

United States Senate  
WASHINGTON, DC 20510

September 10, 2019

Board of Directors  
Overseas Private Investment Corporation  
1100 New York Avenue NW  
Washington, D.C. 20527

Dear Members of the Board:

We write expressing great concern regarding the “Aleph Midstream S.A. (Argentina)” and “Vista Oil & Gas Argentina S.A.U.” projects pending approval at the Overseas Private Investment Corporation (OPIC) Board of Directors meeting on September 11<sup>th</sup>. Due to the projects’ incomplete environmental and social impact assessment (ESIA) and the risks they pose to the environment and the health and safety of local communities, we urge you to reject these projects.

The two proposals comprise a total of \$450 million in OPIC financing for the installation of 110 oil and gas fracking wells in Vaca Muerta, in addition to the associated processing and transport facilities. The proposals follow a concerning letter of interest OPIC signed in November 2018 that includes an additional \$350 million in OPIC financing for the construction of a natural gas pipeline across Argentina and to support further energy infrastructure development.

These projects have serious environmental implications. Argentina’s Vaca Muerta basin contains one of the world’s largest shale deposits, and these projects would result in significant carbon emissions if brought to full capacity. In 2018, the United Nations Committee on Economic, Social, and Cultural Rights recommended that Argentina reconsider its fracking operations altogether to limit emissions and protect nearby communities from many of the hazards associated with fracking, such as contaminated drinking water, toxic air pollution, and chronic health problems.<sup>12</sup>

The projects also pose a significant financial risk. As the world transitions away from fossil fuels, opening Vaca Muerta to new fracking operations could put Argentina’s economy in peril should these projects end up as stranded assets. Argentina has some of the world’s best wind

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<sup>1</sup> [https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/SessionDetails1.aspx?SessionID=1200&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/SessionDetails1.aspx?SessionID=1200&Lang=en)

<sup>2</sup> <https://oxfordre.com/publichealth/view/10.1093/acrefore/9780190632366.001.0001/acrefore-9780190632366-e-44>

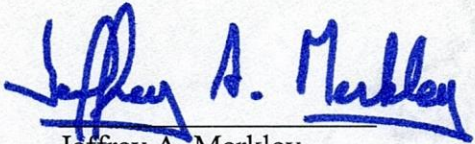


resources and excellent opportunities for solar energy deployment, and focusing resources on the unnecessary expansion of fossil fuel infrastructure is both reckless and short-sighted.

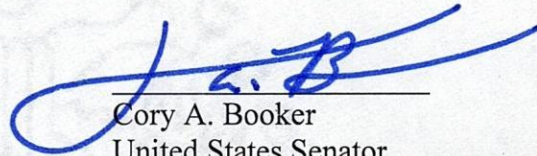
These risks aside, any approval of a high-risk project should only be done with great attention to detail and careful judgement. However, the joint ESIA for the two projects lacked critical information. Specifically, the ESIA included an incomplete analysis of greenhouse gas emissions and no analysis of project alternatives. It was also completed without adequate public consultation and without the free, prior, and informed consent of indigenous communities.

Given the risks these projects pose to the environment and local communities, it is unacceptable to proceed with such an inadequate understanding of the potential impacts. We are disappointed by the expedited timeline in considering these projects and, at minimum, recommend that the Board delay consideration until a complete ESIA has been conducted for each project.

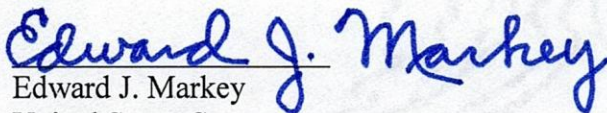
Sincerely,



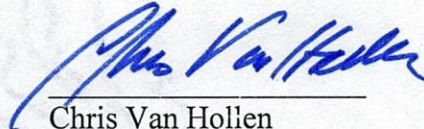
Jeffrey A. Merkley  
United States Senator



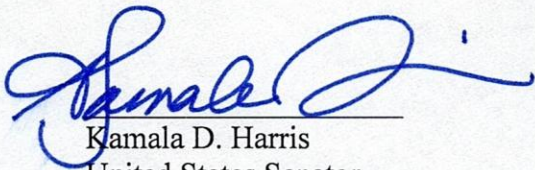
Cory A. Booker  
United States Senator



Edward J. Markey  
United States Senator



Chris Van Hollen  
United States Senator



Kamala D. Harris  
United States Senator



Bernard Sanders  
United States Senator



Richard Blumenthal  
United States Senator



Kirsten Gillibrand  
United States Senator



*Dianne Feinstein*

Dianne Feinstein  
United States Senator

