

Anti-OPEC Bill Sponsor Expects 'Positive Reception' From Trump



The congressman behind a bill that would allow the U.S. to sue OPEC for manipulating oil prices expects President Donald Trump to back the effort once it clears Congress.

“My sense is that the administration is waiting to determine whether we can actually get it through both houses of Congress before they spend any capital on it,” U.S. Representative Steve Chabot, an Ohio Republican, said in an interview on Friday. “I am cautiously optimistic we will be able to get it through both houses and get it to the president’s desk.”

The “No Oil Producing and Exporting Cartels Act” quickly cleared its first hurdle when it was approved by the House Judiciary Committee earlier this month, but a floor vote hasn’t been scheduled yet. The proposed law would subject the

Organization of Petroleum Exporting Countries to possible antitrust action by the Justice Department through an amendment of the Sherman Antitrust Act of 1890, the law used more than a century ago to break up the oil empire of John Rockefeller.

Congressional support for the bill intensified last fall as crude prices neared a four-year high on the back of production limits set by OPEC, and Trump publicly blamed OPEC for high pump prices in the U.S. While the producer group hasn't set prices since the 1980s, its members periodically agree to boost or cut their production to keep the oil market in balance.

A 2007 version of the so-called "NOPEC" bill passed the House and Senate by large margins, only to face a White House veto. Other attempts to approve the legislation have met similar fates. The difference this time is that Trump has consistently bashed the oil cartel on Twitter for keeping prices artificially high.

"This year, we seem to have a sympathetic White House," Chabot said. "I hope the president will listen to the right people and be with us."

The Justice Department is still reviewing the legislation, and the White House hasn't taken a stance on it. Both the Chamber of Commerce and the American Petroleum Institute oppose the bill, arguing that the role of the U.S. as the world's biggest oil and gas producer has increased its leverage against OPEC and provided protection against price volatility.

Prices have fallen from last year's but that hasn't shaken Chabot's resolve.

"These things are temporary and can change in the blink of an eye," he said. "Prices in general seem to go up very quickly whereas they go down very slowly."

Passage doesn't necessarily mean that any lawsuits are

actually brought against the cartel, Chabot said. But the threat may be enough to “keep OPEC nations more in check so they’re reasonable and not manipulating the world market.”

Companion legislation targeting OPEC has also been introduced in the Senate.