

8 March 2012

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-5546

Dear Secretary Murphy,

The purpose of this letter is to provide comments on File No. S7-42-10, regarding rules required for implementation of Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As you know, Section 1504 applies to the Disclosure of Payments by Resource Extraction Issuers. Greenpeace is a non-profit organization, with independent offices in over forty developed and developing countries, and we are concerned with environmental impacts on communities that come from industrial-scale extraction of forests, minerals, and fossil fuels. We appreciate the opportunity to provide comments to the SEC.

The effective implementation of Section 1504 is important for two basic reasons. First, increasing industry transparency and accountability will significantly lower government and civil society resources needed to oversee and mitigate the social and environmental impacts of extractive industries. As such, negative impacts are more likely to be reduced over time. Second, this SEC rule will establish global precedent. Other countries and regions, such as the European Union, are considering similar provisions for transnational companies based within their jurisdiction.

The United States has an opportunity to be a leader on oversight and accountability requirements for the global extractive industry, and as such to encourage democratic principles, economic use of public resources, and environmental sustainability. Many industry groups and civil society organizations are pushing for transparency to be a priority discussion at the third Earth Summit in Rio this June, in the context of global sustainability reporting initiatives like the Global Reporting Initiative (GRI) of the United Nations Environment Program. The GRI has been developed specifically to include the financial services sector. **At Rio+20 the Obama administration could showcase Section 1504 and implementation of Dodd-Frank as a landmark contribution to transparency and sustainable development.**

Section 1504 we believe could help the public sector obtain information in order to combat corruption abroad and to demand accountability and transparency for how actors in the global market use our planet's limited natural resources.

Unfortunately, extractive industries often cause serious and sometimes permanent environmental degradation. Destruction of topsoil, toxic pollution of waterways, eradication of biodiversity, global warming pollution, destruction of carbon sink capacity of forests and oceans are a few examples of the environmental impacts of mining for coal and rare earth minerals, drilling for oil and gas, and the global market for wood products. In many cases, these environmental impacts are instigated or worsened because of industry and government corruption. Decisions about project development are too often made without the best economics or the interests of affected communities in mind, providing short shrift to land-use planning, environmental impact assessments, and public consultation processes. Increasing industry transparency through effective implementation of Section 1504 would reduce the impacts of inadequate local governance practices.

We support the recommendations and comments on the proposed rules submitted to you by the Publish What You Pay coalition. We strongly recommend that:

- 1) Exemptions should not be provided, as it would violate the spirit of the Dodd-Frank law and undermine market accountability.
- 2) The Commission should define "project" in relation to each lease, license and/or other concession level arrangement entered into by a resource extraction issuer.

- 3) As required by legislation, information should be provided for the country level and project level. This also will avoid spending US taxpayer to obtain project-level information from remote locations where global extractive industries operate.
- 4) Finally, rules should set a reasonable minimum threshold for payments to be reported.

In addition, we believe Section 1504 implementation will be most economic and democratic if it requires that information be filed, not just furnished, to the SEC.

Yours sincerely,

Kyle Ash  
Senior Legislative Representative  
Greenpeace  
702 H St NW  
Washington, DC 20001