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CAMBODIANS FOR RESOURCE REVENUE TRANSPARENCY

07 February, 2012

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Proposed Rule on “Disclosure of Payments by Resource Extraction Issuers,” File No. S7-42-10

Dear Ms. Murphy,

I am writing on behalf of Cambodians for Resource Revenue Transparency (CRRT), a four-year-old coalition of non-governmental organizations formed to advocate for transparency and accountability in business practices governing the extractive industries in Cambodia.

The purpose of this letter is to support the recommendations submitted to your office by Publish What You Pay (PWYP), as we believe these recommendations will prove essential in helping to create laws, policies and practices in Cambodia that will best serve the long-term interests of all Cambodians.

CRRT rejoiced when President Barack Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), as we interpreted that milestone as an endorsement of the principles we have worked so hard to promote and inculcate into Cambodian law and practice. Unfortunately, we have been waiting to see implementation of provision 1504 for the past year and a half with no evidence of progress.

Efforts to soften the core regulations created by Dodd-Frank would be viewed as a significant setback and would indeed be a sad day throughout Cambodian civil society. Weakened regulations would have significant impact on the ability of civil society to monitor revenues generated by extractive industry businesses in developing countries like Cambodia, and we strongly encourage the Commission to respect not only the intent of the law’s language but also the effects that weakening the law through regulation would have around the world.

Specifically, in order to ensure that the information disclosed provides adequate detail to help us to hold our government accountable, the Commission should define “project” in relation to each lease, license and/or other concession level arrangement entered into by a resource extraction issuer. This is how extractive industries projects are developed in Cambodia, with each license providing geographical boundaries for exploration and production and specific rights and obligations, including fiscal obligations.

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In addition, we request that the rule *not* allow companies to receive exemptions from compliance with the law as a result of host country secrecy laws, as this would simply encourage governments to create new laws restricting transparency. We know of no law that would prohibit disclosure of the required information under Dodd-Frank.

If managed thoughtfully and professionally and with long-term benefits in mind, revenues from oil, gas and mining have the potential to have enormous positive impact on the socio-economic fabric of Cambodia. The recommendations of PWYP with regards to Dodd-Frank provision would help strengthen the principles of accountability and transparency in Cambodia.

CRRT is a coalition with seven supporting members: Development and Partnership in Action (DPA), the NGO Forum of Cambodia, Youth Resource Development Program (YRDP), the Advocacy and Policy Institute (API), Non-Forest Timber Products (NFTP), Star Kampuchea, Voice of Democracy (VOD) and 750 individual members.

Our objective – to increase the understanding of extractive industry development in Cambodia among Cambodians and strengthen their capacity to become involved in the management of constitutionally-guaranteed information and to hold extractive industry companies and the Royal Government of Cambodia accountable to the principles of transparency – would be supported by the measures outlined in PWYP’s proposal. Major companies covered by the proposal, such as Chevron, operate in our country and make payments to our government that have, so far, remained opaque.

We have tried the voluntary approach and have for years encouraged our government to join the voluntary Extractive Industries Transparency Initiative (EITI) but so far they have not. We have also sought best corporate practice and in 2010 I travelled to Houston to attend the Chevron Annual General Meeting. I requested to Chevron’s CEO that the company disclose the payments made to my company. The response has been silence.

We strongly encourage you to adopt PWYP’s recommendations in the spirit of partnership and collaborative management of policies and laws that will have significant impact on Cambodia and other countries in which SEC-listed companies conduct their business.

On behalf of CRRT, I deeply appreciate your consideration of the above, and I would welcome a dialog on this and other measures that will help achieve fair and open business practice for the betterment of Cambodia and other countries that will be impacted by your decisions.

With best regards,



Mam Sambath
Chairman
Cambodians for Resource Revenue Transparency