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Norway's national oil company Statoil withholds support from US anti-transparency lawsuit

Norwegian state-owned oil company Statoil has formally distanced itself from a U.S. oil industry lawsuit that seeks to scrap a landmark transparency and anti-corruption law established in the United States.

The lawsuit, brought by the American Petroleum Institute (API) and others against the US Securities Exchange Commission (SEC), aims to 'strike out' Section 1504 of the Dodd Frank Wall Street Reform and Consumer Protection Act (2010), which requires oil and mining companies that report to the SEC to publish the payments they make to governments to end secrecy in oil deals. As a result, Statoil and other companies that list shares on the New York Stock Exchange are required to disclose country and project specific payments to governments under SEC regulations entered into force in November 2012.

Baiba Rubesa, Statoil's Vice President for Corporate Social Responsibility, stated in a [letter](#)¹ to anti-corruption watchdog Global Witness, that:

"Statoil has not supported the lawsuit initiated by API; in fact, Statoil has explicitly withheld support for the litigation. As you know, we have not taken an active stand regarding the law suit, but chose to communicate our view on the new rule to the SEC, internally in the API and in other relevant fora."

As a member of the API, the Norwegian company, which is 67% state-owned, came under pressure from campaign groups for publicly claiming to support anti-corruption legislation whilst failing to disassociate itself from a lawsuit which seeks to remove transparency laws from US statute books.

"By attempting to repeal this provision in the US law, the API is threatening to strike down a vital mechanism to improve transparency, reduce corruption, mobilise revenue for development and transform the lives of millions of people living in poverty", said Brendan O'Donnell of Global Witness. "Given Statoil's avowed public support for anti-corruption measures they have no other choice but to reject this lawsuit."

The API alleges that the disclosures in countries that prefer secrecy will put billions in operations at risk. However, Statoil already discloses its country-level payments to governments in the 36 countries where it operates, including Angola, China, Libya, Russia, Venezuela and the United States.

“Although Statoil has expressed its concerns about elements of the 1504 law, the fact that an incredibly profitable company like Statoil chose to communicate their views about the law through regular fora, rather than a lawsuit, raises serious questions about claims being made by API,” said Isabel Munilla from the US Publish What You Pay coalition.

“This aggressive lawsuit aims to undo regulations agreed through a two-year democratic, participatory and transparent process, and to overturn a law that was six years in the making in U.S. Congress”, adds Munilla. The transparency law has the support of President Barack Obama, the U.S. State Department, former Secretary of State Hillary Clinton and numerous other high profile U.S. government officials.

Statoil’s previous lack of clarity about its support for the suit was a potential source of embarrassment for Norway. Oslo hosts an important Board meeting of the Extractive Industries Transparency Initiative (EITI) this month, at which new voluntary rules for improved transparency in the extractive industries are under discussion.

Mona Thowsen, secretary general of the Publish What You Pay campaign in Norway, stated, “the Norwegian government, as owners of Statoil, cannot be associated with supporting a lawsuit against transparency and democracy, whilst at the same time collaborating on Norwegian laws that may go further than the minimum standard now set in law in the U.S.”

BP, Exxon, Royal Dutch Shell and Chevron are likely to come under criticism for participating in EITI discussions in Oslo about improving transparency whilst simultaneously fighting to remove US transparency laws in Washington. Shell and other European oil companies continue to be criticised for lobbying to weaken equivalent laws being negotiated in the EU.

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Notes to editors:

1. The full version of the letter can be downloaded here: <http://bit.ly/VKWTNp>

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