

April 1, 2020

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Dodd-Frank 1504, File No. S7-24-19

Dear Secretary Countryman,

We thank you for the opportunity to comment on the proposed rule to Section 1504 of the Dodd-Frank Wall Street and Consumer Protection Act ("Dodd-Frank 1504"), a key provision aimed at increasing transparency and combating corruption in the oil, gas, and mining sectors. As former representatives of the US's diplomatic and development interests abroad, we write to urge you to address certain weaknesses in the proposed rule to ensure the Commission's final rule is consistent with and meaningfully advances US foreign policy interests in deterring corruption and promoting accountable management of natural resource wealth that contributes to sustainable development and stable democracies around the world.

Corruption Undermines US Interests Abroad

Insufficient transparency in countries rich in oil or minerals can fuel corruption and undermine the US government's efforts to promote peace and stability, development, and democracy abroad. Corruption and mismanagement of extractive resources impede economic growth, reduce opportunities for US trade and investment, divert critically-needed funding from social services, increase inequality, and undermine democratic institutions. These conditions can give rise to extremist groups, as we have seen in a number of resource-rich countries. Robust efforts to increase transparency, promote good governance, and reduce opportunities for corruption therefore underpin US foreign policy goals and foreign assistance programs.

A Weak Rule Diminishes US Global Leadership

With the introduction of Dodd-Frank 1504, the United States led the world in promoting transparency efforts in the oil, gas, and mining industries. The SEC's proposed rule, if adopted, would lag far behind parallel legislation modeled on Dodd-Frank 1504 that has since been implemented in Canada, the European Union, the United Kingdom, and Norway, as well as diverge from the Extractive Industries Transparency Initiative (EITI), which is currently being implemented by more than 50 countries. We urge the Commission to take this opportunity to reclaim the United States' leadership role in promoting better, more transparent natural resource governance by issuing a strong final rule that aligns with, and advances, the now-established global transparency standard.

A Strong Rule Would Complement Existing US Foreign Policy Efforts

Transparency is critical for fostering open, stable, and democratic societies. By requiring US-listed companies to publicly disclose their payments to governments on a disaggregated, project-by-project basis, the United States will help ensure that citizens have the detailed information needed to hold officials accountable at all levels of government. In this way, a strong implementing rule for Dodd-Frank 1504 would complement other transparency efforts, including the EITI, which the United States has supported through both USAID and the Department of State since 2006. The US government has long recognized the EITI as a key component of many of its rule of law and anti-corruption programs abroad and has contributed a total of \$30.5 million to EITI support and implementation efforts.¹ More generally, from 2007 to 2013, USAID sponsored 330 anti-corruption programs worldwide, spending \$6.7 billion.² Support for such initiatives is codified in USAID's Anti-Corruption Strategy, which recommends that we "foster industry-specific transparency initiatives that help reduce the risks of the 'resource curse'."³

The United States has also demonstrated its commitment to combating corruption by adopting the Global Magnitsky Act, the most comprehensive human rights and anti-corruption sanctions tool in US history. Building on the Global Magnitsky Act, the Trump administration has issued and extended an executive order declaring a national emergency with respect to serious human rights abuse and corruption around the world, including "corruption related to...the extraction of natural resources".⁴

We urge you to strengthen the SEC's final rule to ensure that citizens in resource-rich countries have access to publicly-available, detailed project-level payment disclosures. Doing so would support and advance US foreign policy objectives.

We thank you for the opportunity to comment on the proposed rule and appreciate your consideration.

Sincerely,

Gayle E. Smith, Nilmini Rubin, Norm Eisen, Fatema Z. Sumar, Jayne Thomisee, Abigail Bellows, Rob Berschinski, Neil R. Brown, Matthew T. Page

¹ "The United States," The Extractive Industries Transparency Initiative, last accessed February 26, 2020, <https://eiti.org/supporter/united-states>.

² *Analysis of USAID Anticorruption Programming Worldwide (2007-2013)*, The US Agency for International Development, July 23, 2014, <https://www.usaid.gov/sites/default/files/documents/1866/AnalysisUSAIDAnticorruptionProgrammingWorldwideFinalReport2007-2013.pdf>.

³ *USAID Anticorruption Strategy*, USAID, January 2005, <https://www.usaid.gov/sites/default/files/documents/1868/200mbo.pdf>.

⁴ Executive Order 13818 of December 20, 2017, Federal Register 60839, <https://www.govinfo.gov/content/pkg/FR-2017-12-26/pdf/2017-27925.pdf>; Notice of December 18, 2019, Federal Register 69981, <https://www.govinfo.gov/content/pkg/FR-2019-12-19/pdf/2019-27618.pdf>.

About the Authors

Gayle E. Smith

Gayle E. Smith is the President and CEO of the ONE Campaign. She served as a top advisor on development issues for two American presidents and is one of the world's leading experts on global development. In her most recent role, Administrator of the U.S. Agency for International Development, Smith led a staff of more than 10,000 people working to end extreme poverty, foster sustained and inclusive economic growth, and promote resilient, democratic societies all over the world. Smith had previously served as Special Assistant to President Obama and Senior Director for Development and Democracy at the National Security Council, and as Special Assistant to President Clinton and Senior Director for African affairs at the National Security Council. Before her work on the NSC Smith founded the sustainable security program at the Center for American Progress, and co-founded the ENOUGH project and the Modernizing Foreign Assistance Network.

Nilmini Rubin

Nilmini Rubin is a Senior Strategist with Issue One and Senior Advisor with Leadership Now Project where she drives efforts to strengthen democracy in the United States. Previously, Nilmini led Tetra Tech's team of more than 200 diverse professionals implementing energy and internet projects around the world. For 12 years, she served as a senior aide to Senate Lugar (R-IL) on the Senate Foreign Relations Committee and to Representative Ed Royce (R-CA) on the House Foreign Affairs Committee where she spearheaded the passage of legislation to provide electricity access in Africa, increase global internet access, reduce corruption, and reform U.S. foreign assistance. She also served at the White House National Security Council under President George W. Bush where she helped secure agreements on non-proliferation, international health and foreign aid. She was on the presidential campaign foreign policy teams for Romney for President and Kasich for America. Nilmini was named a Young Global Leader by the World Economic Forum, serves as the Co-Chair of the Millennium Challenge Corporation Advisory Council, and is a member of the Council on Foreign Relations, the World Economic Forum Experts Network and the Academy of the Global Teacher Prize.

Norm Eisen

Ambassador (ret.) Norman Eisen is a senior fellow in Governance Studies at Brookings and the founder and former chair of the government watchdog group Citizens for Responsibility and Ethics in Washington (CREW). (Amb. Eisen submits this letter in his personal capacity only.) He served in the White House from January 2009 to January 2011 as special counsel and special assistant to the president, leading landmark initiatives on government ethics, lobbying regulation, and transparency, and advising on Dodd-Frank and other legal aspects of the economic recovery. He was the U.S. Ambassador to the Czech Republic from 2011 to 2014, helping found the World Forum on Governance. He is the author of [The Impact of Open Government](#), [Why Critics of Transparency are Wrong](#), and [The Democracy Playbook](#).

Fatema Z. Sumar

Fatema Z. Sumar joined Oxfam America in 2018 as Vice President of Global Programs, where she oversees our regional development and humanitarian response programs. Fatema comes to Oxfam with a distinguished career in the U.S. government, leading U.S. efforts to advance sustainable development and economic policy in emerging markets and fragile countries. Most recently, she served as Regional Deputy Vice President for Europe, Asia, Pacific, and Latin America at the U.S. Millennium Challenge Corporation (MCC), where she managed investments focused on international growth and poverty reduction. Prior to MCC, she served as the Deputy Assistant Secretary for South and Central Asia at the U.S. Department of State and as a Senior Professional Staff Member on the U.S. Senate Foreign Relations Committee.

Jayne Thomisee

Jayne Thomisee advises international organizations on strategic planning, policy advocacy and public engagement strategies. Previously, she served in the U.S. government as the Executive Director for the President's Global Development Council and the U.S. Agency for International Development's (USAID) Advisory Council. She also served as a Policy Advisor, Deputy Executive Secretary and White House Liaison at USAID and an Associate Director in the White House Office of Public Engagement. Prior to government service, Thomisee worked on policy advocacy campaigns for international nonprofits and political campaigns in the U.S. She began her career serving with the Peace Corps and the United Nations Development Program in Central Asia. Thomisee holds a Master's degree from the Fletcher School of Law and Diplomacy at Tufts University where she specialized in development economics and political analysis.

Abigail Bellows

Abigail Bellows advises philanthropies, governments, and non-profits on accountable governance and civil society issues. An experienced facilitator, she leads trainings and strategy processes in a range of settings as an independent consultant. Previously, Bellows has spearheaded global anti-corruption initiatives for the Open Society Foundations and the U.S. Department of State. While in government, she served in the Office of the Under Secretary of State for Civilian Security, Democracy, and Human Rights and as a Special Assistant to the Chairman of the Joint Chiefs of Staff. Bellows began her career as a community organizer and leadership consultant in India and the United States. She is a recipient of the public service fellowship from the Harvard Kennedy School, where she wrote her Masters thesis on foreign bribery. Bellows is a term member of the Council on Foreign Relations.

Rob Berschinski

Rob Berschinski is the Senior Vice President for Policy at Human Rights First, where he oversees the organization's work advancing a U.S. foreign policy rooted in a strong commitment to human rights. Before joining Human Rights First, Rob served as Deputy Assistant Secretary of State for Democracy, Human Rights, and Labor. In that role, he was responsible for

protecting fundamental freedoms and fighting corruption in 65 countries across Europe, Russia, Central Asia, and South Asia. He has also served as Deputy Director of the U.S. Mission to the United Nations' office in Washington, D.C.; as special assistant to the Deputy Secretary of Defense; and as Director for Security and Human Rights Policy at the White House National Security Council. He began his career as an intelligence officer in the U.S. Air Force, and is an Iraq War veteran.

Neil R. Brown

Neil R. Brown served for over eight years as Senior Republican Staff Member of the U.S. Senate Foreign Relations Committee, where he concurrently led energy security efforts for Senator Richard G. Lugar (R-IN). He led legislation on global energy security and governance, including oversight of transparency efforts, oil and natural gas geopolitics and market access, and establishment of the State Department Energy and Natural Resources Bureau. He played a leading role in authoring the Cardin-Lugar Amendment, Section 1504 of the Dodd-Frank Act. Mr. Brown currently is a global investor, founding board member of The Lugar Center, and non-resident senior fellow at the Atlantic Council of the United States. As an investor, he works on global oil and gas markets, opening new markets, and risk mitigation.

Matthew T. Page

Matthew T. Page is a nonresident scholar with the Carnegie Endowment for International Peace, an associate fellow with the Africa Programme at Chatham House, and nonresident fellow with the Centre for Democracy and Development in Abuja. He does consultancy work and co-authored *Nigeria: What Everyone Needs to Know* (Oxford University Press, 2018). Until recently, Page was the U.S. intelligence community's top Nigeria expert at the Department of State's Bureau of Intelligence and Research. He has also served on the National Intelligence Council, at the Defense Intelligence Agency, and as an international affairs fellow with the Council on Foreign Relations.