

ONE HUNDRED SEVENTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

August 3, 2022

Mr. Darren Woods
Chief Executive Officer
ExxonMobil
5959 Las Colinas Boulevard
Irving, TX 75039

Dear Mr. Woods:

Pursuant to Rules X and XI of the House of Representatives, the Committee on Energy and Commerce is continuing to examine the role the oil industry plays in the record high gas prices Americans have experienced in 2022. The Committee is investigating what oil companies could and should be doing to help bring down gas prices. As one of the largest private oil companies in the world, your company is positioned to help alleviate Americans' pain at the pump, but I am concerned that you are more focused on rewarding company executives and shareholders.

Based on recently announced quarterly earnings, Exxon reported record profits that should completely erase the losses recorded during the pandemic.¹ And, as we saw in 2021, these record profits continue to be used to benefit executives and shareholders.

To date, Exxon has experienced two of its most profitable quarters on record. In its second quarter results reported last week, Exxon reported a profit of \$17.9 billion—which is nearly *six times* the pre-pandemic second quarter profits reported in 2019 and the highest quarterly profits reported by any oil company in history.² Given this, it is no surprise that Exxon is expected to nearly double its 2021 profits to \$41 billion in 2022, likely achieving the company's most profitable year ever.³ Yet, instead of using these windfall profits to reduce

¹ The Wall Street Journal Markets, *Exxon Mobil Corp.* (<https://www.wsj.com/market-data/quotes/XOM/financials/annual/income-statement#>) (accessed July 27, 2022).

² *Exxon, Chevron Post Blowout Earnings, Oil Majors Bet on Buybacks*, Reuters (July 29, 2022); The Motley Fool, *Exxon Mobil Corp (XOM) Q2 2019 Earnings Call Transcript* (Aug. 3, 2019) (<https://www.fool.com/earnings/call-transcripts/2019/08/03/exxon-mobil-corp-xom-q2-2019-earnings-call-transcr.aspx>).

³ *Exxon May Be Making 'More Than God.' But Apple and Alphabet Are More Profitable*, Barron's (June 10, 2022); *Exxon Mobil Posts \$40.6 Billion Annual Profit*, NBC News (Feb.1, 2008).

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Americans' pain at the pump, Exxon bought back more than \$2 billion worth of stock and now expects to spend \$30 billion on share buybacks through 2023, in addition to the billions in planned dividend payouts.⁴

These misguided priorities are why I joined my colleagues to spearhead passage of the Consumer Fuel Price Gouging Prevention Act in May, which would be the first-ever federal statute against fuel price gouging.⁵ This bill would also increase penalties levied against market manipulators and price gougers that drive up fuel prices and would give the federal government better tools to bring enforcement actions against price gougers during energy emergencies declared by the President.⁶

In order to better understand how the oil industry's record profits impact gas prices in the United States, please provide the following information by August 17, 2022. Please describe how the record profits your company has made in 2022 will impact each of the following categories. In responding, please explain the expected expenditures for each of these categories that were established at the start of this fiscal year, and any changes to those expenditures based on the profits your company has made so far this year:

- a. Executive compensation, including bonuses;
- b. Shareholder and/or stock buybacks;
- c. Dividends;
- d. Capital expenditures in support of fossil fuel production; and
- e. Capital expenditures in support of renewable fuels and other decarbonization efforts.

⁴ *Exxon Mobil's First-Quarter Profit Rises, Even After \$3.4 Billion Hit from Russia Charge*, CNBC (April 29, 2022).

⁵ H.R. 7688.

⁶ *Id.*

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If you have any questions, please contact Rebekah Jones of the Committee staff at (202) 225-2927.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." in a cursive style.

Frank Pallone, Jr.
Chairman

cc: The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce