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**Select Committee on  
Energy Independence and Global Warming  
U.S. House of Representatives**

October 2, 2007

The Honorable Condoleezza Rice  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
Washington, D.C. 20520

Dear Secretary Rice,

The Select Committee on Energy Independence and Global Warming is examining the impact of our debilitating dependence on foreign oil on our ability to accomplish foreign policy objectives. As you know, in the course of the last 20 years our foreign oil dependence has risen from a manageable 27 percent to roughly 60 percent – a level of reliance that many experts consider dangerous, particularly when much of it comes from regions of severe instability.

As part of this examination, the Committee has noted the concerns raised by employees of both the U.S. Embassy in Iraq and the State Department about a production-sharing contract for petroleum exploration between Hunt Consolidated, Incorporated (Hunt) and Iraq's Kurdistan Regional Government. This bilateral arrangement promises to have a major impact on negotiations to finalize the contentious and long-delayed Iraqi national oil program that would guarantee oil profit-sharing between all regions of Iraq. Indeed, I note that the Hunt contract has been declared illegal by the Iraqi oil minister. Looked at broadly, insofar as the Administration has tied the return of American troops from Iraq to the emergence of a stable power-sharing agreement by the central government, the Hunt oil contract could severely undermine any hope of bringing the Iraq war to a close. As Congress works to understand how American dependence on oil is related to our ability to accomplish our foreign policy objectives, I would appreciate prompt answers to the following questions:

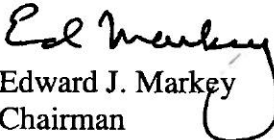
1. How long have you been aware of negotiations between Hunt and the Kurdish government?
2. Did you inform the President that Hunt and the Kurdish government were negotiating a bilateral oil deal outside of the efforts of the Iraqi government to work out an oil-sharing agreement?
3. Do you view this agreement as helpful to the Administration's efforts to achieve reconciliation in Iraq? Please explain.
4. What specific concerns were raised by both the State Department and the U.S. Embassy about the Kurdish government/Hunt contract?

5. How will you respond to other private companies who might pursue oil drilling rights in Iraq prior to the Iraqi government establishing an oil sharing agreement?
6. What role does an Iraqi oil profit-sharing program play in overall national stability and the process of national political reconciliation?
7. Do you believe that it is appropriate for Iraqi regional governments to enter into agreements concerning oil exploration and extraction without the involvement of the central government? Or do you believe that the central government of Iraq is the only legitimate governmental entity to negotiate such contracts?
8. Do you agree with the Iraqi oil minister that the contract between Hunt oil and the Kurd government is illegal?
9. Ray Hunt, Chairman of the Board, President and CEO of Hunt Consolidated, Inc, also serves on the President's Foreign Intelligence Advisory Board (PFIAB). Are you concerned that the involvement of such a high-level advisor to the President in this contract will create the impression that the negotiation between Hunt and the Kurdish government was sanctioned by you, or, indeed, by the President himself?
10. Some critics of Ray Hunt's service on PFIAB claim that the information available to him from PFIAB could be misused to further his business interests. What mechanisms are in place to ensure that PFIAB members do not use classified information for personal gain or that they do not bias their advice to the President on intelligence matters in light of their business interests?
11. Has the State Department ever needed to inform other PFIAB members that their personal or business interests conflict with the national security goals of the United States?
12. Are there any other PFIAB members with oil interests in Iraq?

Many disagreed with former chairman of the Federal Reserve Board Alan Greenspan when he wrote, "the Iraq war is largely about oil." Yet much of the ongoing instability in the Middle East is directly linked to oil, and it appears that oil continues to lead us into situations which we might handle quite differently if our dependence on the region were not so deep-rooted.

Thank you for your attention to this matter. Please respond to the questions above within the next thirty days. If you have any questions, please contact Danielle Baussan or Jeff Duncan at 202-225-4012.

Sincerely,

  
Edward J. Markey  
Chairman