

April 28, 2014

Mary Jo White
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chair White:

As investors representing more than \$2.85 trillion in assets under management, we applaud the U.S. Securities and Exchange Commission (SEC) for its leadership in producing final rules for the implementation of Section 1504 of the Dodd–Frank Wall Street Reform and Consumer Protection Act [Section 13(q) of the Securities Exchange Act of 1934]. The rules the SEC adopted for the implementation of Section 13(q) on August 22, 2012 would protect investors and promote efficient capital markets by providing investors with valuable factual information on risk profiles and company performance. Delay in implementation of these rules or their significant revision would continue to deny investors this valuable information.

The opportunities and challenges of both operating and investing in the oil, gas and mining industries have changed significantly in recent decades as companies have been increasingly compelled to explore and produce in countries with challenging governance and business environments, including some with pervasive corruption. We believe that Section 13(q) creates a chance for disclosure requirements to evolve in a manner that reflects the changing dynamics of these industries.

Investors' decisions regarding the oil, gas and mining industries and the efficient functioning of markets in general rely on the public disclosure of relevant information from issuers that is comprehensive and consistent. Therefore, we agree with the Commission's August 2012 rules for Section 13(q) that require issuer-by-issuer, government-level, and project-level public disclosures and believe that these are beneficial to investors.

Issuers' annual public Exchange Act reporting is an indispensable factor for investment decision-making. It must be done on a basis that allows investors to make decisions about the securities of individual issuers. An anonymous compilation of the submissions required by Section 13(q) would likely not provide the information necessary to serve this purpose. It is in the interest of both investors and issuers that the data disclosed pursuant to Section 13(q) maintains consistency across each issuer's operations. Following the enactment of Section 13(q), other jurisdictions have responded with complementary regulatory efforts, most notably the European Union Accounting and Transparency Directives¹ and Canada's commitment to establish mandatory payment transparency reporting standards². Consistency with these reporting mandates requires payment information for all countries in which issuers operate, without exception.

¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.

http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=oj:JOL_2013_182_R_0019_01&from=EN

² Natural Resources Canada. "Mandatory Reporting in the Canadian Extractive Sector Backgrounder." March 3, 2014. <https://www.nrcan.gc.ca/media-room/backgrounder/2014/15565>

Section 13(q) and its complementing regulations also require project-level disclosure. It would be most beneficial to investors if this disclosure were consistent with best practice for disclosing disaggregated production information that references the legal relationship between individual projects and host governments. Such an approach may be modeled on the project-level disclosures made by Statoil³, the large Norwegian-based international oil company, as well as Tullow Oil⁴.

The SEC has demonstrated great diligence in appreciating the changing needs of investors through the implementation of Section 13(q). We also welcome the parallel comment submitted by Allianz Global Investors et al, and note the common objectives our respective groups of signatories share in promoting high standards of transparency in the extractives sector. We remain confident that the Commission will see the process through to a conclusion that fulfills its obligations and advances the interests of all parties.

Sincerely,

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³ Statoil Oil production and entitlement data by license

[http://www.statoil.com/AnnualReport2011/en/OurOperations/BusinessAreas/DevelopmentAndProductionNorway\(DPN\)/FieldsInProductionOnTheNCS/Pages/ProductionOnTheNCS.aspx](http://www.statoil.com/AnnualReport2011/en/OurOperations/BusinessAreas/DevelopmentAndProductionNorway(DPN)/FieldsInProductionOnTheNCS/Pages/ProductionOnTheNCS.aspx)

⁴ Tullow Oil plc. 2013 Annual Report. Pages 175 to 179. http://files.the-group.net/library/tullow/files/pdf_383.pdf.

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