



June 5, 2007

Re: Cosponsor H.R. 1886, the End Oil Aid Act

Dear Member of Congress:

On behalf of the thousands of members of our organizations, we urge you to cosponsor H.R. 1886, the End Oil Aid Act. This bill, introduced by Rep. Hinchey (D-NY), would limit U.S.-funded international financial institutions and export development agencies from subsidizing the oil and gas industry's overseas operations.

Each year, financial institutions including the World Bank, the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank (Ex-Im) provide billions of dollars to the oil sector. This "oil aid" subsidizes an already-profitable industry, including companies such as ExxonMobil, Halliburton, and Chevron, which have recently reported record profits.

Moreover, these subsidies contribute to significant social and environmental problems and can undermine the core purposes of development assistance. Oil projects have been shown to increase conflict and instability, exacerbate corruption and threaten the land and livelihoods of local and indigenous communities in many developing countries. Oil aid fuels global warming, creating impacts that will disproportionately harm impoverished countries which lack the systems and infrastructure to adequately adapt to droughts, severe weather events, and agricultural disruption. In addition, soaring oil prices undercut the benefits of debt cancellation by draining far more money out of impoverished countries than cancelled debts are able to contribute. Every country can choose to develop its own resources. However, scarce foreign assistance dollars should be used to fight poverty and help developing countries pursue clean energy pathways instead of promoting oil and gas projects.

H.R. 1886 would help meet these goals. This bill would limit U.S. support for the international oil industry by prohibiting OPIC and Ex-Im from financing oil and gas projects. Since 1995, these agencies combined have provided more than \$20 billion in financing to oil and gas companies. The bill would also make it U.S. policy to oppose oil and gas projects financed by multilateral development banks such as the World Bank. While the World Bank's own panel of experts concluded in 2003 that it should phase out its support for oil, the Bank provided over \$800 million in financing for fossil fuel projects in fiscal year 2006 alone.

The U.S. can play a critical role in fighting our addiction to oil, alleviating global poverty and combating climate change as we move toward a clean energy future. Using taxpayer dollars to support the oil industry undermines these goals, and Congress should end this international "oil aid." We urge you to cosponsor H.R. 1886, the End Oil Aid Act.

This letter is endorsed by the following organizations and communities:

Africa Action
Bay Area Jubilee Debt Cancellation Coalition
Benedictine Sisters of Mt. Angel, Oregon
Church World Service
Citizens for Global Solutions
Columban Justice, Peace & Integrity of Creation Office
Congregation of Divine Providence of Kentucky
Corporate Accountability International
Crude Accountability
EcoEquity
Ecumenical Program on Central America (EPICA)
Environmental Defense
Friends of the Earth U.S.
Gender Action
Global Response
Globalization Challenge Initiative
Institute for Policy Studies
Jubilee USA Network
The Leadership Conference of Women Religious
Marianists International
Maryknoll
Medical Mission Sisters' Alliance for Justice
Missionary Oblates of Mary Immaculate, Office of Justice, Peace and Integrity of Creation
Oil Change International
Our Lady of Victory Missionary Sisters of Huntington, Indiana, Leadership Team
Priority Africa Network (PAN)
Quixote Center/Haiti Reborn
Rainforest Action Network
Sierra Club
Sisters of the Holy Cross, Congregation Justice Committee of Notre Dame, Indiana
Sisters of Mercy Detroit, Leadership Team
Unitarian Universalist Association of Congregations
Wheaton Franciscans of Wheaton, Illinois, Justice, Peace & Integrity of Creation Office