June 8, 2015

Chair Mary Jo White

Commissioner Luis Aguilar

Commissioner Daniel Gallagher

Commissioner Michael Piwowar

Commissioner Kara Stein

Securities and Exchange Commission

100 F Street, NE

Washington, DC 20459-1090

Re: Dodd-Frank Section 1504

Dear Chair and Commissioners:

The Cameroon Coalition of Publish What You Pay (CCPWYP) would like to express our appreciation for the Securities and Exchange Commission's strong August 2012 rule, implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We encourage the SEC as it continues with the rule making process for the implementation of Section 1504 and we urge the SEC to put out a strong rule mandating public disclosure of payments, by company and by project, without pre-determined exemptions.

Cameroon is rich in natural resources[1], including significant quantities of oil, cobalt, bauxite, gold, diamonds, uranium, iron, and titanium. Host to over a dozen oil companies, including U.S. Stock Exchange-listed companies Noble Energy Inc., Kosmos Energy Ltd., ExxonMobil Corporation, and Murphy Oil Corporation, oil production plays a particularly important role in our economy. In 2010, production amounted to 64,700 barrels of oil per day and constituted 50

[1] http://www.eiticameroon.org/index.php/fr/telechargements/Rapports-de-Validation/CAC-75---Validation-report---EITI-Cameroon---EN/

29 Juin 2014 ; Déclaration de la Coalition Camerounaise Publiez Ce Que Vous Payez relative à l'état d'avancement du processus ITIE au Cameroun post conformité

percent of our nation's exports. While there has been less exploitation of Cameroon's mineral resources, the government is now prioritizing development of the mining sector.

Since 2005, CCPWYP[2] has been advocating for responsible management of revenues from extractive resources in Cameroon. Since Cameroon became a member of the Extractive Industries Transparency Initiative (EITI) in 2005 and received the status of a compliant country in October 2013, our members have been collaborating to make the EITI reports more accessible to Cameroonian citizens. We do this by increasing community awareness and understanding by organizing community events and capacity building trainings and workshops on resource management and monitoring, producing informative booklets and comic strips for comprehensibility, and supporting peaceful dialogue. Journalists have also attended these trainings, so that they can more accurately and frequently report on issues of transparency within the extractive sector. In 2012, the Union of Cameroonian Journalists (UJC) collaborated with CCPWYP in researching knowledge levels, perceptions, and expectations of the EITI initiative in communities that are host to extractive projects. Between 2005 and 2010, three of our member organizations proudly served on a tripartite platform with other Cameroonian civil society organizations, the Cameroon Oil Transportation Company (which is a subsidiary of ExxonMobil), and the Pipeline Steering and Monitoring Committee, to find solutions to problems regarding the Chad-Cameroon Petroleum Development and Pipeline Project.

Considering the presence of U.S. Stock Exchange listed companies extracting in our country, the SEC's rule on Section 1504 of Dodd-Frank is of great importance to Cameroonian citizens and communities. Only if the SEC publishes a strong rule, requiring public, project[3]- and company-specific reporting without exemptions, will the people of Cameroon be able to monitor compliance of companies with their payment obligations and hold their own local and national governments accountable for distribution of royalties and taxes in accordance with our law.

The Cameroonian Mining Code states that the municipality and local communities are entitled to 25 percent of the Ad Valorem tax and Extraction tax paid by companies for the projects located in their jurisdiction. These payments are collected by the central tax authorities and then transferred to the municipal councils. Of the 25 percent of these payments allocated to the municipal councils, 15 percent is for the municipal council and 10 percent is for the local populations directly affected by the extractive operations. However, without project-level fiscal data, local populations will not be able to cross-check whether or not they are receiving the share of revenues they are legally entitled to. Unfortunately, insufficient granularity is a serious flaw in Cameroon's EITI reports, as companies report the total amount of money they paid for all projects in our country, *combined*.

[2] http://www.publishwhatyoupay.org/members/cameroon/

[3] For the purposes of Section 1504 reporting, we would recommend defining the term 'project' in line with the EU Directives, generally as a license, contract or lease.

While the information provided by companies in EITI reports is limited, local communities and civil society organization are nevertheless using the information to monitor sub-national payments to ensure that those impacted by extractive projects also reap the benefits. In 2012, Cellule de Veille et de Protection des Victimes des Activités Minières (CelPro), a Figuil-based civil society organization, wrote a letter[4] to the Minister of Finance complaining that after 40 years of exploitation and environmental damage in Figuil (a town in Cameroon), the local population still hadn't received adequate compensation and its share of revenues paid by the extracting companies. This was in part attributed to the absence of a ministerial order on the modalities for the transfer and use of shares owed to local communities and councils. A prime ministerial decree was signed in 2014 modifying Article 137 of the decree of application of the mining code, which now indicates that the share of royalties for municipal councils and local communities will henceforth be transferred to the account of the municipal treasurer.

While at the time, exact figures on company payments to the national government were not available for CelPro to use to calculate the amount owed to the local population in Figuil, CelPro demanded that these payments be made in accordance with the Mining Code. While CelPro never received a response to its letter, fortunately EITI reports covering the financial years 2009[5], 2010[6], and 2011[7] were published a year later. These reports were used to calculate approximately how much money the Figuil population should have been receiving from the national government and municipality for the limestone extracting operations in their locality. Reseau de Lutte Contre la Faim (RELUFA), one of CCPWYP's member organizations, published these calculations in a 2014 study[8], finding that the Figuil Council was due to receive 41,900,757.3 FCFA between 2009 and 2011, and that the local population was entitled to 27,933,838.2 FCFA. This information is now being reviewed for discrepancies in company payments and sub-national transfers of government revenues. In concluding their research, RELUFA gave recommendations to public authorities, the Cameroon EITI Committee, companies, civil society organizations, and local elected representatives on how these stakeholders could individually and collectively improve effective implementation of the Mining Law; improve governance over these resources; ensure local communities are receiving the benefits they are due; and improve relations between stakeholders.

These examples clearly demonstrate the need for a robust implementing rule for Section 1504, requiring project- and company-specific reporting, without which civil society and local communities cannot effectively monitor the revenue to which they are entitled.

The American Petroleum Institute (API) has repeatedly cited Cameroon as a country that prohibits companies from publishing information on oil payments, and has argued that companies operating in Cameroon should be exempted from any reporting obligations. CCPWYP would like to reiterate that this is not true. In order for Cameroon to be recognized

[4] http://www.resourcegovernance.org/sites/default/files/nrgi_EITI_MINING_GOVERNANCE_CAMEROON.pdf

[5] https://eiti.org/files/Cameroon-2009-EITI-Report-French.pdf

[6] https://eiti.org/files/Cameroon-2010-EITI-Report-French.pdf

[7] https://eiti.org/files/Cameroon-2011-EITI-Report-English.pdf

[8] http://www.resourcegovernance.org/sites/default/files/nrgi_EITI_MINING_GOVERNANCE_CAMEROON.pdf

as an EITI compliant country, the government must ensure that there are no obstacles to EITI implementation. This includes, of course, allowing the disclosure of resource revenue payments, and agreeing to implement the EITI standard, which will require project-level reporting by 2016. For further analysis of Cameroonian law and rebuttals of the API's claims, please refer back to letters sent to the SEC by the Center for Environment and Development (CED) and RELUFA on March 14, 2011[9] and July 11, 2011[10].

As the SEC finalizes the rules that will govern the implementation of Section 1504 of the Dodd-Frank Act, the CCPWYP joins other groups around the world in calling for strict and consistent rules that will require all companies, without exemption, to publish what they pay to foreign governments for each of the extractive industry projects that they are executing. Complying with the industry campaign to establish weak SEC rules and exemptions clauses will defeat the very intent of Section 1504.

We appreciate the opportunity to provide written comments to the SEC and thank you for your consideration.

Sincerely,

Signatories:

- Agir pour GArantir la Gouvernance Economique et Sociale (AGAGES)
- Cellule de veille et de Protection des Victimes des Activités Minières (CELPRO)
- Centre pour l'Education, Formation et l'Appui aux Initiatives de Développement (CEFAID)
- Centre pour l'Environnement et le Développement (CED)
- Centre Régional Africain pour le Développement en milieu Economique (CRADEC)
- Développement Sans Frontières (DSF)
- Dynamique Mondiale des Jeunes (DMJ)
- Réseau de Lutte contre la Faim (RELUFA)
- Réseau des Chefs Traditionnelles sur les Ressources Naturelles (ReCTrad)
- Service National Justice et Paix (SNJP)
- Service OEcuménique pour la Paix (SeP)
- Transparency International – Cameroun (TIC)

Contact
Isaac Justin Mabouth

National Coordinator, Service National Justice et Paix

Focal Point for Cameroon Coalition Publish What You Pay

Tel. [redacted] / [redacted]

[9] http://www.sec.gov/comments/s7-42-10/s74210-74.pdf

[10] https://www.sec.gov/comments/s7-42-10/s74210-96.pdf