October 31, 2012

The Honorable Mary L. Schapiro
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-2736

Dear Chairman Schapiro,

The Securities and Exchange Commission (SEC) has issued a rule for Section 1504, known as the Cardin-Lugar Amendment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 now contained in Section 13(q) of the Securities Exchange Act of 1934. We believe that the rule is consistent with the mandate in the law and consistent with the mission of the SEC.

While the United States has acted first in creating this new reporting standard, it will not be the last. In September, the European Parliament approved oil and mineral disclosure requirements that align with the SEC's approach and recommended their inclusion within revisions to the Transparency and Accounting Directives. Continued momentum by the SEC to implement the U.S. rules will have a positive impact on action in Europe and other key markets, which should reduce any competitiveness concerns of affected companies.

In court filings related to the judicial challenge to the rule filed by the American Petroleum Institute, U.S. Chamber of Commerce et al, petitioners requested a stay of the rules from the Commission on Thursday, October 25, 2012, to be granted on Thursday, November 1, 2012. After taking two years to carefully craft these rules and allow interested parties to comment, it would be inappropriate for the Commission to make a ruling on a stay in less than one week. The federal government's closure for the last two days makes the timeline even more unreasonable. The Commission should ensure there is sufficient time for parties that will be injured by a delay in the rule's implementation to comment.

Additional time and input from interested parties will ensure the Commission can give due and effective consideration to the four criteria the Commission has previously specified as being applicable in such cases, namely: (1) whether the petitioner has shown a strong likelihood that it will prevail on the merits; (2) whether the petitioner has shown that, without a stay, it will suffer irreparable injury; (3) whether there should be substantial harm to other parties if stay were granted; and (4) whether the issuance of a stay would likely serve the public interest.[1]

In light of the years of work and analysis that the Commission put into the Final Rule, the Commission should feel confident in the rule and its ability to withstand the legal challenge. We therefore recommend that the Commission, in application of its own four criteria approach, deny the stay request, and actively resist any other attempt to delay the implementation of the rule.

---

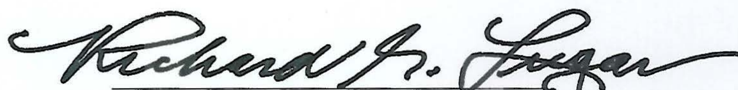
[1] See *In re William Timpinaro, et al. (1991) 1991 SEC LEXIS 2544; In re Christian Klein & Cogburn, Inc. et al (1994) 1994 SEC LEXIS 16.*

As is clear from the statute and its legislative history, Congress intended for the rule implementing Section 1504 to have already taken effect and produced data for use by investors and citizens. The statute required the rule to be issued by April 2011, and for companies to file the new disclosures for the following fiscal year. Any delay in implementing the rule will further frustrate the intent of the statute, and cause harm to investors and citizens in the United States and abroad, who anxiously await these disclosures to analyze and manage risk and hold their governments to account.

Please let us know as soon as possible whether the Commission plans to oppose any request for a stay of the rule. Please also describe any other actions that the Commission plans to take to ensure the rule's strong and swift implementation.

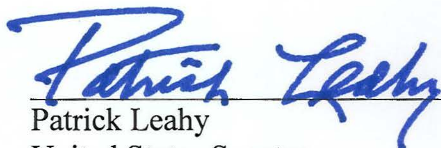
Sincerely,

Benjamin L. Cardin
United States Senator



Richard G. Lugar
United States Senator

Carl Levin
United States Senator



Patrick Leahy
United States Senator