



March 29, 2011

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

Dear Secretary Murphy,

The United Steelworkers (USW) appreciates the opportunity to provide comments to the Securities and Exchange Commission (SEC) on the proposed rules regarding the Disclosure of Payments by Resource Extraction Issuers to implement Section 1504 of the Dodd-Frank Act.

The USW is the principal labor union representing oil and gas industry workers and mineworkers in North America. We have collective bargaining relationships with many of the companies covered by Section 1504. Many of our members also own shares of these companies either directly or through funds.

USW is an affiliate of the International Federation of Chemical, Energy, Mine and General Workers' Unions, a federation whose affiliated unions represent millions of workers in resource extraction industries around the globe. We have also recently affiliated to the US chapter of Publish What You Pay (PWYP), a broad civil society coalition representing over 2.5 million constituents spread through every state in the nation.

In submitting these comments, USW is expressing support for the comments on the proposed rules submitted to you by PWYP in February 2011. With regard to the proposed rules, we agree with PWYP that no exemptions should be provided; issuers should be required to file rather than furnish the required disclosures; the Extractive Industries Transparency Initiative is a floor rather than a ceiling; "project" should be defined in relation to the lease, license and/or other concession-level arrangement that assigns it with rights and fiscal obligations; and the SEC should make public a compilation that includes

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

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the full level of detail that companies are required to report under this statute as well as the company reports.

More specifically, we want to address concerns that have been raised linking the proposed rules with employee safety. For USW, there is no higher priority than defending the health and safety of our members and of workers in general. We work closely with labor unions and community organizations in countries around the world, including Liberia, Zambia, Peru and many others, who are attempting to negotiate with multinational extractive industry companies and national governments to ensure that community and worker interests are given fair consideration.

Industry commentators have raised concerns that revenue transparency as proposed in the rules could jeopardize employee safety.¹ We believe that enhanced transparency would in fact enhance employee safety. Revenue transparency is necessary in order for citizens to be able to hold their governments accountable – a special challenge in the case of many developing countries where democratic institutions are still emerging. It creates a strong incentive for resource companies to resist pressure by governments to enter into investment agreements that only benefit a select group of government insiders. It also creates a strong incentive for governments to promote investment agreements that can serve as a pathway to poverty reduction, stable economic growth and development. One aspect of this development is safer workplaces.

Revenue transparency mitigates against an investment environment where benefits accrue to the few while conditions for the many suffer. It is in such closed, opaque environments where the health and safety conditions of workers are poor.

Some industry commentators have raised the specific concern that employee safety could be threatened by project level payment disclosure, stating that this information could be used by groups or individuals to target a specific project in order to destabilize a country's economy and in the process put workers at the production site at risk.² They have argued that this concern

¹ See submissions by National Mining Association (which was supported by the North American Metals Council), the American Petroleum Institute, Exxon Mobil, Chevron, Royal Dutch Shell and PetroChina.

² See submissions by the American Petroleum Institute, Royal Dutch Shell and Exxon Mobil.

could be ameliorated by not disclosing payments at the project level but rather aggregating them at the national level. We believe that this concern is overstated and that project level disclosure is in fact critical for workers and their communities to achieve benefits from investment transparency. The location of large resource extraction investments is already publicly available. This information is reported on in local, national and international media. Terrorists would not need to rely on SEC filings to identify these locations. However, residents of communities where a resource extraction project is located would have a harder time identifying whether their government has represented their interests effectively if they don't know what resources have flowed to their government in connection with that project.

As a labor union that represents workers at specific sites, we understand the importance of specific project level disclosure. For example, if a company knows what benefits it derives from an operation but won't disclose that to the union, it promotes adversarial relations and increases the likelihood of a labor dispute. Likewise, secrecy surrounding flows of resources from companies to governments at the project level contributes to an environment where disputes can thrive. In the case of resource extraction projects, these disputes can turn violent, thereby destabilizing investments to the detriment of workers and shareholders.

We thank the SEC for the opportunity to provide these comments.

Sincerely,

Holly R. Hart



Assistant to the International President
Legislative Director

HRH/cdk

cc: Manfred Warda, General Secretary, International Federation of Chemical, Energy, Mine and General Workers' Unions