

**Congress of the United States**  
**Washington, DC 20515**

May 5<sup>th</sup>, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Steny Hoyer  
House Majority Leader  
H-107, The Capitol  
Washington, D.C. 20515

The Honorable Richard E. Neal  
Chairman  
House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Speaker Pelosi, Leader Hoyer, and Chairman Neal:

Thank you for your leadership in promoting investment and job growth in the United States. As you may know, the natural gas, oil, and fuels industries contribute significantly to jobs in our communities, and invest in state-of-the-art emissions reductions technologies. Therefore, we oppose singling out the industry by disproportionately increasing the tax burden on constituents from the districts we represent.

The natural gas, oil, and fuels industries should not be prevented from recovering costs that other industries are eligible for simply because they operate in a different economic sector. The U.S. tax code allows industries across the manufacturing sector to recover costs related to job creation and other operational investments. For example, the largest share of intangible drilling costs often consists of the labor costs. Likewise, other provisions applicable to manufacturing enable companies to reinvest capital in hiring skilled labor and in large scale capital projects that reduce emissions that promote U.S. competitiveness. These common tax mechanisms allow these companies to create jobs, invest in our communities, and deliver the energy that working families rely on every day.

The natural gas and oil industry is a major driver of jobs and investment in our communities. It supports nearly 11 million domestic jobs, powers the nation's economy, and generates billions in revenue for the federal and state governments in rent, royalties, and corporate and income tax payments. Direct industry jobs pay seven times the federal minimum wage and 70 percent higher than the national average. And every direct job supports an additional 2.7 jobs in affiliated industries, from lodging to restaurants within proximity of industry operations. Imposing additional costs on these industries as we continue to recover from the COVID-19 pandemic will only create further challenges for these hardworking Americans.

Moreover, in 2019 alone, the industry generated over \$14 billion for state treasuries through severance taxes. Now more than ever, our communities rely on those payments to fund schools, infrastructure, and other critical social services.

Lastly, the natural gas, oil, and fuels industries' investment in this country have led to a 15 percent decrease in household energy costs over the last decade—while the costs for food, education, and healthcare have skyrocketed. Those cheaper energy costs are crucial to working families not just in our communities, but in every single community across the country.

We appreciate your consideration and look forward to working with you on this and other ways to increase jobs and investments in our communities.

Sincerely,

Henry Cuellar, Ph.D.  
U.S. Congressman  
28<sup>th</sup> District of Texas