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Bipartisan bill proposes simple SEC rule change to help stabilize U.S. energy sources and raw materials

Oil, gas and mineral companies can reduce global instability by opening the books on their payments, say investors, industry experts, and human rights advocates

Washington, D.C.— A little more public information could make a big difference in the stability of U.S. energy supplies, say congressional and industry leaders and leading international activists who have renewed the call for a “publish what you pay” rule change at the U.S. Securities and Exchange Commission.

The “Energy Security through Transparency Act of 2009” was introduced today by Senators Richard Lugar (R-IN), Ben Cardin (D-MD), Charles Schumer (D-NY), Roger Wicker (R-MS) and Russ Feingold (D-WI). The bill would require energy and mining companies to reveal how much they pay to foreign countries and the U.S. government for oil, gas, and other minerals.

“‘Publish what you pay’ is an idea whose time has come,” said Sarah Pray, coordinator of the U.S. arm of the international campaign by that name. “Corruption and mismanagement of extractive resources can deny citizens the benefit of their country’s resource wealth and, ironically, leave the majority of the people poorer and worse off than they were before. One solution is greater transparency, which allows local communities and international organizations to hold governments accountable for how funds are spent and decrease public distrust the likelihood of unrest or violence.”

Leaders of the Publish What You Pay campaign spoke on a conference call for reporters yesterday about how the current lack of open information creates risks for investors, and how the simple rule change they seek at the U.S. Securities and Exchange Commission could improve the stability of America’s energy supply.

The rule change, if approved by Congress, would for the first time require country-by-country reporting of each oil, gas and mining company’s expenditures for raw materials, including energy resources.

Equipped with that information, investors could better evaluate risks to companies’ operations and asset bases. And citizens in each country could lobby for responsible management of the income, rather than face secrecy that has fed instability and even armed revolt in a growing number of countries.

“Just by opening the books on these transactions, we can lower the risk of disruptions to the flow of resources on which the global economy depends,” said Bennett Freeman, Senior Vice President for Social Research and Policy, at Calvert Asset Management Co. “We’d be reducing the potential for instability in key regions around the world, and strengthening America’s energy security at the same time.”

“Clear and open information benefits a resource-rich country like ours by bringing these enormous financial deals into the light, which reduces the temptation for embezzlement and corruption when they are kept secret,” said Bishop Akolgo, Executive Director of the Integrated Social Development Centre in Ghana. “It enables the citizens of the country to insist on their fair share of the great wealth that is created when their nation’s resources are mined and placed into international commerce.”

Dave Baker, Vice President and Chief Sustainability Officer for Newmont Mining Company, added, “The responsible development of mineral resources can bring great benefit to a country and its people, but only when good governance is in place to monitor the distribution of those benefits. By introducing greater transparency into the process, we believe this legislation can help promote increased accountability which is in everyone’s best interests.”

For more information, please visit www.OpentheBooks.org or contact Sarah Pray at (202) 721-5623 or spray@pwypusa.org.

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