

Iraq Oil and Gas Law (Joe Mosyjowski talk February 23, 2008)

Article 1 (p. 5) “Oil and gas are owned by all the people of Iraq in all the regions and governorates.”

- Beautiful Opening Statement:

* “This law is one of the 18 “benchmarks” being pushed by the Bush Administration & sometimes referred to as “The Oil Sharing Agreement” – implying it’s about an equitable sharing of the oil/gas revenues among Shiites, Sunnis, Kurds, & other Iraqi sects.”

Article 11 (p. 18) - “Only statement in the entire draft relating to sharing among Iraqi sects...”

A- According to the Constitution of Iraq (Articles 106, 111, 112, and 121 (3)) regarding the ownership of Oil and Gas resources, the distribution of its revenues, and the monitoring of federal revenue allocation, the Council of Ministers must submit a draft revenue law to the Council of Representatives regulating these matters in adherence to the sections of this Article - Sharing is deferred to a separate law.

“So what is the law really about?...”

Article 4 (p. 7) , Item 17 (Definitions)

17- “Iraqi Person”: any citizen with Iraqi nationality or any company or institution with legal personality established and registered pursuant to Iraqi legislation, with its headquarters in Iraq and having at least fifty percent (50%) of its share capital held by national citizens or by Iraqi public or private companies or institutions:

“Sounds like the Iraqi people are getting a crash course on corporate personhood. Also sounds like these ‘Iraqi Persons’ could be 49.99% Foreign Corps. Also sounds like the ‘sharing’ is going to go a little beyond your average displaced, unemployed Iraqi citizen.”

“**Chapter 2** of the agreement is about the management of petroleum resources. It creates a hierarchy to administer the ‘Exploration and Production Sharing Agreements.’”

“**Question: Why** would Iraq need ‘Exploration and Production Agreements?’”

- None of the top 6 oil producing countries in the world use Production Sharing Agreements
- Iraqi oil is some of the cheapest in the world to extract (Est. at \$1.50 a barrel)
- Only 12% of global oil reserves are covered by Production Sharing Agreements
- Baghdad used to be a center of engineering excellence

“**Answer:** Because of the years of western imposed sanctions. Because we’ve invaded their country, we’ve broken their institutions, we’ve not provided a consistent level of security, we’ve created 4 million refugees, the professionals and skilled trades have been forced to flee. In short, because we want to fill the vacuum which we have created.”

“Chapter 2 Article 5 (p. 9) Creates a “Federal Oil and Gas Council” which in part, “Approves the types of, and changes to, model exploration and production contracts” (p. 10)”

“Further (p. 10),

Fifth: The Federal Oil and Gas Council sets the special instructions for negotiations pertaining to granting rights or signing Development and Production contracts and setting qualification criteria for companies.

Sixth: To assist the Federal Oil and Gas Council in reviewing Exploration and Production contracts and Petroleum Fields’ Development plans, the Council relies on the assistance of a panel called the “Panel of Independent Advisors” that includes oil and gas experts, Iraqi’s or foreigners.

So, in effect, we have foreign (western) oil corporations defining the terms of their own contracts.”

(p. 11)

Seventh: The Federal Oil and Gas Council is the competent authority to approve the transfer of rights among holders of Exploration of Production rights and associated amendment of contracts provided this does not adversely affect the national content including the percentage of national participation.

“Gee, does this mean we’re going to leave them something? How far has this legislation strayed from its opening statement...”Oil and Gas are owned by all the people of Iraq.”

(p. 14, 15) Article 8: Field Development and Oil and Gas Exploration

D- Utmost effort must be put into ensuring speedy and efficient Development of the Fields discovered but partially or entirely not yet developed when this law is enacted, and it is permissible to develop these Fields in collaboration with reputable oil companies that have the efficient financial, administrative, technical, operational capabilities according to the contracting terms and the regulations issued by the Federal Oil and Gas Council.

“Do you think this just might include Exxon-Mobile who made \$40 Billion in profit last year?”

Concluding:

“Question- Just what western corporate attorneys wrote this law? Isn’t it obvious why Iraqi’s haven’t quickly passed this legislation? Do you think the Iraqi’s would have created this same legislation without 150,000+ foreign troops occupying their country? They probably feel the same way the Native Americans felt signing

their peace treaties surrounded by the cavalry. Why don't we just round up the remaining Iraqi's and put them on reservations (far from the oil fields of course) and buy them pickup trucks every couple of years?

Folks, this piece of legislation RENAMED THE SPOILS OF WAR LAW is the real "mission accomplished" for the Bush Administration. President Bush has failed American people by attacking Iraq (we're hardly more secure). President Bush has failed the American taxpayer (and their grandchildren) who will have to pay for the war. President Bush has nearly broken the American military after 5 years of war/occupation. But his cronies will feel that the mission is accomplished if this law is enacted."