuels like oil because oil CEOs are focused primarily on maximizing profits and fossil fuels are unreliable. By moving to a clean energy future, improving energy efficiency, making electric vehicles more affordable, and transitioning to renewable energy sources like wind power and solar energy, we will cut energy costs for families by $500 a year and keep energy bills stable."

Voters recognize that we cannot transition to clean energy overnight, but there is large majority support for "transitioning as quickly as possible from fossil fuels to clean energy sources."

While we recommend that Democrats focus consistently and persistently on the Big Oil CEOs in advancing their counter narrative, the role of OPEC and foreign oil producers adds to the credibility of the point that "fossil fuels are unreliable." Indeed, 62% of voters say that foreign oil-producing countries like Saudi Arabia" are to blame for rising energy costs. There is a clear contrast to be emphasized here: "While Democrats support moving our economy to clean energy, Republicans want Big Oil CEOs and Saudi Arabia to be in control of our energy future and your wallet."

OIL PROFITS ON THE RISE ON THE BACK OF HIGHER ENERGY AND GAS PRICES

Oil and gas CEOs have seen their profits skyrocket as the nation and the world start to recover from the COVID-19 pandemic. In the third quarter of 2021, the top 20 oil and gas companies - including Exxon, Chevron, Saudi Aramco, Gazprom and Total - earned at least $65 billion in profits. American oil giants alone earned $6.8 billion (Exxon) and $6.1 billion (Chevron) in just the third quarter, which Exxon said was "its highest profit in years."

To put this in context, 4 of the top 5 oil and gas producers - which include Gazprom, Exxon, Chevron, PetroChina and Shell - reported profit increases of 24 percent compared to profit earnings in the third quarter of 2019, well before the start of the pandemic.

It's not just the cost of crude oil that's driving gasoline prices. While crude oil prices are up more than 50 percent over the last year (part of what is driving oil company profits), the cost of gasoline at the pump is up more than 60 percent."

Not surprisingly, while average retail gasoline prices steadily increased throughout 2021, so did oil and gas company profits in the first nine months, according to the Energy Information Agency. This is not a coincidence, Big Oil CEOs have publicly stated that their increased profits are partially due to the rise in oil prices. They blatantly decided to gouge consumers in order to raise their profits so they could spend it on stock buybacks and dividends to benefit their wealthy shareholders.