

October 16, 2020

President Donald Trump
1600 Pennsylvania Ave. NW
Washington, DC 20500

Vice President Michael Pence
1600 Pennsylvania Ave. NW
Washington, DC 20500

Director Larry Kudlow
Eisenhower Executive Office Building
Washington, DC 20502

Secretary Steve Mnuchin
1500 Pennsylvania Ave. NW
Washington, DC 20500

Re: General Licenses for Waiving Venezuelan Sanctions

Dear President Trump and Vice President Pence,

As you are no doubt aware, the [Department of the Treasury](#), under the direction of the Trump administration, significantly expanded economic sanctions against Venezuela in an effort to ramp up pressure on Venezuela's despotic and illegitimate President, Nicholas Maduro. However, such a move is not without consequence to broader American interests in Venezuela. Forcing American businesses to surrender their vested interests to expropriation by Maduro will only serve to embolden an already isolated regime.

As history shows, the greatest weapon we hold in the fight against international tyranny is economic engagement, and our foreign policy should reflect this reality. Fortunately, there is a path forward that has been effective in striking a balance between necessary sanctions and economic engagement: general licenses, which allow vested interests to continue minimum existing operations in the country. As the administration considers whether or not to grant continuations of licenses for the few American companies left operating in Venezuela, we urge them to ameliorate the severity of these sanctions by renewing their licenses. Renewing general licenses will protect American economic and political interests in the region, especially as other powers, both inside and outside Venezuela, vie for influence in the region.

The most significant sanctions are directly in response to the numerous human rights abuses of the Maduro regime, targeting "those involved in actions or policies undermining democratic processes or institutions; serious human rights abuses; prohibiting, limiting, or penalizing freedom of expression or peaceful assembly; and public corruption." Although the heinous acts committed by the Maduro regime against the Venezuelan people certainly demand stern condemnation and sanction, the shift in policy away from targeted sanctions towards a full-blown embargo is counterproductive.

We have seen countless times across the world in recent decades that the expansion of economic interdependence has been the liberal world's greatest tool for peace and security. It is no coincidence that the [first McDonald's opened](#) in Moscow just two short years before the collapse of the Soviet Union. The so-called "[Long Peace](#)" in Europe is often cited as evidence that economic cooperation can help to heal societies plagued by conflict.

In a sense, rather than attempting any sort of rapprochement with the government of Venezuela during unprecedented economic strife, the Treasury has decided to double down on sanctions. Companies like [AT&T](#) and [Chevron](#) who had been granted licenses to allow them to continue their decades old operations in Venezuela are, as a result, forced to cease and desist. Such a pivot in policy not only leaves American companies high and dry, but removes the last bastion of liberalism and freedom from Venezuela. In international relations, America can't afford to just pick up the ball and go home.

As the [Congressional Research Service](#) notes, "Sanctions have increased economic pressure on the Maduro government, accelerating a decline in oil production. Nevertheless, Maduro remains in power a year and a half since the United States ceased to recognize his presidency." As production hits rock bottom, we see clearly that the status quo isn't working.

Although it may seem counterintuitive, American enterprise serves an essential stabilizing role for Venezuela. In a country plagued with poverty and economic insecurity, foreign companies are often the only source of well-paying jobs outside working for the regime. Furthermore, these companies are often the only source of information or values outside the regime's propaganda, thus serving a crucial role in rehabilitating Venezuela's democracy and broken economy.

In promoting full isolation of Venezuela, policy makers must also be wary of the dangers posed by alternative foreign investment. There's a lot of money in the world, and foreign investment is a zero-sum game. With 20 percent of the world's oil reserves, Petróleos de Venezuela (PdVSA) and other Venezuelan firms will continue to do business internationally, and therefore, someone will reap both the economic and political benefits of that engagement. In the last decade, both [China](#) and [Russia](#) have significantly increased their economic involvement in Venezuela and throughout Latin America, and many fear malicious purposes. Now we are seeing increased cooperation between [Iran and Venezuela](#) as both countries become increasingly isolated on the world stage. Continuing to embargo American economic engagement with Venezuela will merely create a vacuum to be filled by another power eager to gain influence in Latin America, which further threatens American interests.

To make matters worse, American firms forced to leave Venezuela face expropriation. At a meeting in Moscow back in [September of 2019](#), Russian President Vladimir Putin and President Maduro "threatened to nationalize Chevron's assets" and "discussed the possibility of Rosneft

taking over Chevron's Venezuelan operations.” This meeting came on the heels of the Trump administration’s direction for Chevron to “wind down” its operations by the end of the year. If the administration does not alter course and give necessary licenses to American companies to continue operations in Venezuela, they will be handing both influence and billions of dollars in American investment over to Putin and Xi.

Put simply, allowing existing licenses to lapse will merely force a continued retreat from Venezuela, emboldening not only President Maduro, but other foreign powers with anti-American interests. Certainly, the enormity of the crimes committed by the Maduro regime warrant severe punishment. Yet, history shows the ineffectiveness of full embargos at instigating political change. Forcing even more American companies to leave Venezuela serves no practical purpose when previous similar efforts have failed. If the Trump administration wishes for the ouster of President Maduro, they would be better served by showing the people of Venezuela what American enterprise can do *for them*, rather than further isolating American enterprise *from them*.

Towards this end, we ask that this administration protect the national security and economic interests of the United States by tailoring the total Venezuelan sanctions to preserve and extend existing general licenses to American companies that keep our interests and influence represented abroad.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks