



## AMERICANS *for* TAX REFORM

Grover G. Norquist  
*President*

# ATR WILL DOUBLE RATE VOTE ON S. 3044, 'CONSUMER FIRST ENERGY ACT'

## ATR URGES A "NO" VOTE S. 3044 VIOLATES THE TAXPAYER PROTECTION PLEDGE

S. 3044, the so-called "Consumer-First Energy Act" violates the Taxpayer Protection Pledge that forty-one senators have made to their constituents and the American people to never raise income taxes. By imposing a "windfall profits tax" on energy companies, the Reid Energy Tax Hike imposes a surtax on corporate income, thereby violating that Pledge.

This legislation places harmful regulations on the energy market that, if enacted, would actually reduce supply and drive energy prices higher. Further, taxing profits of oil companies will lead to the loss of jobs in the private sector and potentially lead to a national energy crisis.

We have witnessed this failed policy approach before. President Carter enacted similar legislation and attempted to control the production and price of oil. This led the nation into a greater energy crisis by significantly reducing supply. Supply-side market forces are not compatible with governmental regulation and only cause instability in the market. **This legislation will not solve a problem, but create a greater one with long-term economic repercussions.**

Senator Reid's bill also includes a price gouging provision. **This alarmist rhetoric known as "price-gouging" simply does not exist in a rationale market. Responsible higher prices actually guarantee that as much of the good or service as possible is accessible for use.** However, when prices are fixed, as this bill proposes, the demand will exceed the available supply, a fuel shortage would occur, gas would be rationed, and an inevitable black market would develop in response.

Congress should be considering proposals that increase our nation's energy security and lower Americans' overall tax burden, not discouraging investment, hindering domestic production and killing jobs. **If the United States is serious about reducing our dependence on foreign oil we must look domestically. Members in both chambers of Congress should vote to open the Arctic National Wildlife Refuge (ANWR) and lift the federal restrictions on exploration in the Gulf of Mexico.**

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