



February 12, 2024

The Honorable Benjamin L. Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cardin,

On behalf of the eight member companies of the Association of the Petroleum Industry of Kurdistan (APIKUR) we request for you to raise a critical issue with leaders of Iraq and Iraq's Kurdistan Region during the Munich Security Conference. Our association's membership includes international oil and gas companies operating in the Kurdistan Region of Iraq (KRI), including three U.S. owned companies and several more with substantial U.S. equity and bond holdings.

We request your immediate assistance to pressure the Government of Iraq (GoI) to promptly take the steps required to reopen the Iraqi-Türkiye pipeline that serves as Kurdistan's economic lifeline through the export of 400,000 barrels per day of crude oil to global markets. Türkiye announced in October 2023 that the pipeline was ready to resume operations. The continued closure is effectively a politically-driven oil blockade that directly harms U.S. interests and investments.

The White House has extended an invitation to Iraqi Prime Minister Mohammed Shia Al Sudani this spring. Ahead of this visit, the Munich Security Conference provides an important opportunity for Members of Congress to urge that his government must allow U.S. oil companies, and all APIKUR members, to freely produce and export their oil. Placing conditions on future U.S. assistance to Iraq must be considered, if Iraq continues to economically strangle the Kurdistan Region and U.S. oil investments, production and export.

The GoI must promptly reopen oil exports for the Kurdistan Region, implement an amended Iraqi federal budget law and provide International Oil Companies (including APIKUR members) with surety of payment for such exports. The halt of crude oil exports from Kurdistan, now lasting nearly 11 months, coupled with the GoI's refusal to implement budget transfers to the Kurdistan Regional Government (KRG), continue to threaten the fiscal stability and semi-autonomous status of the KRI — a region that has been a steadfast security ally of the U.S. in the Middle East. The KRG now exports no oil. By contrast oil exports from Iran are at their highest level for years. The GoI has willfully prevented full oil production in Kurdistan at the expense of losing an estimated \$1 billion monthly—while continuing to receive tax dollars from the U.S.

The U.S. has made significant public and private sector investments in the KRI; Iraqi governmental intransigence is thwarting the return on that investment. The U.S. Development Finance Corporation, for instance, has invested \$300 million in energy projects in the KRI. Moreover, our APIKUR member companies have invested over \$10 billion in the KRI. These investments, which were made based on solid, legally-binding agreements, are now being jeopardized.

The KRG is advocating for its budget allocations and the rights of International Oil Companies, but they face an uphill battle that requires U.S. intervention. KRG Prime Minister Masrour Barzani made a public appeal on NBC Nightly News on February 8, 2024, "We need more economic support, we need more political support...during this period of time we expect more support from the United States...We need to be economically strong."

The Munich Security Conference is an opportunity for you to directly raise these issues with Iraqi Prime Minister Mohamed Shia Al Sudani and support our KRG partners.

We remain committed to Kurdistan, despite the recent drone and ballistic missile attacks and increased threats from Iranian-backed militia groups throughout Iraq. It is imperative that we resume full oil production and recommence oil exports from Kurdistan to create economic stability in the region as a bulwark against destructive and destabilizing influences.

We look forward to your engagement and support in resolving these pressing issues.

For the Association of the Petroleum Industry of Kurdistan,



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About APIKUR:

APIKUR's objective and purpose is to promote the KRI as an attractive destination for international oil and gas companies, service providers and investors. In addition, APIKUR aims to advocate for and represent the common interests of its members, function as a joint and effective voice towards all relevant stakeholders whether in the KRI, or elsewhere, and provide a forum for its members to share appropriate public industry information and best practices.