

# Congress of the United States

Washington, DC 20510

April 1, 2020

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

Dear Secretary Mnuchin:

Thank you for your efforts to develop and negotiate the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This legislation is the cornerstone of our unprecedented national response to the coronavirus pandemic and its human and economic consequences.

It is important that the CARES Act be implemented in a way that provides critically needed liquidity and financing to American businesses, including the oil and gas producing companies that form the backbone of our national and energy security.

Section 4003 of the CARES Act provides your Department with significant discretion to support many of the businesses that would otherwise never need or be eligible for federal loans, but that are currently threatened by liquidity freeze-ups. As you work to urgently develop an implementing framework, I write to emphasize four aspects of the present situation.

First, many industries are facing unprecedented challenges that will hopefully be short-term and mitigated by the programs in the CARES Act. There is no question that one of the hardest-hit industries – and one of the most critical to Alaska – is the oil and gas sector. Producing companies and the businesses that contract with them are being impacted not only by the market demand shock from the coronavirus, but also the Russia-Saudi Arabia power struggle against American energy.

Second, the President has stressed the importance of supporting industries with employees and footprints across the country. This includes the oil and gas sector, which by one estimate supports more than 10 million American jobs. Both regulations and discretionary decisions must ensure businesses operating or based in Alaska and other rural states can be fully considered for loans made available under the CARES Act.


Third, credit is uniquely frozen for oil and gas companies given the dual nature of the short-term supply and demand shocks they are facing. The financing of many international oil and gas companies is constrained and for some, credit is likely unavailable. In a stable price environment, these companies have significant potential to continue to be profitable businesses. To get through this time, however, it is critical that they be able to fully participate in the Section 4003 loan programs.

Finally, I ask that you utilize these loans to promote job development in a number of ways, including to finance exploration projects on the brink of full-scale development. This is the kind

of job-boosting activity that will restart our economy and is an important part of any portfolio that seeks to stabilize the businesses of today.

Again, thank you for your continued work and commitment as we address this difficult time in our country. This strong legislation, coupled with robust implementation, will be a critical step to turning the tide. I stand ready to support you as you move forward with these programs.

Sincerely,



Lisa Murkowski  
United States Senator