

DOC HASTINGS, WA
CHAIRMAN
DON YOUNG, AK
JOHN J. DUNCAN, JR., TN
LOUIE GOHMERT, TX
ROB BISHOP, UT
DOUG LAMBORN, CO
ROBERT J. WITTMAN, VA
PAUL C. BROUN, GA
JOHN FLEMING, LA
MIKE COFFMAN, CO
TOM McCLINTOCK, CA
GLENN THOMPSON, PA
JEFF DENHAM, CA
DAN BENISHEK, MI
DAVID RIVERA, FL
JEFF DUNCAN, SC
SCOTT R. TIPTON, CO
PAUL A. GOSAR, AZ
RAÚL R. LABRADOR, ID
KRISTI L. NOEM, SD
STEVE SOUTHERLAND II, FL
BILL FLORES, TX
ANDY HARRIS, MD
JEFFREY M. LANDRY, LA
JON RUNYAN, NJ
BILL JOHNSON, OH
MARK AMODEI, NV

TODD YOUNG
CHIEF OF STAFF

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

August 13, 2012

EDWARD J. MARKEY, MA
RANKING DEMOCRATIC MEMBER
DALE E. KILDEE, MI
PETER A. DEFAZIO, OR
ENI F.H. FALCOMAVEGA, AS
FRANK PALLONE, JR., NJ
GRACE F. NAPOLITANO, CA
RUSH D. HOLT, NJ
RAÚL M. GRIJALVA, AZ
MADELEINE Z. BORDALLO, GU
JIM COSTA, CA
DAN BOREN, OK
GREGORIO KILILI CAMACHO SABLÁN, CNMI
MARTIN HEINRICH, NM
BEN RAY LUJÁN, NM
JOHN P. SARBANES, MD
BETTY SUTTON, OH
NIKI TSONGAS, MA
PEDRO R. PIERLUISI, PR
JOHN GARAMENDI, CA
COLLEEN W. HANABUSA, HI
PAUL TONKO, NY

JEFFREY DUNCAN
DEMOCRATIC STAFF DIRECTOR

The Honorable Ken Salazar
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Secretary Salazar:

We write to draw your attention to two national security issues that have been raised in oversight hearings before the House Committee on Natural Resources in recent months.

Foreign-multinational energy companies currently hold development leases and operate in the American Outer Continental Shelf (OCS) and on Federal lands. One recent example is the move by China's National Offshore Oil Corporation (CNOOC) to takeover Nexen, Inc., which has significant holdings in the Gulf of Mexico. We are concerned that these companies, either directly or through their subsidiaries, are also choosing to operate in countries that have been designated as State Sponsors of Terrorism by the U.S. State Department. These activities run counter to U.S. national security interests.

We ask the Department to identify those foreign, state-owned energy companies that currently have any ownership or operate on leases in the U.S. Outer Continental Shelf (OCS). In addition, we ask that you separately identify those companies from that list who are known to have operations, through their parent companies or subsidiaries, with nations currently designated as State Sponsors of Terrorism. We request the Department to report these findings back to the Committee on Natural Resources. Furthermore, the report to the Committee should review current laws and regulations available to the Department and/or enforceable in conjunction with other Federal Agencies to oversee and regulate operations by any companies operating in the U.S. OCS that may be somehow linked through business operations with State Sponsors of Terrorism as well as possible actions that may be taken should these companies insist on continuing to collaborate with these regimes.

The Hon. Ken Salazar
August 13, 2012
Page 2

Separately, we are concerned about the lack of adequate record-keeping on American subsidiaries of foreign-state-owned energy companies operating in the U.S. OCS and on all Federal lands. While we welcome and encourage foreign investment into our nation, we believe it is important to at least be able to identify those energy companies that ultimately answer to a foreign government as opposed to private shareholders. In response to the Questions for the Record on this topic from the Committee's November 16th, 2011 hearing, your Department responded by saying: "...information kept by Departmental bureaus would only reflect that corporate leaseholders are appropriately incorporated within the United States". We believe this is inadequate. Therefore, we ask the Department to identify the companies that meet this criteria, where they are operating, maintain that data, and promptly report your findings back to the Committee.

Thank you for your kind attention to this request. We look forward to your response.

Sincerely,



Doc Hastings
Member of Congress



David Rivera
Member of Congress