

Congress of the United States
Washington, DC 20515

October 2, 2014

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Obama,

We write to highlight the critical role Burma's mining, gas and oil industries will play in determining prospects for prosperity, stability and democracy in the country. We urge you to use your upcoming visit to Burma to call on the Burmese government to live up to its promises of reform, by allowing citizens access to the information and freedom they need to hold the government and companies to account for the management of their country's most valuable resources.

Burma is famed for its natural riches, but five decades of military dictatorship, corruption and repression have deprived its people of the benefits from these resources. Natural gas, rubies, jade, oil, gold and other minerals and gemstones generate billions of dollars per year, yet one in four citizens lives in extreme poverty, and over one third of children under five are suffering from long-term malnutrition.

Rather than fostering development, the proceeds of Burma's natural resource exports have instead financed the military elite's repression of the rest of the population. Much of the country's natural resource wealth remains under the opaque control of military families and associated 'crony' tycoons. The consequence is that those with the most to lose from the reform process retain the financial means with which to obstruct it. This situation poses a serious and imminent threat to freedom and democracy in Burma which must be addressed.

Moreover, much of Burma's resource wealth is located in, or only accessible via, areas which are subject to long-standing conflicts between the central government and non-state armed groups. As long as the country's non-Burman ethnic groups are deprived of fair access and share of these resources, or even the most basic data about how they are being exploited, by whom and for whom, a comprehensive and lasting peace settlement may remain elusive.

Despite commitments to transparency and good governance, decision-making over the management of Burma's natural resources remains largely hidden from public scrutiny and citizens continue to face restrictions to their ability to speak out, particularly at the regional level.

On July 2, 2014, Burma became a candidate country of the Extractive Industries Transparency Initiative (EITI), a global standard for transparency in the oil, gas and mining industries, which recommends the publication of company ownership and contract terms. A month later, Burma signed a host of oil and gas contracts, the terms of which have been kept secret. The laws and regulations governing the extractive industries are currently being revised behind closed doors, with no public consultation. Drafts of the first of these new pieces of legislation contain no provisions on public disclosure of data and do not reflect any of the promises of greater transparency made by the government through the EITI process.

In response to external pressure, some companies holding oil and gas blocks have started to declare who ultimately owns and controls them. However, many have declined to do so and there is no information in the public domain on the real owners of the companies that hold Burma's mining and gemstone licences, which are potentially far more valuable. This leaves the door open for military families and their business cronies to conceal their exploitation of these resources.

During your last visit to Burma in November 2012, you stated that:

“Reforms launched from the top of society must meet the aspirations of citizens who form its foundation. The flickers of progress that we have seen must not be extinguished – they must be strengthened, they must become a shining North Star for all this nation's people.”

U.S. demands for economic and political reform in Burma have significantly helped persuade President Thein Sein's government to commit to greater transparency and accountability in the management of Burma's natural resource sectors. However, the gap between the Burmese government's promises and its delivery is widening.

We therefore urge you, during your visit to Burma, to call on the Burmese government to ensure provisions on transparency and accountability are incorporated into revised laws, regulations and policies governing the extractives sector, and negotiated into new contracts and licences. Such provisions should include the publication of extractive project revenues, ultimate beneficial company ownership and contract terms, and protections to enable freedom of expression. And, we urge you to use the “United States G8 Partnership with Myanmar on Extractives” to provide any technical, financial and political support required to ensure the above reforms are enacted as a means of closely monitoring and reporting on progress.

Going forward, it's critical that the United States use its leadership role within the EITI process to encourage the EITI's standard's full and rapid implementation in Burma, including publication of companies' beneficial ownership, contract terms, project revenues and the development of an enabling environment for Burma's civil society.

We are committed to encouraging prospects for peace and real and democracy in Burma. This is a critical component of that process. Thank you for your attention to this urgent issue.

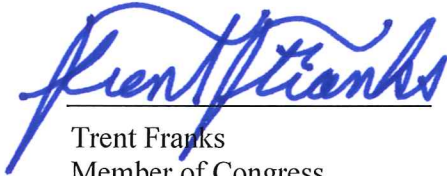
Sincerely,



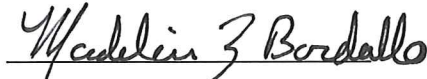
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Member of Congress



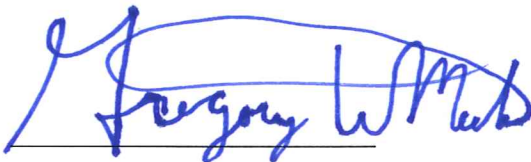
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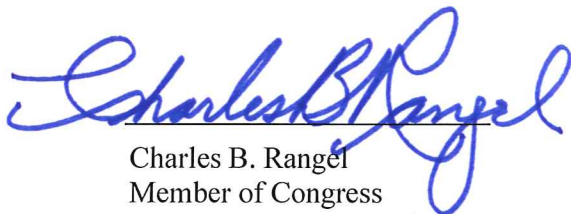
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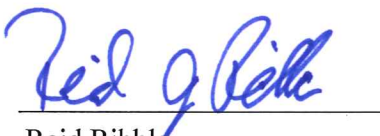
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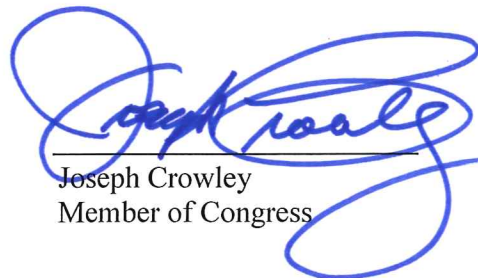
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