

**Congress of the United States**  
**House of Representatives**  
Washington, D.C. 20515

June 11, 2014

**The Honorable Mary Jo White**  
**Chair**  
**U.S. Securities and Exchange Commission**  
**100 F Street NE**  
**Washington, DC 20549-1090**

**Re: Implementation of Section 1504**

**Dear Chair White:**

We are aware that the Securities and Exchange Commission (SEC) recently announced its anticipated agenda for the next ten-month period, and that the agenda includes a proposal to initiate rulemaking for Section 1504 of the Dodd-Frank Act by March 2015.

While we are pleased that the SEC plans to begin focusing its attention on this important provision, which mandates revenue transparency in the extractive industries, we believe that the rulemaking for section 1504 should be on a swifter, more definite time line. We strongly urge you, therefore, to issue a proposed rule for public comment no later than the end of this year.

The initial rule issued by the SEC on August 22, 2012 adhered closely to the intent of the law, and we applaud the SEC for its forceful legal defense of the rule. In light of the District Court's July 2013 decision, which vacated the rule on procedural grounds but did not foreclose any regulatory options, we believe the Commission should issue a revised rule that is equally strong. The existing rulemaking record should provide the necessary basis to swiftly schedule a new rulemaking and to reissue a rule mandating public disclosure by company and by project with no exemptions. Anything less would undermine the intended purpose and benefits of Section 1504 for investors, companies, governments and their citizens.

We would note that after the SEC issued its rule in 2012, the rest of the world followed our lead, establishing as a global norm the public disclosure of oil and mineral payments by company and by project with no exemptions. The European Union and Norway passed disclosure laws modeled on the Commission's August 2012 rule. The

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Canadian government has committed to adopt the same requirements and plans to have legislation passed by April 2015 and regulations in place that summer. Several globally important oil and mining companies also support payment transparency at the project-level, citing significant business benefits, while others have begun voluntarily disclosing detailed payment information.

And in March, the United States was accepted as a candidate country in the Extractive Industries Transparency Initiative, which is a global effort designed to increase accountability and openness in these industries, and specifically requires project-level reporting in line with the standard set by Section 1504 and its sister legislation in Europe.

The implementation of Section 1504 is critical. Resource revenue transparency allows shareholders to make better-informed assessments of risks and opportunity costs, threats to corporate reputation, and the long-term prospects of the companies in which they invest. It is no surprise, then, that investors with assets worth over \$5.6 trillion recently called on the SEC to quickly reissue a strong rule to align with transparency rules in other markets.

Public reporting of extractive payments is also fundamental to improving governance, curbing corruption, improving revenue management, and allowing citizens to demand greater accountability from their governments for spending that serves the public interest. This, in turn, can help create more stable and democratic governments, as well as more stable business environments, which contribute to the advancement of U.S. national security interests.

Since its passage, Congress has continued to support the strong implementation of Section 1504 rules. Last year, legislation to implement an agreement between the U.S. and Mexico to develop oil and gas reserves in the Gulf of Mexico (HR 1613) was significantly delayed when the House version of the bill included a waiver from Section 1504 requirements.

The White House strongly objected to the House bill precisely because of the waiver, and issued a Statement of Administration Policy calling the exemption unnecessary and claiming it would directly and negatively impact U.S. efforts to increase transparency and accountability in the oil, gas, and minerals sectors. Congress ultimately passed a version of the bill that did not include the Section 1504 waiver.

Importantly, the final legislation was supported by the same industry groups and lawmakers who initially alleged that Section 1504 would create conflicts of law and put American companies at a competitive disadvantage.

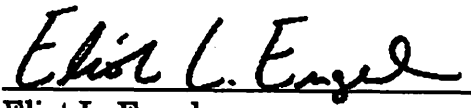
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The court decision, along with data and analysis from the previous rulemaking process, has provided the Commission with a road map to develop a revised rule requiring public disclosure at the project level with no exemptions. We strongly urge you to prioritize setting out a swift and fixed timeline for the implementation of section 1504, including the release of a proposed rule for public comment no later than the end of 2014.

Sincerely,



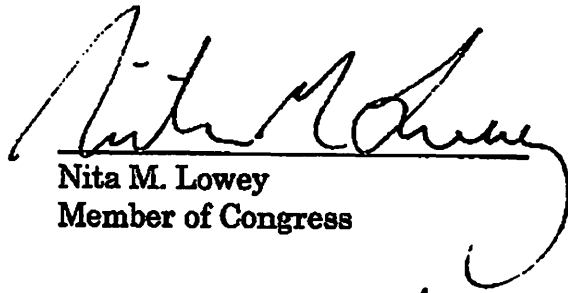
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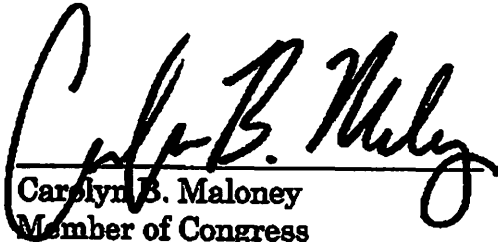
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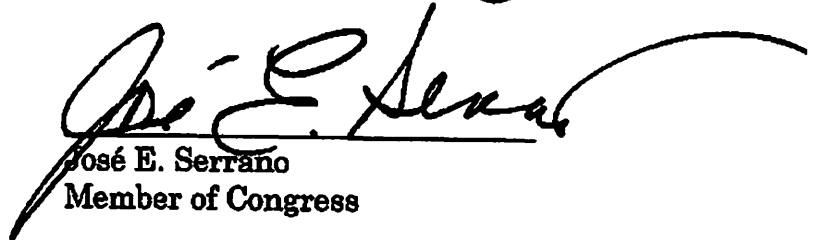
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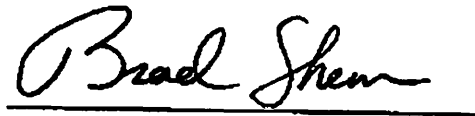
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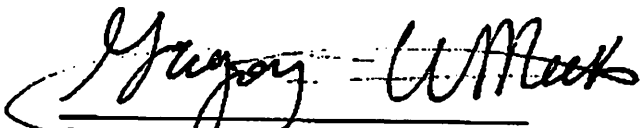
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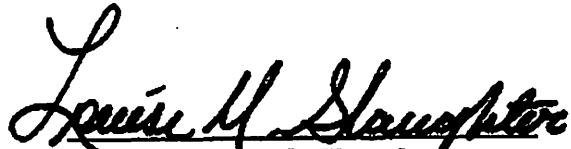
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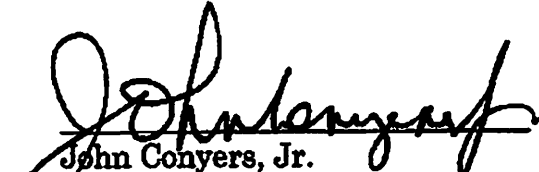
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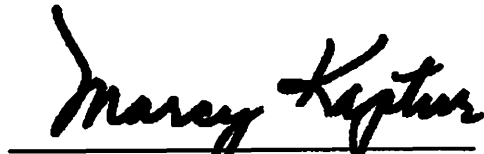
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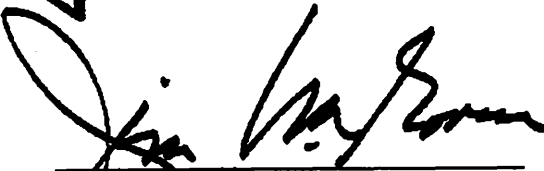
  
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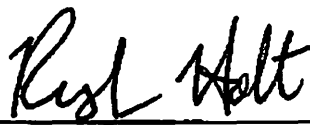
  
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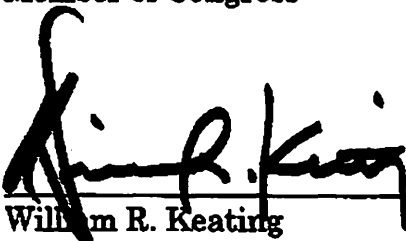
  
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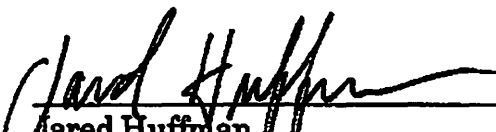
  
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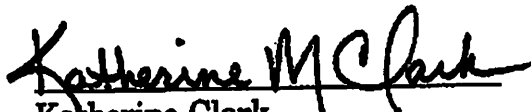
  
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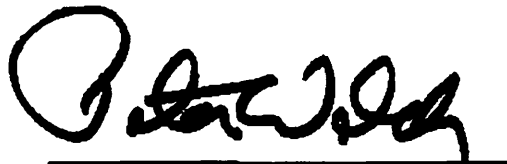
  
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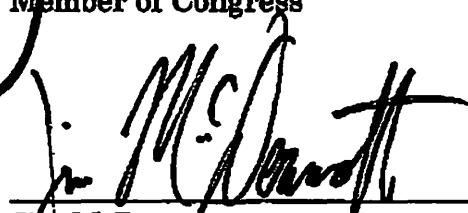
  
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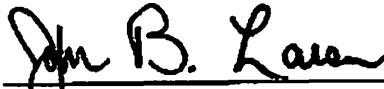
  
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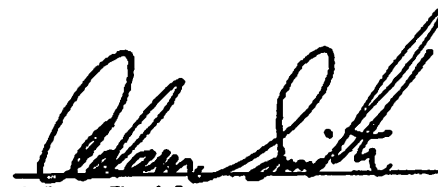
  
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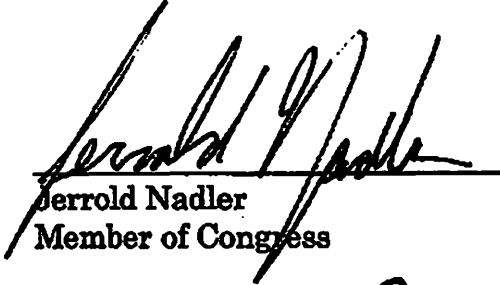
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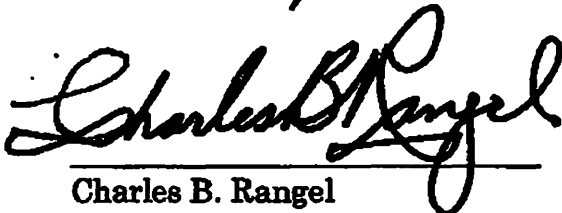
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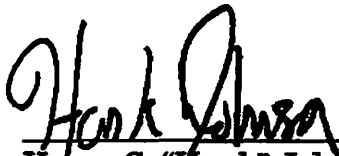
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