Publish What You Pay-US
Strategic Plan
October 2020 – December 2022

Purpose of Document

To update our vision and overarching strategy, PWYP-US has scoped new areas of work, assessing critical issue gaps and their intersection with the interests and expertise of coalition members. Initial scoping included an extensive review of the civil society landscape, domestically and abroad, to understand what other organizations are doing and where the gaps remain. PWYP-US will engage where those gaps match our strengths and areas of expertise. This document outlines the areas of work PWYP-US will undertake, based on information gathered during this scoping exercise and the results of consultations with coalition members.

Background

Since its establishment in 2002, Publish What You Pay (PWYP) has built significant expertise to advocate for transparency, accountability and economic justice related to the extraction of oil, gas and minerals. From analyzing contracts to demanding more financial transparency to putting this information to work in national campaigns around the world – the movement is a force to be reckoned with. One of PWYP's greatest achievements has been the successful campaign to establish mandatory disclosure laws in major capital markets that require oil, gas and mining companies to publish their payments to governments around the world on a project-by-project basis. Today, with more than 700 member organizations in 50 national coalitions, this seasoned coalition stands poised to meet the advocacy challenges of a post-Covid world in climate crisis.

PWYP's new Vision 2025 outlines the next phase of PWYP's work in the near term, including adapting the organization's work to the context of a global energy transition.[1] This organizational evolution is necessary given that a major transformation of the oil and mining industries will be required during this transition, and that opposition by the fossil fuel industry is one of the biggest barriers to the type of effective, coordinated, and visionary global action so urgently needed. [2]

Based on PWYP's work to deter corruption in the oil, gas and mining industries, and its expertise in the industry's techniques for wielding power to influence public policy, there is significant potential for the network to contribute to broader efforts to curb political capture by the fossil fuel industry in order to reverse policies that subsidize continued production and to help catalyze a just transition away from fossil fuels.

[1] *Vision 2025*, Publish What You Pay, 2019. Available from: https://www.pwyp.org/wp-content/uploads/2019/01/Vision-2025-a-people-centred-agenda-for-the-extractive-sector.pdf.

[2] Sian, Bradley, *Transparency in transition: Climate change, energy transition and the EITI*, Chatham House, June 2020. Available from: https://www.chathamhouse.org/2020/06/transparency-transition-climate-change-energy-transition-and-eiti.

PWYP-US played a pivotal, leadership role in the global network by advancing the decade-long fight for mandatory disclosure legislation. PWYP-US continues to champion this issue by advocating for a strong SEC rule to implement Dodd-Frank Section 1504. The coalition's work is now evolving. The coalition will continue to hold oil, gas and mining companies accountable for paying their fair share for the extraction of natural resources, but is now exploring how we can contribute our skills to the movement for climate justice, the urgent need for a global energy transition and a rapid fossil fuel production drawdown in the US.

Context

Climate action is urgent

As the world warms at an unprecedented pace, governments and companies must act to rapidly phase out fossil fuel production. Given the urgency to transition away from fossil fuels, rapidly increasing reliance on clean energy technologies will also lead to increased mineral extraction. This will require a multi-pronged approach to accelerate the transition away from fossil fuels, which ensures that government revenues support a just and equitable transition for people and communities, and which protects the rights of citizens to influence decisions regarding any new mineral extraction to support the energy transition.

Importantly, countries from the global south must get a fair share of the benefits and opportunities that the energy transition brings. Strong, transparent natural resource governance that puts people and communities at the heart of this agenda is desperately needed to support a just transition. Whilst governments and communities all over the world are dealing with the health and economic crises of COVID-19, there is a real opportunity for resource rich countries to embrace the energy transition as a way to build fairer, healthier and more sustainable societies.

According to a 2019 report by the United Nations Environment Programme (UNEP) and other organizations, global oil and gas production must drop by 40% over the next decade in order to avoid the worst impacts of climate change.[3] But in spite of these projections and general consensus on the need for aggressive supply-side draw down, the fossil fuel industry actually plans to expand production over the next 20 years.

According to Global Witness, these pre Covid-19 plans for expansion are fairly concentrated, with a staggering 61% of new oil and gas production projected to come from the United States, 7% from Canada, and the remainder from different parts of the world.[4] However, the Covid-19 pandemic and the oil price crash have drastically reduced oil and gas demand, leading to shut-ins, bankruptcies, write-downs and changed projections of potential value and production. For example, Wood Mackenzie reduced its valuation of the global upstream oil and gas sector by $1.6 trillion and Rystad reduced

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[3] SEI, IISD, ODI, Climate Analytics, CICERO, and UNEP, *The Production Gap: The discrepancy between countries' planned fossil fuel production and global production levels consistent with limiting warming to 1.5°C or 2°C*, 2019. Available from: http://productiongap.org/.

[4] *The US is set to drown the world in oil,* Global Witness, August 20, 2019. Available from: https://www.globalwitness.org/en/campaigns/oil-gas-and-mining/us-set-to-drown-world-oil/.

projections for recoverable oil resources by 49 billion barrels.[5] Despite these developments, industry plans for continued production remain incompatible with meeting reasonable warming limits.

Historical emitters must curb fossil fuel production first

Global policy coordination to fight climate change should rest on the principle that the wealthiest historical emitters must move first and the rest of the world must get plans in place immediately. Demanding compliance with this principle is now even more important given the counterintuitive plans for increased future fossil fuel production, chiefly in the United States.

These governments must immediately reverse their current policies and instead set ambitious targets for reducing fossil fuel production. While the responsibility rests firmly with these historical emitters, all fossil fuel producing countries must acknowledge that continued reliance on fossil fuel production is unsustainable and increasingly short-sighted if not paired with a plan for managed decline.

While many governments around the world espouse commitment to tackling climate change, their policies and actions demonstrate unwillingness to effectively do so. This is due to the political power of the fossil fuel industry. In countries like the United States, Australia and Canada, lawmakers and regulators at the national, state, and local levels have been effectively captured by the fossil fuel industry, preventing any aggressive action to curtail industry activity.

To achieve the Paris climate goals, we must tackle political capture and fossil-fuel related corruption in resource-rich countries in order to do the "de-rigging" necessary to regain effective regulation and governance over the extractive industries. Nowhere is this more important than in the United States.

Problem analysis—US context

Fossil fuel sector expansion plans incompatible with Paris Agreement

Current plans for fossil fuel sector expansion in the United States are completely incompatible with global climate change mitigation plans to limit warming to 1.5-2°C. According to pre Covid-19 projections, the United States alone will account for 61% of new oil and gas production over the next decade if industry plans proceed unabated. Therefore, preventing the build out of US fossil fuel infrastructure is a matter of global importance. According to a 2019 report by Global Witness, "The sheer scale of this new production dwarfs that of every other country in the world and would spell disaster for the world's ambitions to curb climate change…"[6]

US policymakers facilitate industry expansion

In the first two years of the Trump Presidency, the Republican-controlled Congress dismantled several fossil-fuel related regulations while Trump's appointees in the Department of Interior (DOI), the Department of Energy (DOE), and the Environmental Protection Agency (EPA) did the same, frequently

[5] "Shell's US$22bn write down 'signals fundamental change", Wood Mackenzie, June 30, 2020. Available from: https://www.woodmac.com/press-releases/shell_writes_down_us$22bn_in_assets. See also "Rystad Energy's annual review of world oil resources: Recoverable oil loses 282 billion barrels as Covid-19 hastens peak oil", Rystad Energy, June 17, 2020. Available from: https://www.rystadenergy.com/newsevents/news/press-releases/rystad-energys-annual-review-of-world-oil-resources-recoverable-oil-loses-282-billion-barrels-as-covid-19-hastens-peak-oil/.

[6] *The US is set to drown the world in oil,* Global Witness, August 20, 2019.

without legal backing.[7] Meanwhile, the Administration expanded federal lands available for exploration and production, including long preserved areas like the Arctic Refuge. Oil and gas companies significantly benefited from the 2017 tax law, achieving industry-specific tax exemptions in addition to the subsidies and preferential tax treatment the industry already enjoys at the local, state and federal level. Notably, the industry gained at least $25 billion with the reforms (as publicly disclosed by 17 companies), with Exxon alone gaining $5.9 billion.[8]

These efforts to prop up the extractive industries have not slowed, even in the midst of the global pandemic. The oil, gas and mining industries now receive even more assistance from the federal government under the guise of Covid-related relief. Industry players successfully lobbied for bailouts from the Federal Reserve, tax breaks, royalty relief and widespread deregulation. According to the Institute for Energy Economics and Financial Analysis (IEEFA), the fracking industry is receiving desperately needed public dollars to compensate for years of risky financial decisions that far predate the pandemic. "The CARES Act provides liquidity to companies that would be going concerns if it weren't for the pandemic. At the onset of the outbreak, 52% of all oil and gas debt was either below investment grade or very close to it…the CARES Act was not designed to save an insolvent industry suffering from deep structural problems. For the taxpayer, money to the oil and gas sector is a waste."[9]

This has all occurred as activism surges across the country and constituents increasingly demand bold action from elected officials to combat climate change from their elected officials. In September 2019, thousands of young people shut down cities across the country to uplift this demand. According to Pew research, two-thirds of U.S. adults say the federal government is doing too little to reduce the effects of global climate change and think that the environment and climate change should be a top priority for Congress and the White House.[10] Yet, this public momentum has had little to no impact on the Trump administration and Republican-controlled Senate, and the political power of the fossil fuel industry has prevailed.

Extensive political capture

In the US, many lawmakers and regulators at the national, state, and local levels have been effectively captured by the fossil fuel and mining industries. In essence, they act in accordance with the demands of the industry rather than acting in the public interest for the constituents they purport to represent or the regulatory duties they are mandated to carry out. This capture continues to prevent any meaningful action to curtail industry plans for expansion.

Over the past ten years, Citizens United and subsequent court decisions have established a system of perverse incentives, whereby political power is bought and sold. Monied interests can now engage in legalized corruption to influence elected officials through unlimited political spending. In practical terms, many elected officials *cannot afford* to prioritize the demands of their constituents over corporate

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[7] Nicole Gentile, "Trump is going to kill an Obama-era rule to stop coal companies from cheating taxpayers", Think Progress, March 24, 2017. Available from: https://archive.thinkprogress.org/trump-moves-to-save-coal-companies-money-at-taxpayer-expense-1875f946c1ac/.

[8] Jean Ross, *Revenues at risk? The new landscape of U.S. oil and gas taxation,* Prepared for Publish What You Pay-U.S., February 2019.

[9] Tom Sanzillo, "IEEFA update: Federal lending to the oil and gas sector would be a complete waste of money", Institute for Energy Economics and Financial Analysis, April 27, 2020. Available from: https://ieefa.org/ieefa-commentary-federal-lending-to-the-oil-and-gas-sector-would-be-a-complete-waste-of-money/.

[10] Cary Fund and Brian Kennedy, "How Americans see climate change and the environment in 7 charts", Pew Research Center, April 2020. Available from: https://www.pewresearch.org/fact-tank/2020/04/21/how-americans-see-climate-change-and-the-environment-in-7-charts/.

donors, especially when those donors threaten to fund their political opponents in the next election cycle if they do not serve their interests.

Paired with the multitude of ways that the industry influences elections, companies and industry representatives also aggressively lobby elected officials and regulatory agencies to pass friendly legislation and weaken regulations. Similarly, the industry spends significant amounts of money lobbying for budget reductions for key oversight institutions like the EPA, whose budget has been cut by 20% in the last 10 years.[11] According to research by Influence Map, oil companies outsource their most aggressive lobbying to third party groups including industry associations like the Chamber of Commerce and American Petroleum Institute, which insulates them from direct culpability and gives them more cover when making public pronouncements of climate leadership.[12]

From a regulatory standpoint, this has been exacerbated by the revolving door norms that characterize both Democratic and Republican administrations alike. Most recently, Trump has placed a particularly egregious cast of former oil and mining industry lobbyists and loyalists in senior positions throughout the administration.

Entrenched fossil fuel production subsidies & other fiscal giveaways

The US fiscal regime governing payments owed by oil, gas and mining projects is severely outdated. For instance, the current leasing system for oil and gas production has not been updated since the Mineral Leasing Act of 1920. This means that companies are paying rates set in 1920, including requiring payment of $2 an acre or less for certain leases.[13]The industry has also secured additional tax breaks over the years to minimize their tax obligations and secure more profit.

This corporate welfare allows industry to benefit from both low and high oil prices. According to the Stockholm Environment Institute, “At prices between US$30 and US$70 per barrel, subsidies cause at least 10%—and up to 90%—of oil in not yet-developed fields to go from unprofitable to profitable.”[14] The federal government subsidized expansion into areas like the Permian Basin in West Texas and New Mexico that might not be possible if not abetted by these regressive corporate handouts that distort market realities. At low prices, public support allows projects to be economic, and at high prices, all the benefits of public subsidies go straight into corporate profits. US taxpayers have been given no say in these transactions.

Subsidies include not only tax breaks, but many other ways that extraction is subsidized to make it cheaper and more profitable for companies. For instance, the US federal government has routinely failed to enforce the requirement that companies provide bonds to cover the expenses of properly closing down a project. Thus, the cost of cleanup and reclamation of old oil wells is passed onto the public, and taxpayers end up covering the bill. Corruption and mismanagement during leasing processes also subsidize extraction wherein the Department of Interior accepts bids that are below fair market value, giving away production rights to lucrative tracts at artificially low rates.

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[11] John Noel, *The Chilling Effect of Oil & Gas Money on Democracy*, Clean Water Action, 2016. Available from: https://www.cleanwaterfund.org/sites/default/files/docs/publications/Money_in_Politics_05%2003%2016a_web%20-%20FINAL.pdf.

[12] Influence Map, *Big Oil’s Real Agenda on Climate Change*, March 2019, Available here: https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76220bddc.

[13] https://thehill.com/blogs/congress-blog/energy-environment/485512-its-time-to-bring-outdated-oil-and-gas-leasing

[14] Peter Erickson, Adrian Down, Michael Lazarus, and Doug Koplow, *Effect of Subsidies to Fossil Fuel Companies on United States Crude Oil Production* in Nature Energy, 2017. Available from: https://www.eenews.net/assets/2017/10/02/document_gw_01.pdf.

These deregulatory policies drive the climate crisis and endanger communities. They increase air and water pollution that threaten the ecosystems and the public health of those living near the sites of operation, often low-income communities of color. In places like Louisiana's "Cancer Alley", residents of the majority black St. James Parish face the ongoing impacts of continuous chemical pollution from the 150 petrochemical plants that have been developed there over the past 30 years. Unfortunately, this is not uncommon. Earthworks' threat map demonstrates that 12.6 million people live within a "threat radius" due to their proximity to sources of oil and gas pollution.[15] The industry continues to use the racist and dehumanizing concept of "sacrifice zones" as merely negative externalities of doing business.

Outmatched state and local governments routinely fail to protect frontline communities from economic and environmental injustice

Federal subsidies are coupled with state and local tax breaks provided to the industry. This is in part thanks to companies' massive public relations campaigns, including threats that if too much tax is levied, or "burdensome" environmental regulations proposed, they'll be forced to leave for a more accommodating location. Using such intimidation, coupled with strategic corporate social responsibility programs, companies mislead the public and local policy makers by stoking fear of abandonment and local economic collapse. Companies then use their influence to win sizable tax exemptions that deprive local governments of much needed revenue. As one local group in Louisiana put it, these tax exemption programs are "why Louisiana stays poor."[16]

Companies and policy makers defend these exemptions by arguing that companies are invaluable job creators, but this is not always the case. The industry often provides a very small number of permanent jobs compared to the size of the exemptions.[17] For instance, in 2010, Cheniere Energy received such a large exemption compared to jobs created in Louisiana that the tax expenditure per job was over seven million dollars.[18] These tax expenditures have direct impacts on essential public services, as oil and gas revenues directly fund education systems in states including Colorado, New Mexico, Texas, West Virginia, and Oklahoma. When local and state governments forego oil, gas and mining revenue, marginalized communities most dependent on public services face the consequences, thereby exacerbating inequality.

Even though state and local governments forgo sizable amounts of revenue due to these tax breaks, they have nonetheless become economically dependent on the little they do receive. This means that state and local governments that continue to prioritize fossil fuel dependency over long term economic and environmental well-being are putting their citizens at risk, given that oil dependence is not economically viable in the long term. This risk is not hypothetical, as demonstrated by the experiences of former coal mining communities.

If state and local governments do not start to pursue a managed, planned decline from fossil fuel dependence, communities will eventually face economic chaos as markets shift away from fossil fuels.[19]

[15] Oil & Gas Threat Map available from: https://oilandgasthreatmap.com/threat-map/.
[16] Together Baton Rouge, "Why Louisiana Stays Poor", Available from: https://www.togetherbr.org/.
[17] As documented by Good Jobs First, which provides data on the tax revenue foregone per job to highlight this discrepancy.
[18] Philip Mattera, Kasia Tarczynska, and Greg LeRoy, *Megadeals: The Largest Economic Development Subsidy Packages Ever Awarded by State and Local Governments in the United States*, June 2013. Available from: http://www.goodjobsfirst.org/sites/default/files/docs/pdf/megadeals_report.pdf.
[19] Janet Redman, *Dirty energy dominance: Dependent on denial*, Oil Change International, October 2017. Available from: http://priceofoil.org/content/uploads/2017/10/OCI_US-Fossil-Fuel-Subs-2015-16_Final_Oct2017.pdf.

Local groups are highlighting this reality in their communities in order to build a strong base of opposition to counter the overwhelming political, economic, and cultural dominance of the industry in these areas. They are demanding that policy makers immediately begin to implement plans for a just, managed economic transition away from fossil fuel dependence.

The industry and its political operatives are reacting to community opposition by attempting to limit avenues for civic engagement and protest—whether it be one concerned individual going to a municipal hearing to testify against a petrochemical project, or many individuals engaging in civil disobedience to block construction of a pipeline. Activists and concerned citizens who oppose industry are increasingly at risk of serious criminal consequences. Over 100 draconian bills have been introduced and 22 enacted to limit civic engagement and protest across the country, including in many fossil fuel rich states.[20] Outside of these measures, local activists are routinely intimidated, harassed and threatened for posing opposition to the industry.

<u>Oil market crash and an entrenched industry</u>

Unfortunately, even in the face of the Covid-19 pandemic and resulting economic and public health crisis, oil companies and their political allies continue undeterred in their attempts to capture urgently needed public monies and manipulate the circumstances in their favor. As the public health crisis broke out, oil and coal companies, trade associations and elected officials in oil-rich states began efforts to achieve royalty relief for companies, regulatory relief from the EPA, and to win bail out money for the indebted fracking and failing coal industries.

This is quite concerning, since this current moment of economic turmoil provides a stark reality check, and warning of potential future consequences to come. The US fracking and coal industries, which present huge obstacles for supply-side drawdown in the US, are not financially viable. The economic downturn could help shut down these harmful segments of the industry, which companies are seeking to avoid with financial support from the federal government.[21]

While some government officials have proven all too eager to support the fracking buildout by providing financial support, in this economic moment even that might not be enough. And while that may be good for climate reasons, the lack of preparedness in fossil fuel-dependent areas will be devastating in the short term. However, this hard lesson might galvanize local leaders in places like Texas, Louisiana and Pennsylvania to set their communities up for future success through diversification and prudent economic planning for a managed transition.

Role for Publish What You Pay (the global coalition)

This moment calls for the Publish What You Pay global movement to evolve. As a powerful global network of organizations focused exclusively on oil, gas and mining governance, PWYP must acknowledge our collective duty to incorporate global demands for a just energy transition into our goals and to adapt our advocacy to support this fight. This movement cannot pursue its objectives for

[20] "US protest law tracker", International Center for Non-Profit Law. Available from: https://www.icnl.org/usprotestlawtracker/.
[21] Lukas Ross, *Cashing in on COVID: Tax breaks, royalties and stimulus loans*, Friends of the Earth. Available from: https://foe.org/resources/cashing-in-on-covid-tax-breaks-royalties-and-stimulus-loans/.

natural resource justice if our agenda is decoupled from the climate justice movement—the two must be joined up.

This does not require a wholesale change in organizational identity or strategy. In fact, many PWYP coalitions and members already engage in climate work. The network must evaluate its current priorities to explore how our work can be adapted and harnessed in service of climate justice. For instance, PWYP has leverage to influence many relevant global initiatives like the Extractive Industries Transparency Initiative (EITI), and could use our collective leverage to advocate for the EITI Standard to incorporate climate-related disclosures. In addition, PWYP members have advocated for contract disclosure in the extractive industries for years to publicize information about these lucrative deals. In the context of a global energy transition, contracts are a critical tool to understand legal or contractual obstacles - like stabilization clauses - that might prohibit domestic policy action to phase out fossil fuels.

PWYP also has a unique value to add to the global movement for climate justice because of our expertise in the economics of extraction. Many strong climate groups are successfully making the case for a just transition based on arguments of climate justice. But PWYP could help to successfully make the case for a just transition based on arguments of economic justice. In fact, the failing economics of extraction are even more convincing to some audiences than climate-related arguments.

PWYP's Vision 2025 strategy calls on members to revisit the essential question in the chain of change—"to extract or not extract." According to the plan, "By 2025, more communities will be able to make that decision—including saying no to extraction—with the information, the courage, and the respect for their rights."[22] The PWYP Operation Plan 2020-2022 also acknowledges the need to proactively evaluate and determine a way forward for PWYP and individual PWYP chapters in light of the global energy transition. As stated in the plan, "Above all, the threat of catastrophic climate change will require radical changes to the world's extractive industries in the coming years, with big and unpredictable implications for PWYP coalitions."[23]

Beginning in early 2020, a number of PWYP members and coalition leads started operationalizing this commitment by outlining new global positions that could be adopted by the PWYP Global Council and new areas of work to guide our exploration and scoping.

This is timely since a number of member organizations and partners to these coalitions are actively working internally to articulate their climate position as part of strategic planning and it is a crucial time to amplify member voices by developing a joint statement. NRGI has included energy transition as part of its new strategic plan, Oxfam is developing a new international strategic plan that links extractives and energy transition, and Global Witness has shifted its overall strategy to focus on the climate crisis, and launched a new campaign against fossil gas.

Role for PWYP-US

[22] Vision 2025: A people-centred agenda for the extractive sector, Publish What You Pay, 2019. Available from: https://www.pwyp.org/wp-content/uploads/2019/01/Vision-2025-a-people-centred-agenda-for-the-extractive-sector.pdf.
[23] *PWYP secretariat operational plan 2020-2022*, Publish What You Pay. Available from: https://www.pwyp.org/wp-content/uploads/2020/02/PWYP-Secretariat-operational-plan-2020-2022-EN.pdf.

PWYP-US has played a key role shaping PWYP's trajectory into energy transition work.[24] PWYP-US will continue to support PWYP to take on new global level advocacy and campaigning on the energy transition building on PWYP's historical strengths and value add.

At the same time, PWYP-US will expand its domestic portfolio. The United States is the world's largest fossil fuel producer and plans for industry expansion put the world at risk. PWYP-US, as well as PWYP chapters in other historically high emitting high income countries, must adapt their work to address the supply-side crises in our countries and prevent extraction from domestic "carbon bomb" hotspots that threaten the future of the entire planet. PWYP coalitions in the US and other similar producer countries cannot be silent in the fight against continued fossil fuel dominance in our political systems.

Findings from domestic scoping

In undertaking domestic scoping, the PWYP-US Director reviewed existing scoping documents, engaged in informal discussions and interviews with members and allies, and conducted substantial desk research.

The coalition first began exploring domestic advocacy work on oil and gas tax loopholes and subsidies after the last implementing rule for Dodd-Frank Section 1504 was adopted in July 2016. This scoping work was subsequently put on hold due to the unexpected repeal of the 1504 rule by Congress using the Congressional Review Act in February 2017, as well as the withdrawal of the US from the EITI shortly thereafter. The coalition had been working on both the implementation of the Section 1504 rule and the US implementation of the EITI, and had to shift its attention to responding to these dramatic policy reversals.

Although we had to pause most scoping efforts due to these developments, in 2018 the coalition commissioned an internal analysis of the 2017 US tax law and its impact on extractives companies with funding from the Hewlett Foundation. Under new leadership, PWYP-US resumed these scoping and strategic planning efforts in late 2019. Building on the seed funding provided for the initial scoping in 2016, the Hewlett Foundation has just renewed support for the coalition and its plans for increased domestic work.

While PWYP-US is a relatively new entrant in the domestic space, many of our members are not. To date, the coalition's US work has largely been limited to SEC transparency regulations and US EITI. However, several PWYP-US members have strong domestic portfolios and years of experience (including working on the USEITI as noted above). This rich body of knowledge is invaluable and also helped inform the scoping.

Our scoping has resulted in several important insights that have informed our initial strategic framing described below--

- The broader US civil society landscape includes a multitude of groups working on climate change, corporate capture, and economic justice, but fewer groups working at the intersection of these three issues. Actors in the "climate" cohort and "anti-corruption" cohort both think that

[24] PWYP US, with PWYP Canada and Australia, led a consultation on a global PWYP climate position and presented draft recommended position to the PWYP Global Council. As of Oct 21, this was under review and a decision is expected in November/December 2020.

further collaboration between the two groups would be valuable and would help strengthen the efforts of each.

- Similarly, given the interests of young voters, public narratives that focus on the intersection of climate injustice and corruption could be especially compelling.
- There are several groups working on corporate capture, of which only a small subset of groups are working on fossil fuel specific corporate capture. Furthermore, even fewer groups are working to bridge the divide between advocacy and campaign efforts at the local and national levels.
- There is a small but strong cohort of groups working to build a legislative foundation for future oil, gas and mining subsidies and fiscal regime reform that PWYP-US should plug into in order to understand current strategy, potential gaps and areas where further contribution is needed.
- While national level work should not be abandoned, several indicators point to the importance of local and state level work as particularly impactful in the current context. Moreover, wins at local and state levels could help build momentum toward national reform. Groups working at the state level have expressed the need for more support, especially in areas where the supply-side build out is rapidly ramping up, like in the Permian Basin region.
- Threats to civic space are increasing as anti-protest laws get passed in states around the country. However, there are several groups working on this and more contributions here might not be needed.
- There is a small number of groups working on both oil and mineral extraction, often through a focus on cross-cutting issues like the preservation of public lands, community rights, environmental justice, and fiscal regime reform. While a short-term emphasis on fossil fuel extraction may be important, PWYP-US should not abandon our work on mineral extraction and should continue to explore entry points into mineral sector advocacy in collaboration with other groups.

PWYP-US value add

As the result of PWYP's specific experience working on the corrupting effects of oil and mineral extraction as well as these industries' advanced methods for depriving governments of deserved revenue, we have gained valuable insights into how to most effectively detect and push back against these activities. PWYP-US members have significant technical and policy expertise on issues of corruption, oil, gas and mining economics, and tax justice, among other areas. Notably, our work on corruption around the world helps us apply a critical "corruption" lens to the US, something that is oftentimes missing from the conversation in the US and other wealthy countries commonly assumed to be well-governed. This perspective will allow us to fill important gaps in exposing avenues for corruption that may be lesser known and therefore less attended to by other groups.

PWYP-US also has a strong history of long-term campaigning and policy reform. We know how to build the foundations for policy change over time and how to use the voices of our different members strategically to maintain an important balance between "insider" and "outsider" tactics. For instance, while one group might leverage its voice to engage in "outsider" campaigning to expose wrongdoing and construct a compelling public narrative that can help build public momentum, another member might complement that approach with closed door advocacy with top leadership within certain companies and government institutions. This dual approach to campaigning can be quite effective.

Meanwhile, as part of the broader PWYP network, the US coalition works to build analyses and narratives that resonate at the local, national, and international levels, in coordination with our counterparts in other countries. We often start at the project level. Project-level analysis has been the core of our work for over a decade, as this detailed local-level work provides the information necessary to shed light on shady deals right at the source, for the communities most impacted. Project-level economic analyses also provide high value, technical information that helps empower local groups who might otherwise be intimidated by the complexities of project economics. It equips people with the evidence needed to demonstrate what they often already know to be true and therefore serves to strengthen their campaigning. PWYP-US believes that this localized, bottom-up approach is essential and complementary to top-down policy reform efforts. Within PWYP-US, there are several experts who model projects and provide economic analysis. These analyses have been used by community and civil society groups around the world to expose corruption, detect corporate tax avoidance and shed light on risky projects. There is no reason they can't be similarly useful in the US.

This local level work helps inform our national level advocacy efforts to make sure that policy reform is based on evidence from the ground. With this information, PWYP-US can employ our extensive advocacy experience to build political momentum for necessary reforms. We also leverage international spaces to triangulate our local and national-level efforts. For instance, in 2018, PWYP-US used the EITI as an important global venue within which to hold Chevron and Exxon accountable for their efforts to roll back the implementing rule for Dodd-Frank Section 1504 in the US. Our global reach also helps us connect actors across countries to increase the effectiveness of our work around common targets.

From our initial scoping, it is worth noting that the broader US movement includes a multitude of groups working on climate change, corporate capture, and economic justice, but fewer groups working at the intersection of these three issues. The PWYP-US coalition could play an important role in bringing these groups together and serving as a facilitator between different movements to build alliances since the coalition is composed of a unique and diverse set of actors. PWYP-US can facilitate connection and collaboration across these movements where relevant to advance work to combat political capture. This will help to create a "through-line" and enable us to build a compelling public narrative connecting political capture to harmful subsidization and economic injustice.

Suggested areas of engagement

Work Area 1: Tackling the corrupting influence of the fossil fuel industry

- *Reduce the influence of the oil and mining industries on elected and regulatory officials at the US federal level and in key fossil fuel and mineral producing states.*
    - *Help build a compelling public narrative through campaigns that expose, toxify and eventually disempower the major players responsible for political capture by the fossil fuel industry.*
    - *Engage in evidence-based advocacy to guide policy reforms at the state and federal level aiming to curb corruption, political capture, and the influence of the fossil fuel industry.*

It is important to pursue both “outside” and “inside” strategies for achieving this objective. The first involves public-facing work to build a compelling narrative that helps shape public opinion, galvanize constituents, and toxify corrupt actors and their activities.

Thanks to groups like Greenpeace, 350.org, the Sierra Club and others, there is already a strong constituency across the country mobilized to organize locally to push back against the power of the fossil fuel industry. Most recently, the Sunrise Movement has galvanized young people to demand that politicians refuse political donations from fossil fuel executives, companies, or front groups. Over 2,000 candidates have taken the pledge.

But the industry wields its influence in diverse ways, and we must be exacting in our pursuit to expose, publicly toxify and eventually eliminate all of these practices, including the lesser known tactics. This includes work by the Climate Investigations Center, which expertly identifies fossil fuel front groups, as well as Common Cause, Documented, DeSmog, LittleSis and Influence Map which tracks the industry’s outsourcing of its most egregious lobbying to trade associations and front groups to obfuscate their opposition to progressive climate policies and their efforts to thwart meaningful progress.

It is important that campaigning on this topic tells the full narrative of political capture, from the money that goes into rigging the system to the money and benefits coming out to support the fossil fuel industry and all of the actors involved. To be most effective, this campaigning must connect issues of economic injustice felt by millions of Americans to the corporate welfare received by companies so that citizens clearly understand that our regressive economy is a result of policy choices made by elected officials who can be voted out of office. This is similar to how the Parkland-led Never Again movement has targeted the National Rifle Association and associated politicians. This serves to discredit and delegitimize these “captured” politicians in an effort to make this sort of corruption unviable for political survival.

This public-facing work is also critical if we are going to elevate, expose and ultimate undermine the practices of companies and their industry associations. Similar to how citizens can be mobilized to demand accountability from their elected officials, we can help coordinate and activate a diverse array of corporate accountability actors, including responsible investors, watchdog groups and others to demand a shift in corporate behavior, especially their involvement in and support for industry associations that obstruct meaningful political progress on climate change.

Effective public campaigns will contribute to the political momentum needed to drive meaningful policy change. A new coalition has come together to advance H.R.1, a groundbreaking legislative democracy reform package aimed at stopping several forms of corporate capture, among other objectives.

Corporate capture and democracy reform advocacy options include:

❏ Dark money, elections & campaign financing reform- This is a key staple of H.R.1 and the broader movement for democracy reform at the federal level regarding the outsized corporate influence over elections and elected officials. Progress is also being made on this issue in states across the country—including solidly red states like North Dakota with the passage of a constitutional amendment introducing a state ethics commission, a foreign campaign contribution ban and other related measures.[25] Such reforms could be especially important in fossil fuel stronghold states, if reforms included prohibitions on the multiple avenues for corporate capture by the fossil fuel industry.

- ❏ Corporate transparency and political spending disclosure-- This also compliments ongoing efforts aimed at increasing corporate transparency and accountability for their political influencing activities including support for trade associations and other forms of opaque political spending. This campaign specifically intends to influence the SEC to adopt and enforce a mandatory political spending disclosure rule but also includes work by shareholders and investors to use shareholder resolutions as another tool to require companies to disclose their political spending.
- ❏ Government ethics reform-- Policy change is also needed to curb corporate influence over non-elected officials in key regulatory agencies, like the EPA, Department of Interior, and Department of Energy in the case of the oil, gas and mining industries. Reform priorities include prohibitions on 'revolving door' patterns, tighter policies and enforcement of conflict of interest issues among others.

However, additional work is needed in the interim if we are to curtail the influence of the fossil fuel industry over our elected officials and reverse entrenched regulatory corruption at the local, state and federal level in the near future. Thus, additional advocacy will be needed outside of this suite of democratic reforms to curb certain forms of industry specific capture and reverse the harmful policies that have been passed as a result of this corruption.

- *Reverse policies in the US that are subsidizing fossil fuel and mineral exploration and production and encouraging poor resource governance practices domestically and abroad.*
    - *Help build public and political opposition to the wide array of 'subsidies' provided to the industry for domestic extraction as well as the US government's exporting of these harmful policies abroad through coordinated research, advocacy, and campaigns that engages a wide set of stakeholders and policymakers.*

Despite the political gridlock and rampant corruption, national groups like PWYP-members Earthworks and Friends of the Earth as well as Oil Change International and others continue to lay the groundwork for federal policy reforms through research and advocacy aiming to eliminate the diverse set of fossil fuel production subsidies currently in place. This is a challenging task given levels of support for fossil fuel subsidies on both sides of the aisle, but momentum is building through initiatives like the Green New Deal, new subsidy reform bills like the End Polluter Welfare Act, and important publications and hearings coming out of newly-established committees on the climate crisis in both chambers.

Meanwhile, groups like PWYP-member Project on Government Oversight (POGO), work to expose corruption within relevant regulatory and oversight bodies including the EPA and Department of Interior and the consequences of this corrupted policy making and resulting regulation

Subsidy policy reform options for potential PWYP-US engagement include:

[25] Represent Us, "North Dakota campaign timeline", Available from: https://represent.us/election2018/north-dakota-campaign-timeline.

- Revisions to the tax code to rescind some of the most problematic industry tax breaks for exploration and production, including the intangible drilling cost deduction, excess of percentage over cost depletion, and the tax credit for enhanced oil recovery research.[26]Politically, this is quite a heavy lift given the relatively low appetite among Democrats for another round of major tax reform following the 2017 Republican-led tax overhaul.
- Oil, gas and mining fiscal regime reforms including revocation of outdated royalty exemptions for certain categories of exploration and production, as well as increases to base royalty and fee rates set by the Mineral Leasing Act of 1920. Senators Udall and Grassley recently introduced legislation to do this.[27]
- Congressional action to require reforms within the Department of Interior including:
    - Improved oil and gas bonding requirements on federal land implemented by the Bureau of Land Management, including reassessment of bond rates and requirements that BLM seek funds from former operators for the reclamation of orphaned wells.[28] While DOI reforms may be challenging in the current administration, well reclamation issues are very relevant to everyday Americans, especially those living in fossil fuel rich areas, and could garner public interest and engagement as well as bipartisan support.
    - Oil and gas leasing reforms to disallow non-competitive bidding and correct issues of malfeasance during bidding rounds that result in leases being granted below fair market value. For instance, numerous reports by the Government Accountability Office have revealed that the Bureau of Ocean Energy Management has continuously failed to implement adequate leasing procedures, leading to severe undervaluation of federal offshore tracts.[29]

In addition to these domestic policies, PWYP-US could leverage our role in the global PWYP network to help challenge US government policies and practices that help to replicate these poor governance practices abroad in other resource-rich countries. Targets for this work include the Department of State, through the Energy Resource Governance Initiative, as well as major government financiers like the new US Development Finance Corporation (DFC) as well as the Export-Import Bank of the United States.

Work Area 2: Finishing the job on transparency to inform a managed decline

- *Secure disclosures from oil, gas and mining companies as well as governments in resource-rich countries including key information related to operations and assets, payments, climate-related financial risk and economic vulnerability.*
    - *Advocate for full implementation of a strong payment disclosure rule for all US-listed oil, gas, and mining companies and use the disclosed data to inform domestic advocacy and campaigns.*

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[26] Janet Redman, *Dirty Energy Dominance: Dependent on Denial*, Oil Change International, October 2017.
[27] Steve Ellis, "It's Time to Bring Outdated Oil and Gas Leasing Policies into the 21st Century", The Hill, March 2, 2020. Available from: https://thehill.com/blogs/congress-blog/energy-environment/485512-its-time-to-bring-outdated-oil-and-gas-leasing.
[28] United States Government Accountability Office, *Bureau of Land Management should address risks from insufficient bonds to reclaim wells,* September 2019. Available from: https://www.gao.gov/assets/710/701450.pdf.
[29] United States Government Accountability Office, *Opportunities exist to better ensure a fair return on federal resources,* September 2019. Available from: https://www.gao.gov/assets/710/702062.pdf.

- *Build on our successful global-level campaign for mandatory payment disclosure requirements in most major capital markets to achieve new climate-related disclosures from oil and gas companies.*
- *Implement a climate-focused advocacy strategy to ensure that climate-related financial risk and other relevant corporate and governmental disclosures are included in the next version of the EITI Standard.*
- *Evaluate the existing disclosures that PWYP and members have historically championed (including contracts and payments) and utilize this information in new ways to contribute to greater understanding about climate-related financial risks across countries.*
- *Contribute to new norms, expectations and requirements for government disclosure of public finance and revenue management policies related to oil, gas and mineral dependence and economic plans for energy transition through engagement with the International Monetary Fund (IMF) and other key international development finance institutions related to their programs, policies and positions on fossil fuel and mineral extraction, emerging areas of transparency and accountability, and commodity-backed economic planning in resource-rich countries.*

PWYP-US will continue to champion and push for full implementation of a strong regulation implementing Dodd-Frank Section 1504 in the US to ensure that all eligible US-listed companies report their payments to governments at the project level. 1504 remains a critical tool in shedding light on payments made by oil, gas and mining companies to governments around the world, including the US federal government. The SEC issued a draft rule in January 2020 that PWYP-US and allies analyzed and commented on during the Spring 2020 comment period.

PWYP-US has expertly weathered the political obstacles and challenges to 1504 throughout the Trump administration and will continue to tactfully pursue a strong implementing rule, as well as other transparency policies that will require oil, gas and mining companies to reveal increasing levels of information about their operations, assets and levels of climate-related financial risk existent in their portfolios. This information has immediate material relevance for investors and pensioners with financial ties to the industry but is also important to the general public as efforts to stay within the global "carbon budget" intensify. For instance, information on certain assets and the likelihood of stranding is key for understanding the geography of future extraction, how that relates to Paris-level commitments for phase out and questions of equity around where projects will continue to produce and which countries will face the impacts of early stranding.

So far, voluntary corporate disclosure on climate-related risk has been incomplete and ad hoc. Mandatory disclosure requirements will help force changes in industry behavior and the counterfactual "pro-growth" plans that the industry maintains because it will allow stakeholders to evaluate company's plans and assumptions and demand that companies be more realistic and cease exploring and developing projects that are outside of the global carbon budget. This will help to de-risk the global economy since companies will be forced to stop inflating their valuation with risky assets. BP and Shell already wrote off billions of dollars in assets this year, in part due to Covid-19 and the global economic downturn.[30]

This information will also help inform more strategic campaigning by communities, activists and civil society groups. In 2019, Carbon Tracker evaluated the portfolios of the world's largest oil and gas producers to determine whether any company plans were Paris-compliant. It concluded that "several US shale specialists have portfolios that are entirely out of the [carbon] budget."[31] This information is critical in helping citizens, governments and civil society coordinate and prioritize their efforts around the globe to strategically prevent industry expansion according to project-level information.

PWYP-US is well placed to support campaigns for climate-related financial risk disclosures, for instance, because of our history advocating for mandatory payment disclosures in major capital markets throughout the world. Therefore, PWYP-US could be very helpful in contributing to this campaign, especially through advocacy for pro-active rulemaking from US market regulators like the SEC.

The coalition will also support complimentary efforts aiming to achieve detailed corporate tax disclosure. Tax avoidance tactics like profit shifting serve to further pad corporate profits. Failure to crack down on these practices provides another indirect subsidy to the industry by allowing companies to erode their taxable income and maximize profits far beyond genuine economic activity. Detailed tax disclosures would provide governments with the information necessary to detect tax avoidance and pursue revenues owed which could impact the profitability of oil, gas, and mining companies who rely on tactics like base erosion and profit shifting for their windfall gains.

At the same time, mining companies extracting minerals that are used in renewable energy technologies must also improve and expand their disclosures to ensure that the rapidly growing demand for renewable technology does not precipitate bad corporate behavior. PWYP-US, other PWYP chapters, and members will likely play a leading role in shaping these disclosures to ensure that the global energy transition does not replicate some of the worst ills of the fossil fuel industry.

The global PWYP network has particular influence with the EITI. As we have seen throughout the years, PWYP campaigns have a direct impact on the EITI, as campaigns for mandatory payment disclosure as well as contract disclosure have led to changes in the Standard. PWYP must now deploy this influence to push for an evolution of the standard that better reflects the transparency, accountability, and public participation required from companies and governments throughout the energy transition.

In 2015, a group of environmental and climate organizations wrote to the EITI with a clear and detailed request that the EITI address "specific inadequacies with the EITI's principles, standards and procedures in the context of their failure to take into account climate change impacts, and the consequences of necessary legal and policy reforms and associated risks to the fossil fuel industry."[32] The letter goes on

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[30] Nicholas Kusnetz, "BP and Shell write-off billions in assets, citing Covid-19 and climate change", Inside Climate News, July 2, 2020. Available from: https://insideclimatenews.org/news/01072020/bp-shell-coronavirus-climate-change.

[31] Andrew Grant and Mike Coffin, *Breaking the Habit. Why none of the large oil companies are "Paris-aligned", and what they need to do to get there,* Carbon Tracker Initiative, September 2019. Available from: https://carbontracker.org/reports/breaking-the-habit/.

[32] Letter to the members of the board of the Extractive Industries Transparency Initiative, October 13, 2015. Available from: https://eiti.org/document/letter-from-civil-society-organisations-call-on-eiti-to-consider-climate-risks-in-reporting.

to call on the EITI to "modify its standard to ensure that fossil fuel companies disclose whether or not projects can proceed in a 1.5 or 2° C world" among other changes.[33]

In a recent paper, Chatham House outlined the potential way forward for the EITI, if the initiative wants to remain relevant and impactful.

> *"As the global standard for transparency in extractives, the Extractive Industries Transparency Initiative (EITI) will have to respond to this changing global context, and to the evolving needs of producer countries. With effective engagement, EITI could help ensure that implementing countries have full sight of the risks and opportunities in their national context, and access to the information required to navigate them. Without it, EITI risks becoming less effective as a global governance standard, and less relevant to implementing countries and supporters."*[34]

The EITI has already signaled movement in this direction, but PWYP must work to ensure that certain corporate members of the board do not obstruct meaningful changes to the Standard. PWYP-US has a specific role to play in this effort, since many of the laggard companies on the EITI Board are U.S. based, including Exxon and Chevron.

The "greening" of the EITI Standard will help instrumentalize the EITI as a tool for securing necessary levels of transparency and accountability from governments and companies. It will also send an important message to companies, governments and other stakeholders that efforts to achieve good governance in the extractive industries and efforts to tackle climate change will no longer occur in silos. At the same time, it will prevent laggard companies from using the initiative to "greenwash" their image, thereby improving the credibility of the global initiative.

The EITI will be an important space to advance norms around government disclosure and transparency related to the energy transition. The global energy transition will necessitate an economic transition in many fossil-fuel producing countries. The magnitude of this task correlates with a country's relative level of economic dependence on oil and gas revenues. Countries like Nigeria and Iraq that have failed to diversify their economies now face a huge challenge in trying to make their domestic economies more resilient in the context of a rapidly changing energy market.

PWYP has historically advocated for transparency and good governance in the transactions between governments and companies as well as the ways that governments manage and spend their natural resource revenues once the money paid from companies hits government coffers. While this work remains important, the energy transition requires similar advocacy and citizen participation regarding not only past and present revenue-related decisions, but forward-looking decisions as well. For instance, national oil company transparency is important not only for a better understanding of current public financial management and oil sector budgets, but also to better understand how much public revenue will continue to be invested in the oil sector into the future, and what risk this poses for domestic economic security.

Related to issues outlined above, citizens also must understand the assumptions underpinning economic planning and policy making in fossil fuel rich countries. For example, if a government has incurred debt based on the assumption that the domestic oil industry will result in significant government revenues

[33] *Ibid.*

[34] Sian, Bradley, *Transparency in transition: Climate change, energy transition and the EITI*, Chatham House, June 2020.

for the next 20 years, what happens if domestic assets must be stranded early? How is that revenue gap filled? Likely, citizens will pay the price for risky, oil-backed economic planning. PWYP can play a significant role in helping to uncover this sort of information to highlight risky decision making and allow citizens to demand a proactive, progressive approach to an economic transition in fossil-fuel producing countries.

Relatedly, PWYP coalitions and members can continue to contribute to evolving natural resource governance policies at the IMF, World Bank and other international finance institutions (IFIs) as we have in the past. For instance, following years of successful PWYP campaigning, in 2019 the IMF updated its Fiscal Transparency Code, recognizing both "project-level disclosure of resource revenues and the publication of contracts" as "key transparency practices" that "are now established as international norms."[35] These policies, in turn, have led to progressive policy change in many resource-rich countries. PWYP-US and other chapters must now coordinate to influence the IFIs on issues related to extractive industries governance and the energy transition.

IFIs shape domestic oil, gas, and mining policy decisions through conditions in their loan programs, overarching policy statements and positions, and technical assistance provided directly to governments. Therefore, we must ensure that IFIs are not using any of these tools to encourage risky decision-making. This includes advocacy to push back against tacit or implicit support from different international financial institutions for extraction from global carbon bombs and controversial mining projects.

This also includes advocacy related to issues of public financial management and natural resource revenue governance. For instance, there is growing concern over the IMF and their role in encouraging governments to continue to incur commodity-backed debt. This is especially true for regions like East and Central Africa, where pre-producer countries are taking on huge amounts of debt with the plan to repay these debts once oil and gas projects come online. Uganda, for instance, is bordering on a debt crisis in order to finance the development of a hugely expensive oil sector while other countries like Chad, South Sudan, Congo-Brazzaville and Mozambique are already grappling with economic disasters resulting from exactly this practice. These decisions, backed by the IMF, crowd out important public spending in the immediate term and have precipitated crises in other countries in the region, necessitating IMF bailouts.

Many international financial institutions like the World Bank are also developing policies in the emerging area of "transition minerals" governance. This is an important time for civil society to influence these policies and ensure that citizen and community voices are not sidelined in the discussions around emerging frontiers for transition minerals extraction.

Work Area 3: Challenge the economics of extraction in support of community-led demands for a just transition

- *Bolster local opposition to the fossil fuel and mineral sector buildout and demand for a just transition away from local economic dependence on the fossil fuel industry by supporting*

[35] International Monetary Fund, *Fiscal Transparency Initiative: Integration of Natural Resource Management Issues*, January 2019, p.7. Available from: https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/01/29/pp122818fiscal-transparency-initiative-integration-of-natural-resource-management-issues. See also id. at 15 (referring to the disclosure provisions in the European Union, Norway and Canada as representing "an internationally accepted norm.")

frontline community groups in key states in their efforts to uncover and fight subsidies and "bad deals."

- *Partner with local groups to produce payment data and project-level economic analyses that can provide further evidence for local campaigns opposing specific oil and mining projects.*
- *Provide research and technical support to local and state level groups fighting for oil, gas and mining fiscal reform.*
- *Work in coalition with other local, state and national level groups to effectively defend and preserve space for civic engagement and public participation, especially for frontline communities in oil and mineral rich areas.*
- *Advocate for stronger actions and protocols by the US government in defending the civic freedoms of activists and human rights defenders abroad and work with other PWYP coalitions to leverage the influence of the US government when civic space is attacked abroad.*

Importantly, local groups are working to counter the myth put forth by the fossil fuel industry of being the essential backbone of these localities—taxpayer, job provider, good Samaritan, etc. Groups like Together Louisiana are using research into tax exemption programs and tax payment data to expose this myth, and show that these companies are not hemorrhaging tax revenue like they claim. In fact, many local and state governments are providing costly subsidies that starve local school districts and health systems of desperately needed revenue. In 2017, Together Louisiana helped school districts in Baton Rouge push back against these policies to reverse one set of regressive subsidies.[36]

These local-led efforts to oppose industry giveaways include a wide and diverse array of groups, and importantly, connections are being made outside of the "climate" movement. For instance, last year a wave of teachers strikes broke out in oil and gas stronghold states like Oklahoma and West Virginia, fighting against austerity measures that are crippling state education systems in part due to fossil fuel tax expenditures. This shows the potential momentum and relevance of "no fossil fuel subsidy" messaging tied to essential public services and social welfare that reaches far outside of the immediate climate constituency.

If project economics and tax deal information were exposed and widely shared, this information could be paired with local level campaigns pushing back against the environmental and public health consequences of the buildout to construct a compelling narrative about the true costs of these projects. This information can help tip the scales by demonstrating the unfair deal being cut and the price that community members involuntarily pay for industry gain. Therefore, providing technical support for local groups could help produce the evidence necessary to strengthen their efforts in building this narrative and demanding better policy making and economic planning.

Efforts to undo subsidizing policies serve the dual purpose of (1) in the near term, maximizing government revenues desperately needed to fund a just transition in these communities away from fossil fuel dependence and (2) in the longer term, taking unprofitable, government-subsidized projects offline. Thus, this local work serves both economic and climate justice ends.

[36] Richard Fausset, "A School Board says no to big oil, and alarms sound in business-friendly Louisiana", The New York Times, February 5, 2019. Available from: https://www.nytimes.com/2019/02/05/us/louisiana-itep-exxon-mobil.html.

While working to end subsidization, communities must concurrently demand that their local governments undertake proactive and sustainable economic planning that includes diversification away from fossil fuels and support for a local clean energy economy. It is not acceptable for local governments to excuse themselves from this task because of economic dependence on fossil fuel production: this is a policy choice, not an inevitability.

Based on preliminary conversations with frontline community and civil society groups working in Louisiana, Texas, and New Mexico, project-level economic modelling would be very helpful, especially if it could help uncover individual project-level subsidies. We would build on these initial conversations to develop areas for collaboration including priority oil and gas projects for analysis in key areas of planned industry expansion like the Permian Basin. We have already discussed potential collaboration in this area with project analysts who are interested in collaborating on this idea.

In addition to this work, coalitions like Protect the Protest and groups like Greenpeace, Civil Liberties Defense Center and Climate Disobedience Center are working hard domestically to protect activists and push back against a new onslaught of laws criminalizing basic forms of civic engagement as well as corporate lawsuits against dissidents. These collaborative efforts also help facilitate information sharing about the worst corporate actors, like Chevron, which is notorious for its unrelenting efforts to target and criminalize community groups and activists.[37]

Similarly, the Protect NEPA Coalition continues to fight back against attacks to the National Environmental Policy Act, a foundational law requiring minimum protocols for transparency, public consultation, and environmental review of federally funded projects expected to impact the environment. This work is critical in maintaining space for basic forms of public participation that the industry has fought to disallow.

Such work to defend civic space is critical, domestically and abroad. In addition to providing support to these domestic efforts, PWYP-US will continue to work with other PWYP chapters and allies around the globe to both prevent and respond to attacks on activists, organizations and affected communities. PWYP-US is a strong ally in this work as the coalition has successfully influenced US policymakers to intervene in several cases where PWYP colleagues and allies have been targeted by their governments. We plan to continue to play this important role as we also undertake work to strengthen the response of the US government in all cases where civic freedoms are under attack.

[37] Protect the Protest, "The First Annual SLAPP Awards 2018", February 25, 2019. Available from: https://www.protecttheprotest.org/2019/02/25/the-first-annual-slapp-awards-2018/.