



United States Department of State

*Under Secretary for Economic Growth,
Energy, and the Environment*

Washington, D.C. 20520-7512

November 13, 2015

Dear Madam Chair:

I am writing to ask the Commission to give priority to issuing as soon as possible a strong rule implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Section 1504 directly advances the United States' foreign policy interests in increasing transparency and reducing corruption in the oil, gas, and minerals sectors. Corruption and mismanagement of these resources can impede economic growth, reduce opportunities for U.S. trade and investment, divert critically needed funding from social services and other government activities, and contribute to instability and conflict. Transparency has long been widely identified as a key component of the fight against corruption in this sector. Efforts to increase transparency have been a high priority for this Administration as part of the United States' good governance promotion, anti-corruption, and energy security strategies.

I encourage the Commission to produce a strong Section 1504 rule that improves transparency by ensuring a sufficiently detailed level of information concerning payments from the extractive industry to foreign governments for the development of oil, natural gas, and minerals will be made public and accessible to civil society and investors. In the absence of this level of transparency, citizens have fewer means to hold their governments accountable, and accountability is a key component of reducing the risk of corruption.

The Honorable

Mary Jo White,
Chairman,

Securities and Exchange Commission,
100 F Street, NE,
Washington, D.C. 20549.

Since the previous rule was vacated, other countries and regional organizations have moved forward with similar transparency measures, modeled on Section 1504. I applaud the EU's enactment of its Accounting and Transparency Directives and Canada's enactment of its Extractive Sector Transparency Measures Act. A Section 1504 rule compatible with these transparency measures would further advance the United States' foreign policy interests.

Efforts to promote transparency and good governance, and combat corruption are at the forefront of the Department's diplomatic and development efforts. A strong Section 1504 rule would complement these efforts, bolster our credibility with foreign partners on these issues, and promote U.S. foreign policy interests. It is important the United States lead by example by modeling strong transparency legislation and rulemaking.

Sincerely,



Catherine A. Novelli