



## Oil execs speak to the Senate today

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More senatorial shenanigans, this time bipartisan! (Remember, in the past the Democrats have been most vocal on this issue.) Probably as I write, [oil company execs are testifying in front of the Senate](#).

Oil industry executives summoned to Capitol Hill are expected to receive a grilling Wednesday -- perhaps unlike any they have faced before -- over their record profits at a time of high oil prices.

But the questions won't just be coming from the usual critics. Some of the industry's traditional Republican allies are eager to demonstrate that they too share their constituents' anger.

The hearing, ordered by Senate Majority Leader Bill Frist (R-Tenn.), illustrates the political pressure that is driving Republicans to make a show of getting tough on an industry that has been a major source of GOP cash. Beyond the Senate hearing, House Speaker J. Dennis Hastert (R-Ill.) is preparing to call oil company executives to a meeting to confront them on what they are doing to boost fuel supplies and bring down prices.

And lest you think this is just showboating, some senators actually have proposals for the oil companies to consider:

One Republican, Sen. Judd Gregg of New Hampshire, has joined Democrats in calling on Congress to consider a windfall profits tax. Another Republican, Sen. Charles E. Grassley of Iowa, wants to challenge industry executives to donate 10% of their profits toward home-heating subsidies for low-income families. Grassley does not serve on the committees that will hear from the oil industry but plans to ask colleagues who sit on the panels to relay his proposal.

Sen. Larry E. Craig (R-Idaho) said that Grassley's proposal might be a good idea for an industry "looking for some good PR at this moment."

Even better, they're still harping on the price gouging issue.

The Federal Trade Commission chairman and state attorneys general also will appear before the committees. They are expected to testify on the effectiveness of state anti-price-gouging laws. Legislation has been proposed to create a federal anti-gouging law.

When is someone going to explain to these people (or perhaps more importantly, their constituents) how the oil futures market works? Or the role of the refiners and distributors, not just the oil companies themselves? Is [Valero](#) being summoned to Congress? Or [Byrd Oil Distributors](#)? I'm just pointing out for the millionth time that oil production from start to finish is a complex chain, and price is not just determined at one end. This scapegoating is just silly, and I'm betting that targeting the oil companies will have absolutely no effect on either supplies or prices for Joe America Consumer. So yes, I realize that they're just putting on a show to make the constituents happy, but what's the constituent going to think when nothing changes after all of this?

(Also check out this [CNN/Money](#) article on the four questions the oil execs can be expected to be asked.)



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