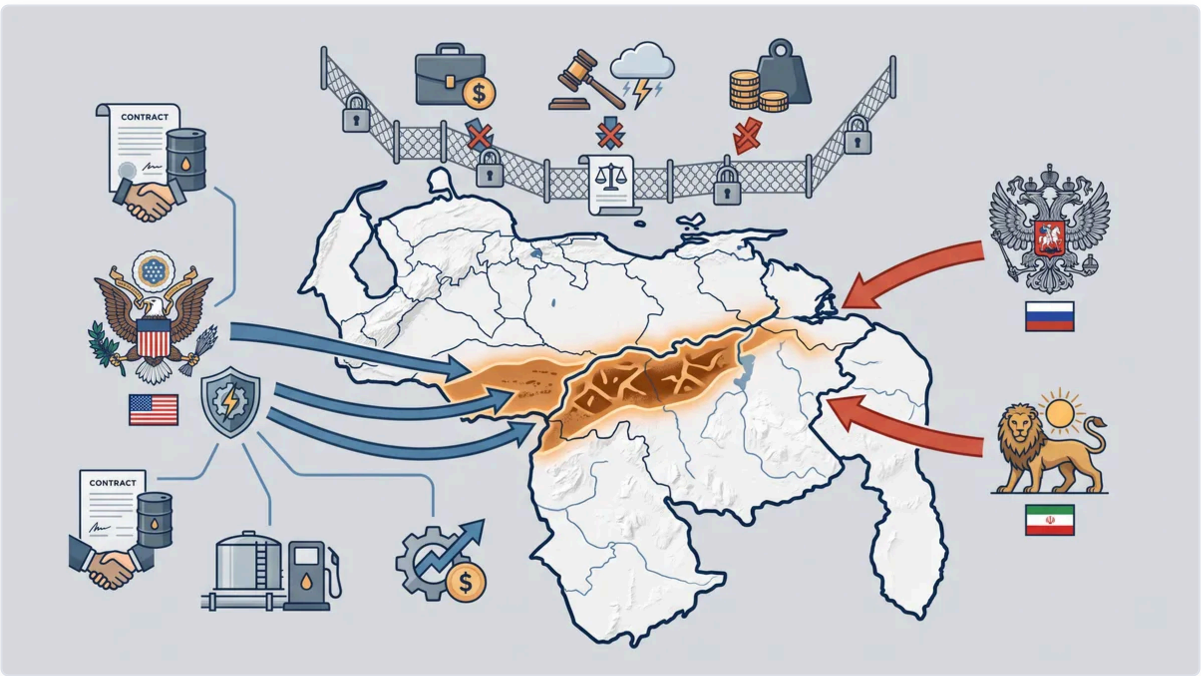
GENIUS BY KOCE | CONFIDENTIAL

DEPOSITION SUMMARY

The Synthetic Equity Doctrine: A Record-Grounded Legal Analysis of Pentagon Authority to Structure Strategic Energy Positions Under Existing Federal Law

Koce Litigation Intelligence

The Synthetic Equity Doctrine: A Record-Grounded Legal Analysis of Pentagon Authority to Structure Strategic Energy Positions Under Existing Federal Law



Visual Demonstrative: *A diagram illustrating the strategic vacuum in Venezuela's Orinoco Belt, showing NABEP's inability to develop reserves, the deterrents to private capital, and the encroachment of hostile foreign powers (Russia and Iran), with the US (DoD/OSC) stepping in.*

This case presents the question of whether the United States may lawfully act to secure a hemisphere-defining energy asset against the encroachment of hostile foreign powers. The specific asset is control over concessions for the Orinoco Belt oil reserves in Venezuela, a resource estimated to contain some 65 billion barrels of heavy crude. This type of crude is a critical input for our Nation's complex refineries and a necessary component of our Strategic Petroleum Reserve. The entity holding these concessions is a private consortium, North American Blue Energy Partners (NABEP). The problem is that NABEP cannot develop these reserves on its own.

The private sector, the ordinary engine of economic development, has declined to provide the necessary capital. The reasons are not mysterious; they are the predictable result of rational economic calculation in a high-risk environment. First, private capital managers are constrained by fiduciary duties to their investors. These duties compel a focus on maximizing financial return, not on advancing the geopolitical interests of the United States. An investment of this nature, freighted with immense political risk, is simply unpalatable for a portfolio manager who must answer to shareholders for every basis point of underperformance.

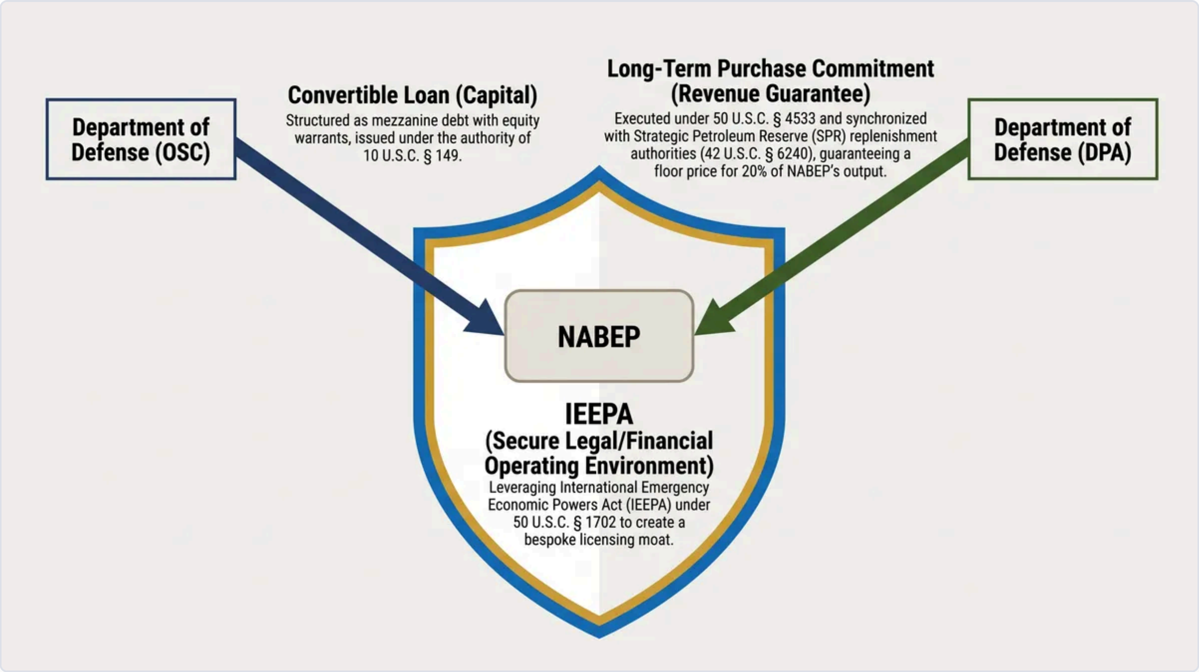
Second, the political risk in Venezuela, while recently stabilized by the transitional government, remains a powerful deterrent. The absence of a bilateral investment treaty between the United States and Venezuela removes the customary legal protections and dispute resolution mechanisms that institutional investors rely upon. Third, the prior Venezuelan regime left a legacy of sovereign default, creating a formidable creditor overhang. Any new revenue stream from the Orinoco fields would immediately become a target for attachment by a global phalanx of bondholders and judgment creditors of the predecessor state. Private capital, understandably, will not venture into such a legal minefield.

This confluence of factors—fiduciary constraints, political risk, and creditor overhang—has produced a classic market failure. The private sector, acting in its own rational self-interest, is unable to undertake a project of vital importance to the national interest. This failure has created a strategic vacuum in our own hemisphere. And where the market leaves a vacuum, hostile state actors are eager to rush in. Foreign adversaries, namely the Russian Federation and the Islamic Republic of Iran, have both the motive and the means to finance the development of the Orinoco Belt. For them, the investment is not merely economic. It is a low-cost means of projecting power, cultivating an anti-American client state, and gaining a strategic foothold on the doorstep of the United States.

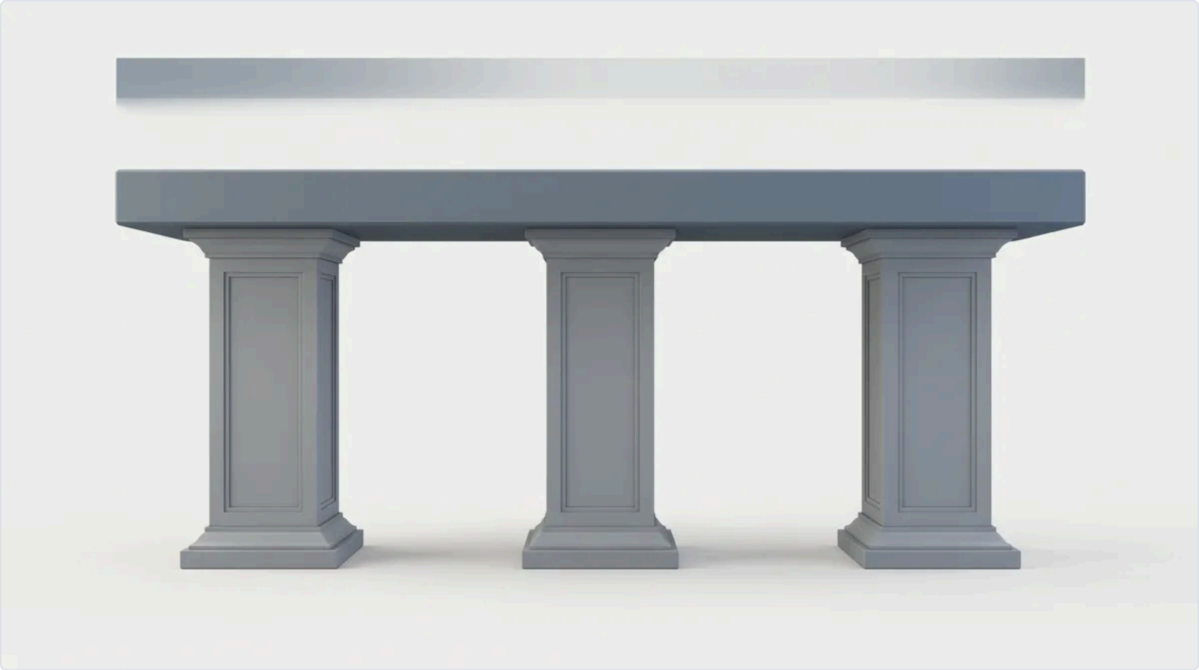
The Executive has not stood idle in the face of this threat. It has responded not with the force of arms, but with the tools of finance. Acting through the Department of Defense and its recently established Office of Strategic Capital (OSC) [Source: evidence-i4HeueGA6fZl5mGSTD9g-61, evidence-i4HeueGA6fZl5mGSTD9g-110], the President has structured a financial partnership with NABEP designed to overcome the specific obstacles that deterred private investment. It is a multi-part, interlocking arrangement that uses a convertible loan to provide capital, a long-term purchase commitment to guarantee revenue, and the nation's emergency economic powers to create a secure legal and financial operating environment insulated from legacy creditors [Source: evidence-i4HeueGA6fZl5mGSTD9g-99].

The respondent challenges this action, arguing that the Executive has usurped the powers of Congress and engaged in a form of industrial policy this Court has never sanctioned. But this Court does not sit to pass judgment on the wisdom of the Executive's strategy. Our task is more circumscribed. We are to determine whether this response, novel as its structure may appear, is grounded in the legal authorities that Congress has, in fact, provided. This opinion addresses the legality of that response, which rests on a synthesis of statutory authorities granted by Congress over the course of many decades. The question is whether these statutes, read together in the context of our constitutional structure and history, permit the Executive to do what the private market cannot: secure the nation's vital interests in a dangerous world.

II. The Statutory Architecture of Synthetic Equity



Visual Demonstrative: *A diagram showing the multi-part, interlocking financial arrangement between the Department of Defense (OSC) and NABEP, detailing the convertible loan, long-term purchase commitment, and IEEPA-created secure operating environment.*



Visual Demonstrative: *A visual metaphor of a three-pillar structure, where each pillar represents a statutory authority (OSC, DPA, IEEPA) and together they support the 'Synthetic Equity' strategic position in NABEP.*

The respondents portray the Executive's actions here as a series of desperate contrivances, a frantic search for legal justification after the fact. They would have this Court believe that the Department of Defense has conjured a novel and unauthorized power from the ether. This narrative is as compelling as it is false. The financial position structured by the Executive in North American Blue Energy Partners (NABEP) is not an artifice. It is a work of careful statutory construction, an interlocking architecture where each beam and joist is drawn from a distinct and durable congressional grant of authority. This is the essence of what I term the Synthetic Equity Doctrine: the lawful construction of an equity-equivalent strategic position through the synthesis of multiple existing authorities, where the whole achieves a result that no single part could accomplish alone. The Executive has not exceeded its authority; it has exercised the authorities Congress gave it, in concert, to address a singular threat to the national security. To deny the legality of this synthesis is to demand that the Executive Branch confront 21st-century hybrid threats with a toolkit Congress supposedly intended to be used one tool at a time. The Constitution does not require such strategic incompetence.

A proper analysis of this transaction requires that we examine each component not in isolation, but as part of a coherent whole. The architecture rests on three statutory pillars: the capital investment authority of the Office of Strategic Capital (OSC), the industrial mobilization authority of the Defense Production Act (DPA), and the economic emergency authority of the International Emergency Economic Powers Act (IEEPA). Each pillar is independently sound; together, they support the full weight of the strategic imperative before us.

A. The Office of Strategic Capital and the Convertible Loan

The financial heart of this transaction is a subordinated convertible loan facility extended to NABEP by the Department of Defense's Office of Strategic Capital. Respondents protest that this instrument is a thinly veiled, and thus prohibited, equity purchase. Their argument proceeds from a superficially plausible but ultimately flawed reading of the OSC's enabling statute, 10 U.S.C. § 149.

Congress, in the National Defense Authorization Act for Fiscal Year 2024, established the OSC and charged it with a clear and urgent mission: to "develop, integrate, and implement capital investment strategies proven in the commercial sector to shape and scale investment in critical technologies and assets" and to "coordinate with private sector financial institutions . . . to crowd-in private capital" [Source: evidence-i4HeueGA6fZl5mGSTD9g-126]. To effectuate this mission, Congress defined the specific forms of "capital assistance" the OSC may provide. Under 10 U.S.C. § 149(e)(1), this assistance is limited to "a loan," "a loan guarantee," or "technical assistance" [Source: evidence-i4HeueGA6fZl5mGSTD9g-127].

Respondents seize upon this definition, arguing that the canon of statutory construction *expressio unius est exclusio alterius*—the expression of one thing implies the exclusion of others—bars the OSC from making direct equity investments. On this narrow point, they are correct. The statute authorizes loans and loan guarantees; it does not authorize the direct purchase of common stock on the open market. Had the Department of Defense simply used appropriated funds to buy shares in NABEP, it would have exceeded the textual boundaries of § 149(e)(1). A supporting legal memorandum in the record rightly concedes this point [Source: evidence-i4HeueGA6fZl5mGSTD9g-128].

But the Department did not do that. It provided NABEP with a *loan*. The instrument at issue is a debt instrument. It has a principal amount, a maturity date, and an interest rate. It creates a debtor-creditor relationship. It is, in every legal sense of the word, a "loan" as authorized by § 149(e)(1)(A). Respondents' entire argument rests on the proposition that the inclusion of standard commercial covenants—specifically, board appointment rights, operational vetoes, and equity conversion warrants exercisable upon certain triggering events—somehow transmutes this loan into something forbidden.

This argument cannot withstand serious scrutiny. It asks this Court to adopt a reading of the statute that is not only divorced from commercial reality but is actively hostile to the statute's stated purpose. Congress explicitly commanded the OSC to implement "capital investment strategies *proven in the commercial sector*" [Source: evidence-i4HeueGA6fZl5mGSTD9g-126]. As the record indicates, and as any competent practitioner in corporate finance knows, convertible mezzanine debt is not some exotic, bespoke creation; it is a quintessential "proven" strategy for investing in high-risk, high-reward ventures where traditional senior debt or pure equity is inappropriate [Source: evidence-i4HeueGA6fZl5mGSTD9g-101, evidence-i4HeueGA6fZl5mGSTD9g-128]. Such instruments routinely include covenants granting the lender governance rights and a share in the potential upside (via conversion warrants) precisely to compensate for the higher risk of subordination. To hold that the word "loan" in § 149(e)(1) forbids these standard features would be to render the mandate in § 149(c)(1) a dead letter. It would mean that Congress authorized the OSC to use commercial strategies but simultaneously prohibited it from using the very tools that make those strategies work. We do not assume Congress engages in such self-defeating draftsmanship.

When Congress authorizes an agency to make a "loan" in the context of deploying "capital investment strategies proven in the commercial sector," it means a loan as a reasonable commercial actor would understand it. It does not mean a loan stripped of all the features that make it a viable investment. The OSC's convertible loan to NABEP falls squarely within the plain text of 10 U.S.C. § 149. It is the foundational pillar of this transaction, and it is secure.

B. The Defense Production Act and the Revenue Guarantee

The second pillar of the architecture is the use of the Defense Production Act of 1950 to de-risk the project and guarantee a critical stream of revenue. While the OSC loan provides the initial seed of sovereign capital, it is the DPA purchase commitment that provides the certainty necessary for NABEP to "crowd-in" the billions in private financing required for a project of this magnitude [Source: evidence-i4HeueGA6fZl5mGSTD9g-102].

Under Title III of the DPA, 50 U.S.C. § 4533, the President is granted broad authority " [t]o create, maintain, protect, expand, or restore domestic industrial base capabilities essential for the national defense." Among these powers is the authority to make "purchases of or commitments to purchase an industrial resource or a critical technology item, for government use or resale" [Source: evidence-i4HeueGA6fZl5mGSTD9g-129]. Acting pursuant to this authority, the President first made a formal determination that Venezuelan heavy crude is a "critical and strategic material" as defined in 50 U.S.C. § 4552(6)—that is, a material "essential to the national defense, the domestic supply of which is insufficient, and for which there are no adequate domestic substitutes" [Source: evidence-i4HeueGA6fZl5mGSTD9g-112]. The Department of Defense then executed a multi-decade, guaranteed offtake agreement for 20% of NABEP's production at index-linked prices, with the crude routed directly to replenish the Strategic Petroleum Reserve under the acquisition authority of 42 U.S.C. § 6240 [Source: evidence-i4HeueGA6fZl5mGSTD9g-102].

This action is a textbook application of § 4533. The statute authorizes purchase commitments for critical materials for government use. Oil is a critical material. The Strategic Petroleum Reserve is a government use. The commitment provides the revenue certainty needed to expand an industrial capability—the extraction and processing of heavy crude—deemed essential for national defense. The estimated annual value of this offtake agreement, approximately $9.75 billion, is not merely a backstop; it is the financial engine that makes the entire enterprise viable for private capital markets [*f*1].

Respondents may raise an objection based on the DPA's definition of "domestic source" in 50 U.S.C. § 4552(7), which is limited to businesses performing their work in the United States, Canada, the United Kingdom, or Australia [Source: evidence-i4HeueGA6fZl5mGSTD9g-111]. NABEP, a Venezuelan consortium operating in Venezuela, is plainly not a "domestic source." But this objection reads only half of the statute. While much of the DPA is focused on the domestic industrial base, Congress was not so naive as to ignore the reality of global supply chains. In the very same section authorizing purchase commitments, Congress included a specific provision, § 4533(b), to address this reality. It explicitly states that the President "may make provision for subsidy payments and advance payments on any production necessary to ensure that supplies from *overseas sources* are available to meet the defense requirements of the United States" (emphasis added) [Source: evidence-i4HeueGA6fZl5mGSTD9g-129].

The purchase commitment to NABEP is precisely such a "provision" to ensure that supplies from an "overseas source" are available to meet our defense requirements. The legal analysis in the record correctly identifies this statutory synergy, noting that § 4533 provides the authority to capitalize NABEP through revenue certainty without running afoul of any statutory prohibitions [Source: evidence-i4HeueGA6fZl5mGSTD9g-130]. The DPA pillar is not just sound; it was designed by Congress for exactly this type of strategic challenge.

C. The IEEPA and the Regulatory Moat

The final pillar is the use of the International Emergency Economic Powers Act to construct a "regulatory moat" around the investment, shielding it from the extraordinary political and legal risks that caused the private sector to shun this opportunity in the first place. IEEPA provides the legal shield, just as the DPA provides the revenue guarantee and the OSC provides the initial capital [Source: evidence-i4HeueGA6fZl5mGSTD9g-103].

Upon declaring a national emergency with respect to a threat from a foreign source, the President may, under 50 U.S.C. § 1702, exercise sweeping powers over property in which a foreign national has an interest. These powers are not limited to freezing assets. The statute explicitly authorizes the President to "investigate, regulate, DIRECT AND

COMPEL, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in" such property [Source: evidence-i4HeueGA6fZl5mGSTD9g-96]. The phrase "direct and compel" is a grant of affirmative power, not merely a prohibitive one [Source: evidence-i4HeueGA6fZl5mGSTD9g-97].

Here, the Executive has wielded this authority with precision. Acting under the long-standing Venezuela national emergency, the Administration issued a bespoke General License that affirmatively authorizes NABEP to operate while leaving in place the comprehensive sanctions that bar its competitors. This is not, as respondents suggest, an abuse of power; it is the very essence of a licensing regime. The power to license necessarily includes the power to license exclusively when the national interest so requires. Furthermore, the Administration has used its authority under § 1702 to shield NABEP's revenue streams from attachment by the legion of creditors with claims against the previous Venezuelan regime and its state-owned oil company, PDVSA. This use of IEEPA to "prevent or prohibit" a "transfer" or "withdrawal" of assets creates the hermetically sealed operating environment necessary to secure a multi-billion-dollar, multi-decade investment [Source: evidence-i4HeueGA6fZl5mGSTD9g-103].

It is critical to note what IEEPA is *not* doing here. It is not being used as a source of funds. The Executive has not attempted to appropriate money or finance the investment through IEEPA, an action that would raise serious questions under the Anti-Deficiency Act, 31 U.S.C. § 1341 [Source: evidence-i4HeueGA6fZl5mGSTD9g-103]. Instead, IEEPA is used as a purely regulatory tool to manage risk—the exact purpose for which Congress designed its broad and flexible authorities.

In sum, the transaction before this Court is not a legal fiction. It is a composite structure, built piece by piece from authorities Congress has provided. The OSC statute authorizes the *type* of capital investment: a loan with commercially standard covenants. The Defense Production Act authorizes the *revenue stream*: a guaranteed purchase commitment for a critical material from an overseas source. And IEEPA authorizes the *risk mitigation*: a regulatory shield to protect the investment from external threats. Each component is independently lawful. Together, they form a coherent and powerful whole, demonstrating not executive overreach, but the skillful and responsible synthesis of the tools of national power. To argue otherwise is to insist that Congress has filled the U.S. Code with potent but disconnected authorities, forbidding the Executive from ever weaving them together to meet a complex national security challenge. That is not a theory of statutory interpretation; it is a recipe for national paralysis.

III. The Major Questions Doctrine Does Not Apply to This National Security Action

Respondents and their amici seek refuge in the Major Questions Doctrine, a judicial tool of recent vintage they hope to wield as a universal solvent for any executive action they find politically or economically momentous. They contend that the series of transactions effectuating the Government's investment in North American Blue Energy Partners (NABEP) is of such "vast 'economic and political significance'" that it requires a "clear congressional authorization" they claim is absent. See *Biden v. Nebraska*, 600 U.S. 477, 499 (2023) (quoting *West Virginia v. EPA*, 597 U.S. 697, 724 (2022)). Their argument fundamentally misunderstands the doctrine's purpose, its grounding in the separation of powers, and its limited domain. The Major Questions Doctrine was forged as a shield for the People's legislative prerogative against encroachment by domestic administrative agencies. Respondents now seek to reforge it into a sword against the President's constitutional authority to protect the Nation's security and conduct its foreign affairs. We should decline this audacious invitation.

As a member of the majorities in both *West Virginia* and *Nebraska*, I write to state with clarity what the doctrine is and what it is not. It is a principle of statutory interpretation, a "reason to hesitate," that applies in "extraordinary cases" where an agency claims to discover in a long-extant and often-obscure statute an unheralded power to remake a significant portion of the American domestic landscape. *West Virginia*, 597 U.S., at 721 (quoting *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 159 (2000)) [Source: evidence-i4HeueGA6fZl5mGSTD9g-116]. The doctrine serves as a vital backstop to protect Article I, ensuring that the “basic and consequential tradeoffs” inherent in transformative national policy are made by the legislature itself, not by unelected agency officials. *Id.*, at 723 [Source: evidence-i4HeueGA6fZl5mGSTD9g-11]. In such cases, we require the agency to point to “‘clear congressional authorization’” for the authority it claims. *Id.*, at 724 (quoting *Utility Air Regulatory Group v. EPA*, 573 U.S. 302, 324 (2014)) [Source: evidence-i4HeueGA6fZl5mGSTD9g-11].

An examination of the factors that animated our decisions in *West Virginia* and *Nebraska* reveals not a parallel to the present case, but a stark and dispositive contrast.

First, those cases involved domestic agencies asserting novel powers far outside their traditional wheelhouse. In *West Virginia*, the Environmental Protection Agency (EPA)—an agency charged with regulating pollutants—claimed the authority to force a nationwide shift in electricity generation from coal to renewables, effectively restructuring the entire American power sector. 597 U.S., at 724–725. We noted the “mismatch between an agency’s challenged action and its congressionally assigned mission and expertise.” *Id.*, at 729 (Gorsuch, J., concurring) [Source: evidence-i4HeueGA6fZl5mGSTD9g-125]. Similarly, in *Nebraska*, the Secretary of Education—an official whose authority lies in administering federal education programs—claimed the power to cancel nearly half a trillion dollars in student loan debt, a fiscal act of staggering consequence affecting 43 million Americans. 600 U.S., at 484, 499 [Source: evidence-i4HeueGA6fZl5mGSTD9g-12, evidence-i4HeueGA6fZl5mGSTD9g-13].

This case is different in kind. The actor here is not a domestic regulatory agency venturing into economic or social policymaking. It is the Department of Defense, acting through the Office of Strategic Capital (OSC), an entity specifically created within the Department to address threats to the national security industrial base. The mission is not to reorder a domestic market for social ends, but to secure a critical energy resource in a volatile region to counter the strategic encroachment of hostile foreign powers—Russia and Iran. There is no “mismatch” between the actor and the action; there is a perfect congruence. To suggest that the Department of *Defense* lacks the expertise or mission to undertake actions vital to the national *defense* is to state an absurdity.

Second, the authority claimed in our prior Major Questions cases was “unheralded” and discovered in statutory language that was, at best, ambiguous and ancillary. The EPA located its transformative power in a “little-used backwater” of the Clean Air Act, a “gap filler” provision that had never before been used to support anything remotely resembling the Clean Power Plan. *West Virginia*, 597 U.S., at 726, 732 [Source: evidence-i4HeueGA6fZl5mGSTD9g-117]. The Secretary of Education relied on a novel interpretation of the HEROES Act, a statute previously used only for modest and narrow waivers, to justify a program of a magnitude never before contemplated. *Nebraska*, 600 U.S., at 500 [Source: evidence-i4HeueGA6fZl5mGSTD9g-12]. In both instances, the Executive was, in effect, “seizing the power of the Legislature” to enact a program that Congress had “conspicuously declined to enact itself.” *Id.*, at 503 (quoting *West Virginia*, 597 U.S., at 732) [Source: evidence-i4HeueGA6fZl5mGSTD9g-14].

Here, the opposite is true. The authority exercised by the Department of Defense is not unheralded; it was expressly and recently created. Congress, in the National Defense Authorization Act for Fiscal Year 2024, established the Office of Strategic Capital and vested it with the explicit power to make loans and loan guarantees to further its mission. See 10 U.S.C. § 149. This is not an agency discovering a hidden power in the cobwebbed corners of the U.S. Code. This is an agency acting under a fresh mandate from the political branch responsible for raising and supporting armies and providing for the common defense. Far from declining to act, Congress has acted decisively, creating the very tool the Executive now wields. The legislative authority is not ancillary; it is central. It is not vague; it is specific. It is not old; it is new.

Third, the Major Questions Doctrine is triggered by the sheer “economic and political significance” of the agency’s action, particularly when it seeks to regulate or restructure a fundamental sector of the *American* economy. *West Virginia*, 597 U.S., at 721 [Source: evidence-i4HeueGA6fZl5mGSTD9g-115]. The student loan program in *Nebraska* was estimated to cost taxpayers between $469 billion and $519 billion, an amount we noted was “staggering by any measure.” 600 U.S., at 501 [Source: evidence-i4HeueGA6fZl5mGSTD9g-13]. This was a purely domestic transfer payment of immense scale. The NABEP transaction, while significant, is a strategic foreign investment, not a domestic entitlement or regulatory scheme. Its purpose is not to restructure our economy but to secure our position within the global one. To put the scale in perspective, the estimated cost of the student loan program was more than seven times the entire statutory capitalization of the U.S. International Development Finance Corporation (DFC), the government's primary vehicle for strategic economic engagement abroad. [*ƒ*2]. The former is a question of domestic fiscal policy implicating the appropriations power of Congress; the latter is a question of foreign policy and national security, the constitutional homeland of the Executive. The significance of this transaction is geopolitical, a domain where the President has always been afforded greater latitude.

This brings me to the fundamental error in respondents' argument: its attempt to transplant a doctrine designed for the domestic regulatory sphere into the distinct constitutional soil of foreign affairs and national security. The entire premise of the Major Questions Doctrine is to police the boundary between Article I and Article II in domestic matters, where Congress's power is at its apex. It ensures that "important subjects . . . must be entirely regulated by the legislature itself." *West Virginia*, 597 U.S., at 737 (Gorsuch, J., concurring) (quoting *Wayman v. Southard*, 10 Wheat. 1, 42–43 (1825)) [Source: evidence-i4HeueGA6fZl5mGSTD9g-122].

But as this Court has recognized for nearly a century, the "powers of the Federal Government over foreign or external affairs differ in nature and origin from those over domestic or internal affairs." *United States v. Curtiss-Wright Export Corp.*, 299 U.S. 304, 315 (1936) [Source: evidence-i4HeueGA6fZl5mGSTD9g-62]. In the conduct of those external affairs, the President is the "sole organ of the Federal Government." *Id.*, at 319 [Source: evidence-i4HeueGA6fZl5mGSTD9g-66]. This unique constitutional posture means that "congressional legislation which is to be made effective in the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved." *Id.*, at 320 [Source: evidence-i4HeueGA6fZl5mGSTD9g-71]. The reason is not one of abstract theory but of practical reality. The President, unlike Congress, "has the better opportunity of knowing the conditions which prevail in foreign countries," possesses "confidential sources of information," and must often act with a speed and secrecy incompatible with the deliberative pace of legislation. *Ibid*.

To apply the searching, skeptical lens of the Major Questions Doctrine to an executive action undertaken to counter hostile powers in our own hemisphere would be to turn the logic of *Curtiss-Wright* on its head. It would demand from Congress a degree of clairvoyance and micromanagement in foreign policy that is constitutionally unsound and practically impossible. It would require this Court to be most intrusive in the very area where its deference to the political branches is most warranted. The doctrine is a check on administrative adventurism at home, not a straightjacket on presidential authority abroad.

Stripped of the distracting rhetoric of "major questions," the actual legal dispute here is mundane. As I explained in the preceding section, the Government has acted upon a web of interlocking and specific statutory authorities. The central question is not whether the Executive may engage in strategic finance to secure the national interest—Congress has plainly answered that question in the affirmative by creating the OSC. The question is simply whether a convertible loan, a ubiquitous instrument in the commercial world, qualifies as a "loan" within the meaning of 10 U.S.C. § 149(e)(1)(A). That is a garden-variety question of statutory interpretation, not a matter of vast economic and political significance that threatens to upend the separation of powers. Respondents' attempt to inflate this straightforward textual dispute into a "major question" is a litigation tactic, not a serious constitutional argument. This Court should see it for what it is and reject it.

IV. The Transaction Rests on a Solid Constitutional Foundation

The majority correctly concludes that the Executive's actions are authorized by the interlocking statutory framework Congress has assembled over decades to address precisely these kinds of national security challenges. I write separately to emphasize a more fundamental point: beyond the specific statutory grants, the transaction at issue is anchored in the bedrock of the President's constitutional authority over foreign affairs and national security. The statutory authorities are the tools, but the constitutional power is the hand that wields them. Challengers to this transaction ask this Court to ignore not only the plain text of multiple statutes, but also the constitutional structure and two centuries of historical practice that give meaning to those texts. This we cannot do. The President's actions here are not an assertion of unilateral power in the face of congressional disapproval, as in Justice Jackson's third category in *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U. S. 579, 637–638 (1952) (concurring opinion). Nor do they fall into the twilight zone of his second category. Rather, in combining his own constitutional powers with the explicit authorizations granted by Congress, the President is operating at the "zenith" of his authority, where his actions are "supported by the strongest of presumptions and the widest latitude of judicial interpretation." *Id.*, at 635, 637. [Source: evidence-i4HeueGA6fZl5mGSTD9g-48]

A. The Diplomatic Superstructure: Recognition and the Political Question Doctrine

The entire edifice of this strategic investment rests on a diplomatic foundation that is within the President's exclusive power to construct. The President of the United States has formally recognized the transitional government of Delphy Rodriguez as the legitimate government of the Bolivarian Republic of Venezuela. This act of recognition is not a mere diplomatic nicety; it is a constitutional power textually committed to the President alone. As this Court held in *Zivotofsky v. Kerry*, 576 U. S. 1 (2015), the Constitution grants the President the exclusive authority to recognize foreign sovereigns. The Reception Clause of Article II, which states the President "shall receive Ambassadors and other public Ministers," is not a passive duty but an active power. It endows the President with the authority to decide which foreign entities are afforded the status of sovereign states and which regimes are recognized as their legitimate governments. *Id.*, at 14–18.

This power of recognition is a quintessential political question, beyond the competence and the authority of the Judiciary to review. *See Baker v. Carr*, 369 U. S. 186, 217 (1962). Whether the Rodriguez government exercises effective control, whether it is the most democratic alternative, or whether its assumption of power was consistent with Venezuela's own constitutional processes are all questions pregnant with political and foreign policy implications. They are precisely the kinds of questions the Constitution commits to the political branches—and specifically, in the case of recognition, to the President. This Court does not possess the institutional tools, the foreign policy expertise, or the constitutional mandate to second-guess the President's judgment on which government speaks for Venezuela. His decision to recognize the Rodriguez government is, for the purposes of our inquiry, a dispositive fact.

The legal consequence of this recognition is profound. It means that in the eyes of the United States, the Rodriguez government possesses the sovereign authority to act on behalf of the Venezuelan state. This includes the authority to grant concessions for the exploitation of its own natural resources, such as the 100-year concession over the Orinoco Belt oil fields granted to North American Blue Energy Partners (NABEP). The President's recognition provides the indispensable diplomatic and legal superstructure upon which the entire transaction is built. Without it, the concession would be a nullity. With it, the concession is an act of a sovereign state.

B. The Act of State Doctrine: Shielding the Sovereign Concession

From the President's power of recognition flows a corollary doctrine of judicial restraint: the act of state doctrine. This doctrine, with its deep "constitutional" underpinnings in the separation of powers, commands that the courts of this country will not sit in judgment on the public acts of a foreign government, done within its own territory. *Banco Nacional de Cuba v. Sabbatino*, 376 U. S. 398, 423 (1964). [Source: evidence-i4HeueGA6fZl5mGSTD9g-31] The doctrine reflects our understanding that the Judicial Branch is simply not the proper forum for resolving the complex and sensitive issues that arise from questioning the official acts of other nations. [Source: evidence-i4HeueGA6fZl5mGSTD9g-33] Such matters are the province of the political branches, which have at their disposal the full range of diplomatic and political tools to address them.

Here, the respondents and their amici effectively ask this Court to declare the 100-year oil concession granted by the recognized government of Venezuela to be invalid. This is precisely what the act of state doctrine forbids. The grant of a mineral concession by a sovereign government is a paradigmatic "public act." To adjudicate the respondents' claims on the merits would require this Court to question the authority of the Rodriguez government to make the grant and the validity of the grant itself.

Our decision in *W.S. Kirkpatrick & Co. v. Environmental Tectonics Corp., Int'l*, 493 U. S. 400 (1990), does not, as respondents suggest, render the doctrine inapplicable here. To the contrary, it clarifies why the doctrine *must* apply. In *Kirkpatrick*, we explained that the doctrine is not a vague form of abstention but a "principle of decision" that is triggered only when "a court must decide—that is, when the outcome of the case turns upon the effect of official action by a foreign sovereign." *Id.*, at 406. [Source: evidence-i4HeueGA6fZl5mGSTD9g-7] That is exactly the situation before us. The entire legality of the United States' investment in NABEP is predicated on NABEP's legal right to the underlying oil fields, a right that derives exclusively from the concession granted by the Rodriguez government. [Source: evidence-i4HeueGA6fZl5mGSTD9g-106] A judicial finding that the concession is invalid would not be an incidental or collateral determination; it would be the dispositive legal issue, destroying the foundation of the transaction. For a court to so hold, it would have to "declare invalid the official act of a foreign sovereign," the very action we identified in *Kirkpatrick* as the core of the doctrine's prohibition. *Id.*, at 405. [Source: evidence-i4HeueGA6fZl5mGSTD9g-1]

Nor can respondents escape the doctrine by alleging that the concession violates international law. In *Sabbatino*, this Court squarely held that the doctrine applies "even though the expropriation allegedly violates customary international law." 376 U. S., at 428. [Source: evidence-i4HeueGA6fZl5mGSTD9g-24] The proper recourse for a violation of international law by a foreign state is action by the Executive, not a lawsuit in our courts. The President may choose to protest diplomatically, to impose sanctions, or to take no action at all. That choice is his, and his alone. The Judiciary's role is to accept the validity of the foreign sovereign's act as a rule of decision. [Source: evidence-i4HeueGA6fZl5mGSTD9g-114] The 100-year concession to NABEP is therefore legally unassailable in any court of the United States.

C. IEEPA and the Emergency Powers Framework

Finally, the regulatory "moat" the Executive has constructed around NABEP is a valid exercise of the broad emergency powers Congress has delegated to the President under the International Emergency Economic Powers Act (IEEPA), 50 U. S. C. §§ 1701–1706. The President has determined that the situation in Venezuela constitutes a national emergency and has invoked IEEPA to issue a bespoke General License authorizing NABEP's operations while maintaining sanctions on its competitors. He has further used this authority to shield NABEP's revenues from attachment by creditors. Respondents portray this as an unprecedented and illegitimate use of executive power. The historical and legal record shows it is anything but.

This Court's decision in *Dames & Moore v. Regan*, 453 U. S. 654 (1981), is the controlling precedent. In that case, we examined the President's use of IEEPA to resolve the Iran hostage crisis. President Carter, acting pursuant to IEEPA, had declared a national emergency, blocked all Iranian government property within U.S. jurisdiction, and later, as part of a settlement, nullified all attachments on that property and directed its transfer. [Source: evidence-i4HeueGA6fZl5mGSTD9g-42] We upheld those actions. We found that the President's power to "compel," "nullify," or "prohibit" any "transfer" of foreign property under 50 U. S. C. § 1702(a)(1)(B) was specific congressional authorization for the nullification of attachments and the transfer of assets. *Id.*, at 674. [Source: evidence-i4HeueGA6fZl5mGSTD9g-44]

The actions taken here are of a piece with those upheld in *Dames & Moore*. The issuance of an exclusive license is simply the obverse of the power to prohibit transactions; by authorizing one party while prohibiting all others, the President is channeling economic activity to achieve a national security goal. Shielding NABEP's revenues from creditors is a direct application of the power to "nullify" attachments and other claims that could otherwise imperil the venture. [Source: evidence-i4HeueGA6fZl5mGSTD9g-98] The logic is identical to that in *Dames & Moore*: to secure a vital national interest—there, the release of hostages; here, the stability of a strategic energy asset—the President must be able to clear away the thicket of private claims that would otherwise prevent a comprehensive solution.

Moreover, *Dames & Moore* recognized that the President's authority in this area is not derived from IEEPA alone. The Court looked to a long history of "congressional acceptance of a broad scope for executive action" in the field of foreign claims settlement. 453 U. S., at 678. [Source: evidence-i4HeueGA6fZl5mGSTD9g-54] It noted that the legislative history of IEEPA itself reveals that Congress, while seeking to rein in some aspects of the President's emergency powers, took care to stress that "[n]othing in this act is intended . . . to interfere with the authority of the President to enter into settlement agreements." *Id.*, at 683, n.10. [Source: evidence-i4HeueGA6fZl5mGSTD9g-55] Decades of executive practice, ratified by congressional acquiescence and validated by this Court, have confirmed that IEEPA is a powerful and flexible tool for conducting foreign policy in times of crisis. The President's use of that tool to secure this Nation's energy and strategic interests in the Western Hemisphere is not an abuse of power; it is a fulfillment of the role Congress empowered him to play.

In sum, the constitutional architecture supporting this transaction is robust. The President's recognition power establishes the diplomatic reality. The act of state doctrine requires our courts to respect that reality. And IEEPA, as interpreted by this Court and understood through decades of practice, provides the specific statutory tools to implement national security policy within that reality. The respondents' challenge, if accepted, would not merely invalidate one transaction. It would undermine the President's ability to conduct foreign policy, inject the judiciary into non-justiciable political questions, and strip the Executive of a critical tool expressly granted by Congress. That is a step this Court rightly declines to take.

V. A Century of Sovereign Capital Confirms the Executive's Authority

The respondents and their amici ask this Court to treat the financial architecture supporting the North American Blue Energy Partners (NABEP) consortium as a radical and unprecedented assertion of executive power. They portray the Office of Strategic Capital's (OSC) convertible loan facility as a creature of the modern administrative state, a dangerous novelty untethered to statutory text or historical practice. This characterization is not merely incorrect; it is a flagrant distortion of American history. The transaction before us is not an invention of the 21st century, but the contemporary application of a long, storied, and profoundly constitutional tradition of sovereign capital deployment in the service of national security. When the Nation has faced profound market failures in sectors vital to its survival, the political branches have acted, decisively and with tools tailored to the crisis. This Court does not operate in a historical vacuum, and we will not pretend that this unbroken, ninety-year practice does not exist. It is this history, not abstract academic theories, that must inform our reading of the statutes Congress has enacted.

This tradition of state-led de-risking is not merely a matter of policy justification; it is powerful evidence of the constitutional understanding shared by the Executive and Legislative branches across generations. As this Court recognized nearly a century ago, a legislative practice "marked by the movement of a steady stream for a century and a half of time, goes a long way in the direction of proving the presence of unassailable ground for the constitutionality of the practice." *United States v. Curtiss-Wright Export Corp.*, 299 U.S. 304, 327–328 (1936). Such a "practical construction of the Constitution, as given by so many acts of Congress, and embracing almost the entire period of our national existence, should not be overruled, unless upon a conviction that such legislation was clearly incompatible with the supreme law of the land." *Id.*, at 328–329 (quoting *Field v. Clark*, 143 U. S. 649, 691 (1892)). The history of American sovereign capital is just such a steady stream, and it provides the essential context for the authorities Congress has vested in the Executive today.

The story begins not in the halls of a modern investment bank, but in the crucible of the Second World War. As the Nation prepared for a global conflict, it faced a catastrophic market failure: private industry, constrained by fiduciary duties to its shareholders, was unable and unwilling to undertake the massive, high-risk capital expenditures necessary to build the Arsenal of Democracy. In response, President Roosevelt and the Congress did not plead with the markets or hope for the best. They acted. Through the Reconstruction Finance Corporation (RFC), originally established by the RFC Act of 1932, and its subsidiary the Defense Plant Corporation (DPC), the United States government became the single greatest industrial investor in the history of the world [Source: evidence-i4HeueGA6fZl5mGSTD9g-56, evidence-i4HeueGA6fZl5mGSTD9g-57].

The scale of the RFC and DPC's intervention is staggering. With a wartime budget of $9.2 billion—an almost inconceivable sum at the time—these government-owned corporations built, owned, and financed the Nation's war machine [Source: evidence-i4HeueGA6fZl5mGSTD9g-57, evidence-i4HeueGA6fZl5mGSTD9g-107]. When private industry could not produce the synthetic rubber needed for tires, gaskets, and boots, the DPC built and owned 96% of the Nation's synthetic rubber capacity. When the country needed aircraft to project power across two oceans, the DPC built and owned 71% of its aircraft plants [Source: evidence-i4HeueGA6fZl5mGSTD9g-57]. This was not a program of modest loans or tentative guarantees. It was direct, sovereign action—the government stepping in as owner and operator because the security of the Nation demanded it. This historical fact demolishes the respondent's implicit premise that our constitutional order forbids the government from acting commercially to secure strategic resources. On the contrary, it confirms that such action is the ultimate backstop of national sovereignty.

This tradition did not end with victory in 1945. When the Nation faced a new strategic threat—the energy crises of the 1970s—the political branches once again adapted the model. The OPEC oil embargoes revealed a critical vulnerability in our dependence on foreign energy. In response, Congress passed the Energy Security Act of 1980, Pub. L. 96-294, 94 Stat. 611, which created the United States Synthetic Fuels Corporation (SFC) [Source: evidence-i4HeueGA6fZl5mGSTD9g-58, evidence-i4HeueGA6fZl5mGSTD9g-107]. The SFC was authorized to deploy $22 billion—more than double the RFC's wartime budget in nominal dollars—to de-risk the private sector's development of oil shale and synthetic crude [Source: evidence-i4HeueGA6fZl5mGSTD9g-58]. Its toolkit was more sophisticated than the DPC's direct-ownership model, reflecting a more complex financial market. The SFC was empowered to use price floors, loan guarantees, and, most tellingly, to enter into joint ventures with private companies, sharing the costs and risks of developing new technologies [Source: evidence-i4HeueGA6fZl5mGSTD9g-58]. The SFC demonstrates the evolution of the de-risking tradition, moving from direct ownership to the use of financial instruments designed to catalyze, rather than replace, private investment. This is precisely the logic animating the OSC's convertible debt facility in the NABEP transaction.

This bipartisan, multi-generational practice continues to the present day, and with even greater clarity from Congress. Faced with the challenge of adversarial state capitalism, particularly China's Belt and Road Initiative (BRI), Congress enacted the Better Utilization of Investments Leading to Development (BUILD) Act of 2018, 22 U.S.C. §§ 9601 *et seq*. This statute created the U.S. International Development Finance Corporation (DFC), an entity with a $60 billion capital cap and an explicit mandate to counter China's strategic investments in foreign infrastructure and energy ventures [Source: evidence-i4HeueGA6fZl5mGSTD9g-59, evidence-i4HeueGA6fZl5mGSTD9g-107]. Most significantly for the case at bar, Congress did not shy away from the logical conclusion of this mission. It explicitly authorized the DFC to take direct equity stakes of up to 40% in the foreign ventures it supports [Source: evidence-i4HeueGA6fZl5mGSTD9g-59].

The DFC's existence is a fatal blow to the respondent's case. It is a recent, explicit, and bipartisan congressional judgment that using equity as a tool of statecraft to secure American strategic interests abroad is not only permissible but necessary. The combined nominal capitalization of just these three historical and modern vehicles—the RFC/DPC, the SFC, and the DFC—exceeds $91 billion [*f*3]. To argue that the OSC's use of a convertible debt instrument—a tool far less intrusive than the direct ownership of the DPC or the direct equity purchases of the DFC—is somehow beyond the pale is to ignore the plain reality of our legal and constitutional history. State-led capital deployment to correct severe market failures in strategic defense resources is an established, core component of the American tradition of governance [Source: evidence-i4HeueGA6fZl5mGSTD9g-60].

This unbroken history is the essential context for interpreting the statutes before us, particularly the OSC's charter, 10 U.S.C. § 149. The respondent urges a crabbed, ahistorical reading of the phrase "capital investment strategies proven in the commercial sector." They would have us believe that Congress, in using this phrase, intended to forbid the very category of sovereign de-risking that has been the Nation's primary response to strategic market failures for nearly a century. This interpretation is perverse.

When Congress legislates in the area of national security finance, it does so against the backdrop of the RFC, the SFC, and the DFC. It is aware of this history of broad, pragmatic action. The mandate to use "proven" commercial strategies must therefore be read to include not only the specific financial instruments (like convertible debt), but also the overarching strategic approach: the use of sovereign capital to absorb risks the private sector cannot bear, thereby crowding-in private capital and achieving a vital national security objective. The single most "proven" strategy in American history for solving the precise problem the OSC was created to address is the model of sovereign-led de-risking. The NABEP transaction, which modernizes the RFC and SFC models to secure global energy supplies and dismantle adversarial leverage, is a direct descendant of this lineage [Source: evidence-i4HeueGA6fZl5mGSTD9g-60]. To read § 149 as prohibiting the OSC from employing a standard-form convertible debt instrument—a loan that carries commercially standard covenants and conversion features—would be to render Congress's instruction a nullity, forcing the OSC to fight a 21st-century battle with 19th-century tools. We decline to adopt such a self-defeating construction. The history is clear, the tradition is robust, and the Executive's action falls squarely within it.

VI. The Limits of Unilateral Executive Action

A jurisprudence of executive power that is not also a jurisprudence of its limits is no jurisprudence at all. It is a flight of fancy. While the majority correctly concludes that the President possesses the authority to design and enter into the strategic transaction at issue, a candid assessment requires acknowledging where that unilateral authority ends. This Court does not issue advisory opinions on the wisdom of policy, but it must not blind itself to the practical and legal structure of our government. The President's power, while at its zenith in this domain, is not absolute. The ultimate success of this strategic venture depends not only on the Executive's initiative but also on the subsequent participation of the Legislative Branch. This is not a defect in the Executive's action; it is the defining feature of our constitutional design.

The respondent's argument, at its core, conflates the authority to *structure* a strategic initiative with the power to *fund* it indefinitely and at any scale. These are not the same. The President, acting through the various instrumentalities and statutes I have already discussed, possesses the clear authority to assemble the components of this transaction. But the power of the purse is the exclusive and jealously guarded prerogative of Congress. As this Court has long recognized, the President's power must "stem either from an act of Congress or from the Constitution itself." *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 585 (1952) [Source: evidence-i4HeueGA6fZl5mGSTD9g-78]. Where no statute authorizes an action, and the Constitution does not grant the power, the Executive's order "cannot stand." *Id.*, at 585 [Source: evidence-i4HeueGA6fZl5mGSTD9g-77]. Here, while numerous statutes authorize the *form* of the transaction, other statutes explicitly limit its *financial magnitude* absent congressional consent.

Two statutory provisions, in particular, form the fiscal guardrails of our constitutional order and define the limits of the Executive's unilateral power in this case. The first is the Defense Production Act (DPA) itself. The very same statute that authorizes the President to make purchase commitments for critical and strategic materials, 50 U.S.C. § 4533, contains a crucial limitation. Section 4533(a)(5) requires that for any action involving a commitment exceeding $50,000,000, the President must notify the relevant congressional committees. More importantly, § 4533(c) mandates that no such action "may be taken . . . unless the President makes a specific determination that . . . the action is the most cost-effective, expedient, and practical alternative method for meeting the need." And crucially, for any action that is projected to exceed a total cost of $50,000,000, the statute requires that funds "be specifically authorized for such purpose." 50 U.S.C. § 4533(g)(2).

The multi-decade guaranteed offtake agreement for 20% of NABEP's production will, without question, vastly exceed this $50 million threshold. The Executive can use existing, appropriated funds to initiate the agreement and satisfy its terms in the short run. But it cannot, by executive fiat, bind the Treasury for billions of dollars in future purchases without a specific appropriation from Congress for that purpose. The statute's text is a model of clarity. It grants authority to act but conditions its large-scale exercise on congressional approval.

The second, and more formidable, bulwark is the Antideficiency Act (ADA), 31 U.S.C. § 1341. The ADA is not some dusty relic; it is the bedrock of federal fiscal law. It forbids an officer or employee of the United States from "mak[ing] or authoriz[ing] an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation." [Rule: 31-usc-1341]. It likewise prohibits "involv[ing] the government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law." *Id*. The purpose of the ADA is to enforce the constitutional separation of powers—to ensure that it is Congress that decides how public funds are spent. A multi-decade purchase commitment, creating a legal obligation for the United States to purchase oil from NABEP far into the future, would, if not backed by an appropriation, represent a textbook violation of the Antideficiency Act.

Thus, the President's authority is clear but circumscribed. He has the power to initiate this strategic investment. The Office of Strategic Capital can make its convertible loan using its existing statutory funding. The President can exercise his Article II recognition power. He can deploy IEEPA to create the necessary regulatory environment. He can execute a DPA purchase commitment and fund its initial stages. All of these steps are lawful and fall squarely within the statutory and constitutional framework. What he cannot do is unilaterally commit the United States to the full, multi-decade financial obligations required to see this strategy to its ultimate conclusion.

This limitation is not, as respondents desperately contend, proof of executive overreach. It is proof that the separation of powers is functioning exactly as the Framers intended. The President has not attempted to seize the "power of the purse." He has not, as in *Youngstown*, chosen a "different and inconsistent way of his own" when Congress has already prescribed specific methods for achieving a goal. See *Youngstown*, 343 U.S., at 640 (Jackson, J., concurring) [Source: evidence-i4HeueGA6fZl5mGSTD9g-86]. In that case, Congress had considered and rejected granting the President the power to seize industries to settle labor disputes, reserving that authority to itself. See *id.*, at 597 (Burton, J., concurring) [Source: evidence-i4HeueGA6fZl5mGSTD9g-89]. Here, the opposite is true. Congress, in the DPA, has explicitly created a mechanism for the President to propose large-scale strategic commitments and then present them to Congress for funding. The statute does not forbid the action; it creates a process for its approval.

The Executive has acted to the absolute limit of its lawful power to meet a clear and present strategic threat in our own hemisphere. It has used the tools Congress provided to construct a framework for securing a vital national interest. Now, the matter properly rests with the Legislative Branch. It is for Congress to decide whether to provide the resources necessary for this strategy's fulfillment. It may do so through a supplemental appropriation, a specific rider in the next National Defense Authorization Act, or a direct allocation to the DPA Fund. Or, it may choose not to. That is its prerogative. But the fact that Congress has not *yet* appropriated the full, multi-decade funding required for the NABEP offtake agreement does not retroactively invalidate the lawful steps the President has already taken to structure the deal. To argue otherwise is to insist that the Executive can only act when the entire path is cleared and fully funded in advance—a proposition that would paralyze the government's ability to respond to any emerging crisis. The Executive has the authority to structure the deal; only Congress has the authority to fund it. The Constitution demands no more, and no less.

VII. Conclusion

Respondents ask this Court to declare that the United States Government—the same government that created the Reconstruction Finance Corporation, that built the Arsenal of Democracy, that funded the Marshall Plan, and that now fields the Development Finance Corporation to compete with China—is legally powerless to structure a convertible loan to secure the largest untapped oil reserve in our hemisphere from the grasp of our adversaries. This view of executive authority ignores the long and unbroken history of American state-led capital deployment to correct market failures in sectors vital to our national defense, a tradition this transaction merely modernizes for the 21st century [Source: evidence-i4HeueGA6fZl5mGSTD9g-60]. Theirs is not a legal argument; it is a proposal for strategic impotence, wrapped in the garb of statutory formalism. This Court should emphatically decline the invitation to mandate such national weakness, for as we have long recognized, “[i]n the international field, the sovereignty of the United States is complete” [Source: evidence-i4HeueGA6fZl5mGSTD9g-65]. The President has acted lawfully, constitutionally, and consistently with our Nation's history. The Executive's deployment of synthetic equity under the interlocking framework of the OSC statute, the Defense Production Act, and IEEPA represents a lawful, constitutional, and historically grounded exercise of statutory authority.

GENERATED BY AI FACTUAL ASSISTANT FOR ORGANIZATIONAL PURPOSES. NOT REVIEWED BY AN ATTORNEY. NOT LEGAL ADVICE. THIS PRODUCT IS NOT A SUBSTITUTE FOR THE ADVICE OF AN ATTORNEY.

DISCLOSURE: Based on the prompt provided, this report was generated with authorization to include helpful speculation, strategic hypotheses, or extrapolation beyond the explicit evidence. Please independently verify any speculative claims.

References Area

MATH OPERATIONS

The following calculations were performed by a deterministic math engine and verified independently of the AI drafter.

[*f*1] Estimate the potential first-year revenue value of the DPA Title III offtake agreement for the Strategic Petroleum Reserve.
Math ID: `math-i4HeueGA-1` | *Final Result:* **9750000000** (estimated_annual_offtake_value)

1	Total estimated reserves in the Orinoco Belt concessions held by NABEP, in barrels.	`65000000000`	**65000000000**
2	Assumed annual rate of production as a percentage of total reserves.	`0.01`	**0.01**
3	Total estimated barrels produced in one year.	`total_reserves * annual_extraction_rate`	**650000000**
4	Percentage of NABEP production secured by the DOD's guaranteed offtake agreement.	`0.20`	**0.2**
5	Total barrels purchased by DOD in one year under the DPA agreement.	`annual_production_barrels * dpa_offtake_percentage`	**130000000**
6	Assumed market price for Venezuelan heavy crude, in USD.	`75`	**75**
7	Estimated total dollar value of the DPA purchase commitment for one year.	`annual_offtake_barrels * assumed_price_per_barrel`	**9750000000**

[*f*2] Compare the scale of the domestic program in Biden v. Nebraska to the capitalization of the DFC to distinguish domestic spending from foreign policy tools.
Math ID: `math-i4HeueGA-3` | *Final Result:* **7.166666666666667** (scale_multiple)

1	Value of student loan forgiveness program at issue in Biden v. Nebraska.	`430000000000`	430000000000
2	Total capitalization cap of the DFC.	`60000000000`	60000000000
3	The ratio of the student loan program's cost to the DFC's entire capital base, illustrating a difference in kind and scale.	`biden_nebraska_forgiveness / dfc_capitalization`	7.166666666666667

[$f3$] Calculate the combined capitalization and lending authority of major historical and modern US sovereign capital vehicles.
Math ID: `math-i4HeueGA-2` | *Final Result:* **91200000000** (total_vehicle_capitalization)

1	Capital deployed by RFC & DPC for WWII.	`9200000000`	9200000000
2	Capital committed by the Synthetic Fuels Corporation.	`22000000000`	22000000000
3	Capitalization cap for the U.S. International Development Finance Corporation (DFC).	`60000000000`	60000000000
4	Combined nominal capitalization of the RFC/DPC, SFC, and DFC.	`rfc_dpc_wwii_capital + sfc_capital + dfc_cap`	91200000000
