

February 4, 2019

Dear Representative:

Despite the blood and treasure our nation has expended that has protected the Kingdom of Saudi Arabia—most recently from Iranian expansionism—its leaders now have threatened to harm the United States through oil market manipulation should U.S. policymakers sanction Saudi Arabia in response to the killing of Jamal Khashoggi. Given the Kingdom's leading global oil market role and its dominant leadership of the OPEC cartel, this threat to wield the oil weapon against U.S. sovereignty, prosperity, and national security must be confronted swiftly and decisively.

Accordingly, we undersigned members of the Energy Security Leadership Council (ESLC), a project of Securing America's Future Energy (SAFE), call for speedy enactment of H.R. 948, the *No Oil Producing and Exporting Cartels Act of 2018* (NOPEC), which would give the Executive Branch the tools to respond to this Saudi threat.

Unfortunately, despite years of rising domestic oil production, the nation remains dangerously exposed to the global oil market controlled by the Saudis and their affiliate, OPEC. Curtailing OPEC's influence on global oil markets would provide crucial support for domestic producers, helping keep America's wealth from draining out of the country. OPEC holds over 80 percent of global reserves and as recently as 2014, leveraged this advantage by maintaining high production levels in response to the growth of U.S. unconventional oil. Prices tumbled from a June 2014 high of \$110 per barrel, to just \$26 by February 2016. Since 2015, more than 300 U.S. oil and gas companies have entered bankruptcy, and more than 200,000 jobs were lost in the industry from 2014 to 2016. This is not the first Saudi action against American oil companies. Many of OPEC's reserves originally were developed by U.S. companies but expropriated from them by OPEC regimes decades ago.

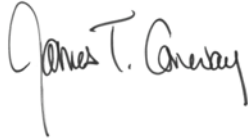
NOPEC would eliminate the loopholes in U.S. antitrust law that have kept OPEC from being subject to the same standards to which other market actors in the U.S. economy routinely are held accountable. The legislation consists of four provisions. First, it makes interference in the oil market by OPEC illegal to the extent this interference directly and meaningfully impacts the United States. Second, it makes sovereign immunity, or the inability to sue a sovereign state without its consent, inapplicable to OPEC. Third, the legislation clarifies that OPEC is not protected under the Act of State doctrine (a rule that prohibits U.S. courts from hearing suits against a foreign government for acts that government commits within its own borders). Finally, NOPEC gives only the Attorney General—but not private litigants—the ability to sue OPEC in federal courts. This ensures there will not be a confused tangle of private suits, but that the President will have the ability to pursue litigation in accordance with U.S. national security interests.

Although the principles of sovereign immunity and the Act of State doctrine are important in many areas, in the case of OPEC they have served to prevent the United States from protecting important national security interests.

Accordingly, NOPEC would constitute a vital first step toward restoring full American sovereignty, which includes ending Saudi Arabia's ability to take hostage our economy. We respectfully ask that you support the passage of and cosponsor H.R. 948.

For more information, please contact Chuck Cunningham, Senior Vice President for Government Relations at SAFE, at ChuckC@visi.net and 202-461-2369.

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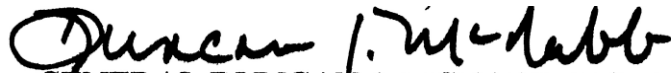
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