



The Honorable Michael McCaul, Chairman
United States House Committee on Foreign Affairs

The Honorable Gregory Meek, Ranking Member
United States House Committee on Foreign Affairs

2170 Rayburn House Office Building
Washington D.C. 20515

The Kurdistan Region of Iraq

24 April 2023

Dear Mr. Chairman and Mr. Meek,

We wrote to you on 9 February 2023 about the rapidly deteriorating situation, which is undermining the Kurdistan Region of Iraq, one of the United States' most dependable security partners in the Middle East.

We regret that the situation has only worsened in the intervening two months. Following a recent International Chamber of Commerce arbitration ruling related to a contractual dispute between Baghdad and Ankara in connection with operation of the Iraq-Turkey Pipeline (ITP), on 25 March 2023 Turkey closed the pipeline and effectively blocked the export of Kurdish Region oil. In doing so, almost 500,000 barrels of oil per day came off the international market, putting upward pressure on prices at a very precarious time for many economies teetering at the edge of recession, including the US economy.

In addition to being a reliable security partner, the Kurdistan Region has served as a business friendly, perhaps the only business friendly, destination for Western oil and gas companies, not just in Iraq but throughout the Middle Eastern OPEC countries. Not surprisingly, the only energy financing by the US Development Finance Corporation in all of Iraq, totaling \$300 million, is in the Kurdistan Region. American public and private investments as well as investments made by APIKUR member companies, some with significant US share and bond holdings, total well in excess USD 10 billion. As a result, oil production in the Kurdistan Region climbed from nil under Saddam Hussein to the pre-pipeline closure levels. While the pipeline was still accessible, in 2022 oil exports contributed a staggering 80 percent of Kurdistan Region's total revenues. Investments by our companies made this possible, and indeed the financial viability and therefore autonomy of the Kurdistan Region are now at risk.

On behalf of our member companies and our stakeholders, we continue to respectfully request the engagement and support of Congress and of the US Government to help to ensure a timely resolution of this evolving crisis before it spins out of control.

For the Association of the Petroleum Industry of Kurdistan,

A handwritten signature in blue ink, appearing to read 'N. Atencio'.

Nicholas W. Atencio

Secretary General

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About APIKUR:

The Association of the Petroleum Industry of Kurdistan (APIKUR) was established by International upstream oil and gas companies active in the Kurdistan region of Iraq. In addition to promoting Kurdistan as a destination for exploration and production companies, service providers, and investors, APIKUR advocates for the common interests of its members towards all stakeholders and provides a forum to share industry information and best practices.