

Guaido asks Trump to spend public funds on Citgo



Caracas, October 12 (RHC)-- The Venezuelan opposition is asking for help from U.S. lawmakers to pressure Washington to make a \$913 million payment due at the end of the month so Citgo refinery benefits would stay in their hands and not the people of Venezuela.

U.S. lawmakers, including Marco Rubio and Ted Cruz, wrote a letter to President Donald Trump this week requesting that he take executive action to prevent Venezuelan state oil company PDVSA's bonds from seizing U.S. refiner Citgo.

"Legitimate claimants against the Maduro regime should be made whole, but the burden of the claims should be entirely carried by the Maduro regime or by a democratically elected successor in Venezuela," seven lawmakers wrote in a letter dated October 10 seen by Reuters. all but one of the signatories, Representative Lizzie Fletcher, were Republicans, like Trump. Except for Rubio, all represent Texas or Louisiana, where Citgo has refineries.

Juan Guaido, the isolated lawmaker who self-declared himself interim president of Venezuela in January, earlier this year assumed control of Citgo -- a PDVSA subsidiary whose three refineries process 750,000 barrels per day (bpd) of crude -- after Washington recognized him as the nation's leader.

However, if the Venezuelan opposition fails to make the payment of US\$913 million due at the end of the month, the refinery would be property of PDVSA's 2020 bond, which is backed by a 50.1 percent stake in Citgo.

This PDVSA's 2020 bond payment is part of Guaido's effort to control the Venezuelan state's overseas assets, an illegal goal. The National Assembly, which has been in contempt of court since 2016, decided in February to change the Citgo's board of directors by appointing people related to transnational oil companies. That decision, however, is illegal since the Venezuelan Court of Justice decided that all the National Assembly's actions are null and void.

Within the framework of unilateral coercive measures, however, the U.S. government issued a 2017 executive order that blocked the issuance of new PDVSA debt securities. In addition, President Trump prohibited the transfer of Citgo's dividends towards the Venezuelan state.

Rubio, from Florida, has been among the most vocal supporters on Capitol Hill for Trump's "maximum pressure" policy on Venezuela. Florida is home to many conservative voters of Venezuelan and Cuban descent with privileged background who support a hard line on Latin American leftists, and is a swing state key to Trump's 2020 re-election.

But the Citgo issue has divided conservatives. A coalition of right-wing groups including Grover Norquist's Americans for Tax Reform wrote Trump last month arguing he should stay out of the issue, since an executive order protecting Citgo would interfere with property rights and the free market.

Venezuela's opposition-controlled National Assembly, which Guaido leads, made a US\$71 million interest payment earlier this year to take over Citgo, but does not appear to have the resources to make the much larger payment due on October 28th.

Guaido's allies are also considering challenging the validity of the 2020 bond in U.S. courts, and requesting a U.N. asset protection order.

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