



June 12, 2019

The Honorable Steven Mnuchin
Secretary
United States Treasury Department
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

We write to express concerns about reports that leaders within Venezuela's newly-recognized interim government are pressuring the Trump Administration to take executive action that would devalue or altogether eliminate legitimate property rights, including vested rights that have been upheld in U.S. courts. Instead of taking executive action that could chill private investment in Venezuela, the Trump Administration should seek to help rebuild the country without violating property rights and the rule of law protected by the United States Constitution.

For decades, tyrannical socialist leaders in Venezuela have wreaked havoc on the country's economy, abasing its currency, raising taxes, and pursuing countless other job-killing policies that inflict suffering on the Venezuelan people. In many cases, Venezuelan tyrants stole private property owned by international investors in its efforts to nationalize of broad swaths of the economy.

Fortunately, investors harmed by illegal practices (including theft of property) can pursue arbitration backed by the International Centre for Settlement of Investment Disputes (ICSID), a multilateral framework established by the World Bank that provides a forum for neutral dispute settlements. ICSID and the Investor-State Dispute Settlement (ISDS) provisions contained in many U.S. investment and free trade agreements help protect investment between nations and are critical to uphold the rule of law.

According to recent press reports, the interim government of Venezuela has been pressuring the Trump Administration to take executive action to shield the nation against debts that it owes for property that was stolen by previous regimes. This would deny American investors hundreds of millions of dollars that they are owed.

While it is understandable that the government wants to be held harmless for debts it did not incur, executive action, or any other unilateral or multilateral asset protection regime endorsed or implemented by the Trump Administration, would likely be unconstitutional (at least with respect to vested property rights), and could discourage private investment moving forward. **For the Venezuelan economy to rebuild and prosper, the**

country – with the United States’ support – must embrace free-market solutions and private sector investment, especially given its extensive oil reserves.

If the United States takes action that hurts legitimate creditor claims, especially those claims that are already before the U.S. Courts, investors will have no reason to believe that future investment would be protected from theft. Further, executive action would circumvent proven multilateral and U.S. legal processes which have helped resolve international disputes for decades.

As the Trump Administration continues to support democracy and the end of tyrannical socialist regimes in Venezuela, we urge you to reject any requests for executive action to devalue or eliminate longstanding private property rights that are protected by the U.S. Constitution and the rule of law, which even multilateral actions cannot supersede. **Instead, the Administration should urge the interim Venezuela government to follow existing processes to restructure its debt and to deal with its legitimate creditors within the framework set out by existing legal regimes and court processes.**

Doing so would send a clear signal that Venezuela is committed to charting a course that protects property rights, the rule of law, and that will encourage much-needed investment in the nation.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

Adam Brandon
President, FreedomWorks

Jessica Anderson
Vice President, Heritage Action

Pete Sepp
President, National Taxpayers Union

James L. Martin
Founder/Chairman, 60 Plus Association

Saulius “Saul” Anuzis
President, 60 Plus Association

David Williams
President, Taxpayers Protection Alliance

CC:

Vice President Mike Pence
Secretary of State Mike Pompeo
Secretary of Commerce Wilbur Ross
Acting Chief of Staff Mick Mulvaney
Assistant to the President for National Security Affairs John Bolton