

Democrats regaining House seen raising odds of anti-Opec bill in US



Bloomberg/Washington

If the Democrats take over the US House of Representatives in this week's midterm elections, it could renew momentum in favour of legislation targeting Opec.

"The odds of passage are a little bit higher" in the event that the Democrats take over the House in the November 6 vote, according to Glenn Schwartz, director of energy policy at the Rapidan Energy Group in Washington.

They may be more inclined to use anti-Opec legislation to pressure the Trump administration over its response to the death of Jamal Khashoggi, he said, referring to the journalist killed at the Saudi consulate in Istanbul earlier this month.

While the House introduced a version of the "No Oil Producing and Exporting Cartels Act" bill in May, the Senate has also revived legislation against the oil alliance. Although past presidents have threatened to use their veto power to prevent

previous bills from becoming law, what's different this time around is that President Donald Trump has repeatedly attacked the Organisation of the Petroleum Exporting Countries both before after being elected.

"Our impression is that the Democrats see Saudi Arabia as a winning game for them and they would like to keep it in the news as much as possible, with the understanding that even if they think it's not the best policy, it would box in President Trump and be watered down or killed in the Senate," Schwartz said.

Trump's antitrust chief has said that the administration is "still studying that legislation," in reference to NOpec. "We don't have an administration position on that," US Assistant Attorney General Makan Delrahim said after a Senate Judiciary subcommittee hearing on October 3.

Still, a renewed surge in oil prices could spur momentum for the NOpec bill in the post-election "lame-duck" session, ClearView Energy Partners, a Washington-based consultancy, said earlier this month. It sees high energy prices rather than the Khashoggi affair as a more likely catalyst.