

Publish What You Pay United States

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Senate Hearings on Natural Resources Highlight Need for Extractive Industries Transparency Legislation

Washington, D.C. – The United States Senate is holding two hearings today on the issue of natural resource extraction and accountability. The Publish What You Pay (PWYP) United States coalition, which calls for more transparency in the oil, gas and mining sector, welcomes the attention these hearings bring to this critical issue, and encourages the Senate to pass legislation mandating better disclosure of information in these industries.

The first hearing, chaired by Senator Russ Feingold of Wisconsin of the Africa Subcommittee of the Foreign Relations Committee, is entitled, “Resource Curse or Blessing? Africa’s Management of Its Extractive Industries.”

One of the witnesses, Simon Taylor, Director of Global Witness, a founding member of Publish What You Pay, stated, “Oil companies do not disclose payments in their annual reports, and governments do not disclose receipt of the payments in their budget reports. And so the cycle continues- no transparency about the billions of dollars exchanged for oil and minerals, and no accountability for these revenues because no one knows how much actually exchanged hands.”

The first step toward ensuring the billions of dollars of natural resource revenues are a blessing rather than a curse is the transparency of those revenues. A bill addressing this need for transparency was introduced on July 31st, 2008, by Senator Charles Schumer. The Extractive Industries Transparency Disclosure (EITD) Act (S. 3389), would require oil, gas and mining companies to publish their natural resource revenue payments to foreign governments as part of their annual filing to the Securities and Exchange Commission.

In his testimony, Mr. Taylor addressed why this legislation is important, “The EITD Act is critical for establishing freedom of information and a global standard for transparency in the oil sector, at a time when oil company profits are reaching record levels.”

Senator Feingold is a co-sponsor of the PWYP-backed legislation. Senator Richard Durbin, also a co-sponsor of the EITD Act, chaired the second hearing on Wednesday, entitled “Extracting Natural Resources: Corporate Responsibility and the Rule of Law.” Testifying at that hearing were two Publish What You Pay members, Arvind Ganesan from Human Rights Watch and Bennett Freeman, Board member of the Extractive Industries Transparency Initiative and Board member of PWYP organization, Oxfam America.

Mr. Freeman highlighted the importance of these hearings, stating, “The United States is seeking a secure energy supply and can no longer rely on countries undermined by poor governance and weak rule of law. These hearings highlight the imperative of strengthening the transparency and accountability of natural resource extraction, not only because it benefits businesses, investors, and citizens living in resource-rich countries, but also in the interest of our own U.S. energy security.”

The Publish What You Pay coalition urges both the Senate and the House of Representatives to pass the EITD Act, a crucial step toward providing the information necessary to fight corruption and promote accountability in the extractive industries.

For more information about the Extractive Industries Transparency Disclosure Act, visit www.OpentheBooks.org or contact Sarah Pray, PWYP U.S. Coordinator at (202) 721-5623 or spray@pwypusa.org.

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