

United States Senate
WASHINGTON, DC 20510

April 22, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Dan Brouillette
Secretary
U.S. Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

The Honorable Jerome Powell
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20585

Dear Secretary Mnuchin, Secretary Brouillette, and Chair Powell:

As U.S. energy producers continue to face historic market challenges due to the coronavirus disease 2019 (COVID-19) pandemic and the global oil price war, we respectfully request that the Departments of the Treasury and Energy work with the Federal Reserve to utilize authority under Section 13(3) of the Federal Reserve Act to protect our country's energy production capacity. Thank you for your consideration of our request.

As you are aware, the innovation and technological advancements achieved during the past decade greatly increased U.S. oil production, leading to greater energy security by reducing our reliance on foreign oil imports. However, the ongoing COVID-19 pandemic has led to a drastic reduction in demand for oil, and in turn created supply and storage concerns, causing unprecedented market volatility and threatening the very energy independence that we endeavored to build. Just this past week, the futures price of the main U.S. oil benchmark for May delivery fell to minus \$37.63, the first time oil trading prices have ever turned negative – signaling that U.S. oil storage facilities are at, or near, capacity, and highlighting the extreme demand destruction that the oil and gas industry is facing.

We appreciate the Administration's efforts to swiftly implement the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), and the ongoing actions that the Department of the Treasury, the Department of Energy, and the Federal Reserve have taken to combat the COVID-19 pandemic. These include not only the Small Business Administration's Paycheck Protection Program to assist small businesses, but also the establishment of new Federal Reserve lending facilities to support liquidity. However, given the oil and gas industry's unique challenges in accessing capital, we strongly encourage the Departments of the Treasury and Energy, and the Federal Reserve, to utilize authority to establish a 13(3) lending facility that will specifically support this critical sector as it works to overcome the COVID-19 pandemic and global oil price war. These are unusual and exigent circumstances, never before seen in the country's history, and the oil and gas industry is uniquely in need of liquidity.

Emergency action to provide federally-guaranteed lending and long-term financial certainty for our domestic oil and gas sector is vital to ensure the preservation of jobs for our energy workers, U.S. energy independence, and our long-term national security. Thank you for your continued work to help U.S. energy producers, and please know that we stand ready to support you in these efforts.

Sincerely,



John Hoeven
U.S. Senator



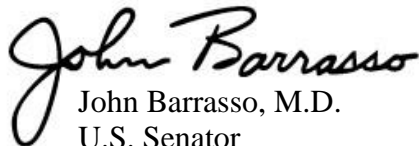
James M. Inhofe
U.S. Senator



Dan Sullivan
U.S. Senator



Kevin Cramer
U.S. Senator



John Barrasso, M.D.
U.S. Senator



Roger F. Wicker
U.S. Senator