

United States Senate

WASHINGTON, DC 20510

December 19, 2016

The Honorable Donald J. Trump
President-elect of the United States
Trump Tower
725 5th Avenue
New York, NY 10022

Dear Mr. President-elect:

I write to express my concern regarding comments that were reportedly recently made by the head of the Organization of the Petroleum Exporting Countries (OPEC). It was reported last week that the Secretary General of this oil cartel stated that the United States should join future deals to limit oil production. I urge you to immediately reject these comments and pledge that the United States will refuse to negotiate or collaborate with OPEC to manipulate oil markets and also oppose any efforts by OPEC to expand its inclusion of additional non-OPEC nations in any future agreements to limit or manipulate oil production.

It was reported that OPEC Secretary General Mohammad Sanusi Barkindo stated that there could be additional deals by OPEC in the future to further limit oil production and that such future deals would be “incomplete” without U.S. participation. He reportedly continued that every country stands to benefit from more stable oil prices and that “we do not live in a world of energy-independent nations.”

The suggestion that the United States should work with OPEC is deeply troubling. Higher oil prices might benefit oil producers but they do not benefit U.S. consumers or our economy. Economists have a general rule of thumb that each one-penny increase in gas prices translates into \$1 billion a year in increased costs to consumers. Similarly, each \$10 increase in the price of a barrel of oil generally knocks 0.2 to 0.3 percentage points off the growth rate of the American economy. Any effort to manipulate oil markets to increase prices therefore comes at the expense of U.S. consumers and our economy more broadly and should be rejected.

In addition, the United States should oppose any efforts by OPEC expand its control over oil markets by including additional non-OPEC nations in future deals to limit oil production or otherwise manipulate oil markets. For instance, during the most recent OPEC meeting, 11 non-OPEC nations agreed to participate in the production cuts. I therefore urge you to also pledge to oppose any efforts by OPEC to expand its control over international oil markets or otherwise increase its ability to artificially affect markets and prices.

The United States should seek to continue to decrease our reliance on oil from unstable and hostile regions of the world, not work with a cartel of foreign nations to artificially increase oil prices at the expense of U.S. consumers and our economy. Higher global oil prices also mean

increased revenue for petrostates such as Russia that are hostile to U.S. interests or those, particularly in the Middle East, that have supported terrorist networks. I urge you to commit that the United States will never join any attempt by OPEC to manipulate oil markets and that we will oppose any effort by OPEC to expand its oil market control.

Sincerely,

A handwritten signature in blue ink that reads "Edward J. Markey". The signature is written in a cursive, flowing style.

Edward J. Markey
United States Senator