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Publish What You Pay – United States Applauds EITI Acceptance of US Candidacy Application

Publish What You Pay (PWYP), the global network campaigning for greater openness in the extractive sector, welcomed yesterday's announcement that the board of the Extractive Industries Transparency Initiative (EITI) has accepted the United States as a candidate country.

With the acceptance of its candidacy application, the United States is one step closer to ensuring that its citizens have access to useful, comprehensive information about the management of the country's natural resources. The United States joins over 40 countries in this global movement for greater transparency and accountability from extractive companies and from governments.

This welcome news puts pressure on the Securities and Exchange Commission (SEC) to schedule a rulemaking for a complementary disclosure provision, Section 1504, passed in 2010 as part of the Dodd-Frank Act. Section 1504 requires oil, gas and mining companies listed on US stock exchanges to publish their payments to both the federal and foreign governments for resource extraction. The final rule for Section 1504 was released in August 2012, but an oil industry lawsuit has sent the rule back to the SEC for revision.

"The SEC needs to move quickly to schedule a rulemaking to implement Section 1504," said Jana Morgan, National Coordinator for PWYP-US. "It is important that Section 1504 and the USEITI are able to work hand in hand to give citizens a clear picture of the costs and benefits associated with America's natural resource sector."

The US candidacy application was created by a multi-stakeholder group comprised of representatives from civil society, industry, and government. Danielle Brian, executive director of PWYP-US member Project On Government Oversight, chairs the civil society sector. US government support of Section 1504's 2012 rule – particularly from the Department of the Interior – as well as a robust USEITI process, demonstrates that the government views the two initiatives as complementary.

"Not only will the USEITI give US taxpayers insight into how much money flows into the national budget from our scarce oil and mineral resources, but through its participation in the initiative, the US is showing global leadership on transparency," said Brian. "From civil society, we stand ready to protect and continue to push for that leadership, so that the US can do right by its citizens, and set an example for the rest of the world."

Greater oversight of extraction, as provided by the EITI standard and Section 1504, is so vital because royalties from natural resources are among the US government's largest sources of income. Last year, the Department of the Interior collected over \$14 billion in royalties and other fees on behalf of American taxpayers from extractive companies. However, absent a credible transparency regime, there is no way for citizens to know precisely what their government is actually owed.

As a signatory to the EITI, the US government is better positioned to ensure that American taxpayers get every dollar they are due from the extraction of oil, gas, and minerals from public lands. The first report is expected to be published in December 2015.

The EITI standard requires governments to publicly disclose their revenues from oil, gas, and mining companies, and for companies to make parallel disclosures of payments made to governments. An independent administrator will reconcile the two sets of disclosures and publish them alongside contextual information in publicly available reports. Similar to Section 1504's August 2012 rule, the EITI also requires public reporting, by project and by company.

The scope of EITI in the United States will go beyond the international standard. In addition to payment information about oil, gas, and coal, the USEITI reports will include information about hardrock minerals (such as gold, silver, and copper) and renewable energy sources (such as geothermal, solar, and wind). The USEITI reports will also include unprecedented disclosures by the Department of the Interior, as well as a "publicly sourced narrative" of authoritative information on extraction in the United States.

President Barack Obama first committed the United States to joining EITI in the 2011 National Action Plan for the Open Government Partnership. The recently released Second National Action Plan reaffirms the Administration's commitment to upholding the EITI standard.

Press Contacts:

Jana Morgan - National Coordinator, (202) 496-1189, jmorgan@pwypusa.org

Mia Steinle - USEITI Civil Society Coordinator, (203) 347-1122, msteinle@pogo.org

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[Publish What You Pay](#) is a global civil society coalition that believes that the wealth generated by oil, gas and mining industries can be a pathway to poverty reduction, stable economic growth and development in resource-rich countries. Founded in 2002, PWYP comprises over 800 organizations working from nearly 70 countries that advocate for revenue transparency as a necessary ingredient for accountability. In the U.S., PWYP comprises 35 members, including development, faith-based, human rights, environmental, financial reform and anti-corruption organizations representing over 2.5 million constituents spread through every state in the nation.

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