

110TH CONGRESS  
2D SESSION

# H. R. 6710

To prohibit certain activities relating to the petroleum resources of Iraq,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Mr. KUCINICH (for himself, Mr. CONYERS, Mr. FARR, Mr. FILNER, Mr. GRIJALVA, Ms. LEE, and Ms. WOOLSEY) introduced the following bill;  
which was referred to the Committee on the Judiciary

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## A BILL

To prohibit certain activities relating to the petroleum  
resources of Iraq, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Oil for Iraq Liberation  
5 Act of 2008”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Every Middle Eastern country that pos-  
9 sesses significant petroleum resources has long held  
10 those resources as national assets.

1           (2) Several developments indicate that the his-  
2           torical precedent of a nationalized Iraqi oil sector  
3           could be undercut by United States interests. The  
4           Bush Administration has aggressively pressured the  
5           Iraqi government to privatize its oil resources and a  
6           United States oil company has secured an oil con-  
7           tract with the Kurdistan Regional Government and  
8           a former Administration official is reported to be  
9           seeking an oil contract with the Kurdistan Regional  
10          Government.

11          (3) President George W. Bush released a list of  
12          benchmarks in August 2006 by which to judge suc-  
13          cess in Iraq. These benchmarks included the passage  
14          of a “hydrocarbon act”. The Administration has  
15          characterized the bill as a national revenue sharing  
16          plan.

17          (4) Hunt Oil Company, headquartered in Dal-  
18          las, Texas, has signed a production sharing agree-  
19          ment for petroleum exploration, signaling that the  
20          war with Iraq has made access to Iraqi oil a reality  
21          for United States oil companies.

22          (5) The CEO of the Hunt Oil Company is a  
23          major campaign contributor for President Bush, in-  
24          cluding a \$35 million contribution to the Bush Pres-  
25          idential Library. He has twice been appointed to a

1 seat on the President's Foreign Intelligence Advisory  
2 Board. At the invitation of the then Halliburton  
3 CEO, Richard Cheney, he served on the Halliburton  
4 Board of Directors.

5 (6) The Hunt Oil deal is now part of an inter-  
6 nal investigation by the Department of State.

7 (7) News reports indicate that former Assistant  
8 Secretary of Defense, Richard Perle, has been pur-  
9 suing oil-drilling contracts with Iraq's Kurdistan Re-  
10 gional Government. Mr. Perle served as chairman of  
11 the Defense Policy Advisory Committee during the  
12 run up to the war in Iraq. He was an influential ad-  
13 visor to the Department of Defense between 2001  
14 and 2003 and is credited with being an early advo-  
15 cate of invading Iraq and as an Iraq war architect.  
16 Mr. Perle resigned from his chairmanship on March  
17 28, 2003, just after the United States invasion of  
18 Iraq, amid controversy that there existed the poten-  
19 tial for his business interests to profit from the war  
20 in Iraq.

21 (8) The Department of State recently led a  
22 team of United States advisers who helped the Iraq  
23 Oil Ministry negotiate technical service contracts to  
24 help with oil production. A lobbyist representing ef-  
25 forts oil-friendly policies has called these contracts

1 “a chance to get a foot in the door with regards to  
2 future Iraqi [oil] production”.

3 (9) The Hunt Oil deal, the reported actions by  
4 Richard Perle and speculation by United States oil  
5 interests undercuts the stated United States policy  
6 of “revenue sharing”.

7 (10) Certain Iraqis and analysts have concluded  
8 that the “hydrocarbon act” is in fact a privatization  
9 scheme to ensure control of Iraq oil by foreign oil  
10 companies.

11 (11) Certain Iraqis and analysts have concluded  
12 that the “hydrocarbon act” is in fact a privatization  
13 scheme to ensure control of Iraq oil by foreign oil  
14 companies.

15 **SEC. 3. PROHIBITIONS ON CERTAIN ACTIVITIES RELATING**  
16 **TO THE PETROLEUM RESOURCES OF IRAQ.**

17 (a) IN GENERAL.—The following shall be unlawful:

18 (1) The entry into or the performance by a  
19 United States person, or the approval by a United  
20 States person of the entry into or the performance  
21 by an entity owned, controlled, or operated by such  
22 United States person, of—

23 (A) a contract that includes overall super-  
24 vision or management responsibility for the de-

1           velopment of petroleum resources located in  
2           Iraq; or

3                   (B) a guaranty of another person's perform-  
4           ance under such a contract.

5           (2) The entry into or the performance by a  
6           United States person, or the approval by a United  
7           States person of the entry into or the performance  
8           by an entity owned, controlled, or operated by such  
9           United States person, of—

10                   (A) a contract for the financing of the de-  
11           velopment of petroleum resources located in  
12           Iraq; or

13                   (B) a guaranty of another person's per-  
14           formance under such a contract.

15           (3) Any investment by a United States person  
16           in the petroleum resources located in Iraq.

17           (4) Any transaction by any United States per-  
18           son that evades, avoids, or violates, has the purpose  
19           of evading, avoiding, or violating, or attempts to  
20           evade, avoid, or violate, any of the prohibitions de-  
21           scribed in paragraphs (1), (2), and (3).

22           (b) PENALTIES.—A violation of subsection (a) shall  
23           be punishable by not more than ten years imprisonment  
24           and a fine of not more than \$1,100,000.

1           (c) EFFECTIVE DATE.—This Act shall take effect on  
2 the date of the enactment of this Act and shall apply with  
3 respect to activities prohibited under subsection (a) that  
4 were entered into on or after March 20, 2003, except that  
5 if a United States person, not later than the date that  
6 is 30 days after the date of the enactment of this Act,  
7 verifiably terminates such activities, such person shall not  
8 be subject to the penalties specified in subsection (b).

9           (d) DEFINITIONS.—In this Act:

10           (1) ENTITY.—The term “entity” means a part-  
11 nership, association, trust, joint venture, corpora-  
12 tion, or other organization organized under the laws  
13 of the United States.

14           (2) INVESTMENT.—The term “investment”  
15 means any of the following activities if any of such  
16 activities is undertaken pursuant to an agreement,  
17 or pursuant to the exercise of rights under such an  
18 agreement, that is entered into with the Government  
19 of Iraq or a nongovernmental entity in Iraq:

20           (A) The entry into a contract that includes  
21 responsibility for the development of petroleum  
22 resources located in Iraq or the entry into a  
23 contract providing for the general supervision  
24 and guarantee of another person’s performance  
25 of such a contract.

1           (B) The purchase of a share of ownership,  
2           including an equity interest, in the development  
3           described in subparagraph (A).

4           (C) The entry into a contract providing for  
5           the participation in royalties, earnings, or prof-  
6           its in such development.

7           The term “investment” does not include the entry  
8           into or the performance or financing of a contract  
9           to sell or purchase goods, services, or technology.

10          (3) IRAQ.—The term “Iraq” means the land  
11          territory claimed by Iraq and any other area over  
12          which Iraq claims sovereignty, sovereign rights or ju-  
13          risdiction, including the territorial sea, exclusive eco-  
14          nomic zone, and continental shelf claimed by Iraq.

15          (4) PERSON.—The term “person” means an in-  
16          dividual or an entity.

17          (5) PETROLEUM RESOURCES.—The term “pe-  
18          troleum resources” means any petroleum, petroleum  
19          products, or natural gas originating in Iraq, includ-  
20          ing any Iraqi-origin oil inventories, wherever located.

21          (6) UNITED STATES PERSON.—The term  
22          “United States person” means any United States  
23          citizen, permanent resident alien, entity organized

1       under the laws of the United States (including for-  
2       eign branches), or any person in the United States.

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