

February 27, 2012

United States Securities and Exchange Commission

Chairman Mary L. Schapiro

Commissioner Luis A. Aguilar

Commissioner Troy A. Paredes

Commissioner Elisse B. Walter

Commissioner Daniel M. Gallagher

100 F Street N.E

Washington, D.C. 20549

**File no. S7-42-10**

**RE: DISCLOSURE OF PAYMENTS BY RESOURCE EXTRACTION ISSUERS**

Dear Madam Chair and Commissioners:

The Hispanic Leadership Fund is non-partisan advocacy organization dedicated to strengthening working families by promoting common-sense public policy solutions rooted in free enterprise, limited government, and individual freedom. I am writing to you expressing my concerns with a draft rule under review by the Securities and Exchange Commission pertaining to Section 1504 of the Dodd-Frank Wall Street Reform, "Disclosure of Payments by Resource Extraction Issuers."

The United States is a global leader in finance and investment that relies upon a foundation of transparency and disclosure. American securities markets and regulatory agencies demand transparency and disclosure of both domestic and foreign companies that seek to operate within our borders. However, that foundation also relies upon a well-maintained balance between transparency in trade and practical business practices.

American energy companies are critical components of our economy by employing over 9 million Americans throughout the country and generating significant number of new jobs each day. We value the high quality jobs this industry provides and recognize the benefit of promoting policies that continue to bolster its activity. While our country continues to rebound from one of the worse economic crises since the Great Depression, we believe that regulators and policymakers should be looking for ways to make doing business in the U.S. more attractive, while protecting the viability of American companies as they are doing business in the global marketplace.

The draft rule pertaining to Section 1504 of Dodd-Frank intends to build upon the United States' role as a global leader in the international effort to eliminate corruption in attaining mineral resources. In actuality, this rule would implement yet another cumbersome government regulation that may have good intentions on paper, but in practice threatens to hinder economic growth and job creation.

Section 1504, if not appropriately constructed, would mandate that all SEC-listed companies disclose and report in strict detail all payments made to foreign governments as it relates to the oil, gas and mining sectors. Disclosure at the project-level—mandated for individual wells and pits, for instance—would put the proprietary financial information of American companies at great risk, displaying for competitors extensive detail regarding the terms and intricacies of their fiscal strategy. Non-listed companies, like state-run foreign competitors, would be exempt.

If approved, this rule will have dire consequences for U.S. oil and gas firms, which compete globally with these much larger foreign state-owned enterprises not subject to such guidelines. The rule will effectively place American companies at a significant competitive disadvantage in international markets. Foreign competitors such as Chinese, Venezuelan, and Iranian oil companies would be free to conduct business as usual while being privy to significant amounts of private data from American companies.

This rule would make it more difficult for American companies to develop the natural resources and business opportunities necessary to stimulate growth and job creation. Distorting the competitive marketplace in this way would significantly undermine our nation's ability to enhance our energy security and develop the resources our country desperately needs.

In developing this rule, we urge the commissioners to formulate a regulatory structure that promotes ethical business practices without harming American energy companies' competitiveness. By avoiding project-level disclosure and focusing instead on higher-level, per-country transparency, we can enable foreign citizens to track the revenue generated without publicizing line item expenditures associated with an individual company and undermining their ability to compete. Implementing such a structure would enhance industry transparency without providing such a clear boost to foreign competitors.

It is vital for regulations to create a balance between promoting a fair global marketplace and policy that encourages job growth and economic stimulus. An effective rule will advance global transparency without detracting from American competitiveness.

Thank you for your time and consideration in this important matter.

Sincerely,



Mario H. López  
*President*