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May 26, 2022

The Honorable Antony Blinken Secretary U.S. Department of State 2201 C Street, NW Washington, D.C. 20520

Dear Secretary Blinken,

As the European Commission negotiates the terms of the European Union's proposed phased embargo on Russian oil in response to President Putin's unwarranted and unjustified invasion of Ukraine, I write to encourage the State Department to continue to work with our EU partners and allies to ensure the proposed oil ban goes into effect as planned. The Biden Administration has been a leader in banning Russian energy sources—including Russian coal, liquified natural gas, and oil—and I encourage you to continue to play an important role in helping the EU reduce its dependence on Russian oil. I am particularly concerned about Hungary's continued opposition to the EU oil embargo, and I urge you to consider all tools including sanctions to secure a final deal with Hungary to ban Russian oil.

As you are aware, ongoing EU negotiations to ban Russian oil over the next six months are currently at a standstill as Hungarian Prime Minister Viktor Orban has threatened to veto the ban over concerns of Hungary's economy and energy security. Though the European Commission has offered extended deadlines to Bulgaria, the Czech Republic, Hungary, and Slovakia—countries with a large dependence on Russian oil and outdated oil infrastructure—Hungary has continued to hold up negotiations. Hungarian Foreign Minister Péter Szijjártó initially claimed that Hungary would need €750 million to upgrade its infrastructure to receive crude oil from other countries, but then upped the amount to €15-18 billion, suggesting that the EU should finance Hungary's transition away from fossil fuels.

Cutting off Russia's key revenue stream is critical to inhibiting Moscow's ability to fund its unprovoked attacks on Ukraine, and the EU's proposed ban on Russian oil would significantly increase financial pressure on Russia's economy and Putin's war machine. The United States should show unity with our EU partners and leverage all available tools to support the EU's proposed oil embargo.

The Biden Administration is playing a key role in working with our EU allies and partners to find alternative sources of energy and ensuring the economic and energy security of the EU. In addition, other initiatives, such as the Three Seas Initiative—a project launched in 2015 among 12 countries between the Baltic, Black, and Adriatic Seas—have worked to improve regional infrastructure and energy security in Central Europe, including Hungary. In 2020, the United States invested \$300 million of the \$1 billion it pledged to contribute to the Three Seas Initiative Fund.

To further support the EU's proposed transition away from Russian energy sources and to help ensure Hungary gets on board with the EU sanctions, I encourage the State Department to consider a two-pronged approach: 1) the United States should increase its commitment to the Three Seas Initiative Fund to support Central Europe's energy security and development of sustainable energy sources, and 2) the Biden Administration should consider implementing sanctions against companies in Hungary that continue to do business with Russian oil exporters if Prime Minister Orban continues to stall EU negotiations. The potential price cap on Russian oil, backed by secondary sanctions, that the Administration is considering may serve this purpose. This proposed two-pronged approach would work to incentivize the transition to other energy sources, including renewables, while also penalizing those who continue to support Russian energy revenues.

By working to cut off Russia's oil market, the United States and the EU can continue to demonstrate our staunch support for Ukraine's democracy and sovereignty. I appreciate your continued efforts and attention to supporting Ukraine with the resources it needs to protect its sovereignty and freedom. I stand ready to assist you in any way necessary.

Sincerely,

Raja Krishnamoorthi Member of Congress