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U.S. Senate calls on the SEC to schedule a rulemaking for transparency law The U.S. must maintain its leadership role in anti-corruption efforts

WASHINGTON, DC – 13 Senators have called on the Securities and Exchange Commission (SEC) to promptly schedule a rulemaking for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1504 requires all oil, gas and mining companies listed on U.S. stock exchanges to publicly disclose their payments to governments for natural resource activities.

In a letter submitted to the SEC, Senators Cardin (D-MD), Levin (D-MI), Markey (D-MA), Durbin (D-IL), Leahy (D-VT), Sanders (D-VT), Johnson (D-SD), Whitehouse (D-RI), Warren (D-MA), Merkley (D-OR), Boxer (D-CA), Blumenthal (D-CT), Schumer (D-NY) expressed disappointment that Section 1504 failed to appear on this year's rulemaking agenda. (1)

"Senior Senators representing the Banking, Foreign Relations and Appropriations Committees have made their position clear," said Jana Morgan, National Coordinator for Publish What You Pay-United States. "If the U.S. is to maintain its position as a leader in extractives transparency, the scheduling of a rulemaking for this important anti-corruption provision can wait no longer. It is time for the SEC to act."

The SEC released a strong rule for Section 1504 in August 2012. Following an oil industry lawsuit, the DC District Court vacated the rule on procedural grounds this past July. Noting the long delay in issuing the 2012 rule, the Senators stated that despite the District Court decision, "the fact remains that [...] the SEC has the statutory obligation to enact a rule in a timely manner." While nothing in the District Court decision requires the SEC to weaken the content of its 2012 rule, it must now re-issue a rule for Section 1504 before the groundbreaking transparency provision can go into effect.

In calling on the SEC to promptly schedule a rulemaking for Section 1504, lawmakers noted that current disclosure requirements are outdated, and argued that the "prompt enactment of a robust rule will help protect U.S. investors, promote U.S. national and energy security policy, and create more stable operating environments for American businesses."

Today's letter goes on to emphasize that multinational companies including Newmont Mining, Rio Tinto, Statoil, and Tullow have publically acknowledged that greater transparency makes good business sense, while Canada's two largest mining associations, representing over 1,200 companies, have publicly endorsed strong mandatory disclosure requirements. Last August, citing the value of payment information in assessing risk, investors with over \$5.6 trillion in assets under management called on the SEC to quickly re-issue a strong rule.

In calling on the SEC to promptly schedule a rulemaking for Section 1504, Senators lauded the August 2012 rule as the catalyst which sparked the development of a global transparency standard. They noted that that in less than a year, the Extractive Industries Transparency Initiative has approved new, strong project-level disclosure standards, the European Union has adopted mandatory disclosure regulations modeled on the August 2012 rule and that the Canadian government has committed to implementing a mandatory disclosure law by April 2015.

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Notes to Editors:

- (1) Seven of the letter's 13 signatories are original co-sponsors of the Senate bill (S.1700 – Energy Security Through Transparency Act of 2009) that Section 1504 was based on. The cosponsors were: Cardin (D-MD), Durbin (D-IL), Johnson (D-SD), Leahy (D-VT), Merkley (D-OR), Schumer (D-NY), and Whitehouse (D-RI).
- The Senate letter can be viewed here:
http://pwypusa.org/sites/default/files/Senate_letter_to_SEC_1504_May_1_14.pdf
 - While businesses and investors stand to benefit from greater transparency in the oil, gas, and mining sectors, so too do the citizens of resource rich countries. The Senate letter follows a letter to SEC Chair Mary Jo White from over 500 civil society organizations (CSOs) from 40 countries calling for the release of a strong implementing rule for Section 1504. The letter can be found here: <http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-32.pdf>
 - In March 2014, PWYP-US submitted its position statement to the Securities and Exchange Commission detailing the need for public, project-level reporting with no country exemptions. That submission is available here: <http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-28.pdf>
 - Tullow Oil Plc made history in March when it voluntarily disclosed payment information to governments at the project-level in their 2013 annual report, which can be found here:
http://www.tulloil.com/files/pdf/tullow_ar_report_2013.pdf

[Publish What You Pay](#) is a global civil society coalition that believes that the wealth generated by oil, gas and mining industries can be a pathway to poverty reduction, stable economic growth and development in resource-rich countries. Founded in 2002, PWYP comprises over 800 organizations working from nearly 70 countries that advocate for revenue transparency as a necessary ingredient for accountability. In the U.S., PWYP comprises 37 members, including development, faith-based, human rights, environmental, financial reform and anti-corruption organizations representing over 2.5 million constituents spread through every state in the nation.

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