

United States Senate

WASHINGTON, DC 20510-1804

March 6, 2012

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

Re: Disclosure of Payments by Resource Extraction Issuers, File No. S7-42-10

Dear Secretary Murphy:

We appreciate the Commission's ongoing efforts to finalize regulations implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We write to encourage the Commission to draft a final rule that implements Congress's goal of promoting payment transparency, while still protecting U.S. companies, investors, and employees from unnecessary competitive harm.

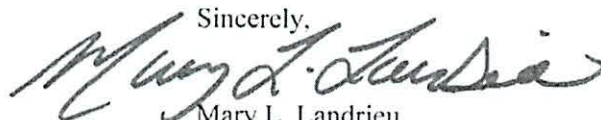
U.S. oil and gas companies actively support revenue transparency worldwide through their participation in the Extractive Industries Transparency Initiative (EITI). EITI is a multi-lateral, multi-stakeholder framework for reporting payments by extractive industries to host governments. EITI implementation requires cooperation by extractive industries, civil society groups, and the host government. The process of EITI implementation is currently proceeding in several developing nations, including Cameroon, Chad, Democratic Republic of Congo, Ghana, Guinea, Iraq, Mozambique, Nigeria, Sierra Leone, Tanzania, and Zambia—just to name a few. As was announced by President Obama, the U.S. is also currently implementing EITI. The vast majority of countries under EITI require reporting of payment information.

We are concerned that a narrow definition of Section 1504 would result in U.S. listed companies disclosing information that would allow foreign, state-owned oil companies to gain an unfair competitive advantage for operations in the host country. However, we believe that the Commission has the statutory authority, in conjunction with existing securities law, to interpret section 1504 in such a way so as to avoid placing U.S. companies at a competitive disadvantage, while still promoting increased disclosure and transparency.

In summary, the Commission has the authority to draft a final rule implementing Section 1504 that is faithful to Congress's intent to promote transparency, while still preserving the ability of U.S. companies to operate competitively throughout the world. A final rule incorporating the above approach would be consistent with the Commission's obligation to consider the effect of its rule on competition, efficiency, and capital formation. We look forward to a final rule that promotes these important values.

With kind regards, I am,

Sincerely,



Mary L. Landrieu
United States Senator

Cc:

The Hon. Mary L. Schapiro, Chairman
The Hon. Elisse B. Walter, Commissioner
The Hon. Luis A. Aguilar, Commissioner
The Hon. Troy A. Paredes, Commissioner
The Hon. Daniel M. Gallagher, Commissioner