

DAVID PORTER TEXAS RAILROAD COMMISSIONER

September 8, 2014

John Kerry Secretary of State U.S. Department of State 2201 C Street, NW Washington, DC 20520

Secretary Kerry,

The Railroad Commission of Texas (RRC) is charged with regulating the state's oil and gas industry. We take this responsibility very seriously, as it is vital to Texas's economic strength and also to the entire United States economy. The U.S. produces approximately 328 billion cubic feet per day of natural gas – achieving the status of world's largest natural gas producer. Texas is responsible for almost one-third of all marketed natural gas produced in the nation. Therefore, you can understand my concerns about recent reports revealing Russian President Vladimir Putin's funding efforts to damage the U.S. natural gas industry in order to increase the global market share of his state-run company, Gazprom.

What is more alarming is that Gazprom Bank is currently under U.S. sanctions as a result of Russia's role in shooting down Malaysia Airlines Flight 17, which resulted in the death of 283 passengers, 15 crew members, and at least one American citizen. I am greatly concerned that a blacklisted, government owned, Russian bank is able to continue its campaign to weaken the American oil and gas industry and to hire two former United States Senators to exert pressure on American policymakers.

According to multiple reports, since 2006 Gazprom has secured contracts with several international public relations and lobbying firms such as Ketchum, whose agreement alone is worth more than \$55 million, in an effort to damage the natural gas industry in Europe and the United States. It is reasonable to assume that their intention is to increase their market share of natural gas production and distribution as Russia is the second largest producer of natural gas in the world. Their apparent strategy includes funding anti-hydraulic fracturing environmental organizations, placing misinformation in the public, and even mass media propaganda — namely their assistance with the distribution of *Gasland*, an incredibly deceitful film about hydraulic fracturing in America. Gazprom's effort, with the assistance of the Kremlin and Ketchum, has already resulted in the ban of hydraulic fracturing in many EU countries, and now, they have their sights set on the U.S.

Secretary Kerry, all of this is possible because of what I believe is a sanction error. I would like to know what the Department of State is doing in response to this disturbing information to

protect our nation's natural resources, as well as the vitality of the industry that produces these resources and paves the way for American energy independence. This sanction loophole must be closed, and foreign interference in one of our most important industries must be stopped.

Thank you for your serious attention to this urgent matter. I look forward to your prompt response.

Sincerely,

David Porter

Texas Railroad Commissioner