

United States Senate

WASHINGTON, DC 20510

November 21, 2017

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

We strongly disagree with the Treasury Department's recent recommendation that Congress repeal Section 1504 of the 2010 Dodd-Frank Act, also known as the bipartisan Cardin-Lugar Anti-Corruption Provision, and urge you to withdraw the recommendation.

Section 1504 supports the Treasury Department's mission to help ensure a more stable operating environment for U.S. and U.S.-listed companies, to strengthen national security, and to protect the capital of American investors. The Treasury Department's position that the information in Section 1504 payment disclosures may not be "material" is contrary to the stated views of investors and to the clear intent of Congress. Section 1504 is the product of many years of bipartisan deliberation by Congress and at least five years of thorough consideration by the Securities and Exchange Commission (SEC), which included significant consideration of investor interests.

We urge the Treasury Department to examine the SEC's extensive comment record, containing statements from investors with nearly \$10 trillion in assets under management. Those comments, from a broad cross-section of investors, make clear they support the law because it will help them better assess and mitigate material investment risks. Today, as oil, gas, and mining projects enter increasingly dangerous and conflict-prone frontiers, investors need full disclosure to guide their decision-making and to protect themselves from social, political, sanctions, expropriation, reputational, regulatory, and other risks.

We also disagree with the Department's assertion that Section 1504 would "impose significant costs upon public companies that are widely held by all investors." Section 1504 is a reporting requirement, not an onerous regulation that significantly burdens oil, gas, and mining companies that are operating within the bounds of law. Today, there is broad agreement among those companies about the importance of project-level payment transparency. Indeed, major successful U.S.-listed oil companies like BP, Shell, Total, and the world's largest mining companies, BHP Billiton and Rio Tinto, have been reporting their project-level payments to governments under equivalent EU requirements for years. Even state-owned firms such as Rosneft, Gazprom, and CNOOC have reported their project-level payments. A repeal of the law would seriously undermine global transparency and anti-corruption efforts, and undercut our allies who followed U.S. leadership by enacting and implementing their own disclosure measures.

A common global standard simplifies compliance for multinational companies. Repeal of this rule would eliminate the equivalence that currently exists with the EU, Canada, and Norway, and would actually raise compliance costs for cross-listed companies that would have to prepare multiple reports. In fact, since reporting began, companies have called for a level playing field through a consistent global payment transparency standard.

The Treasury Department's recommendation to repeal the statute would forfeit U.S. leadership on this critical issue, at a time when it is vital the U.S. reaffirm its commitment to combating corruption. Repeal would also undermine our energy security and our national security. Ceding U.S. leadership on this important issue would encourage corrupt governments and their allies around the world, and weaken the efforts of our allies committed to this anti-corruption fight. We urge you to withdraw this recommendation.

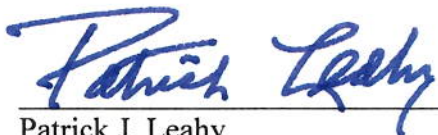
Sincerely,



Benjamin L. Cardin
United States Senator



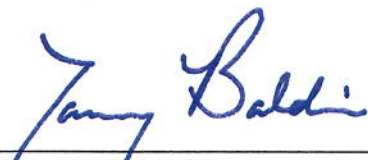
Sherrod Brown
United States Senator



Patrick J. Leahy
United States Senator



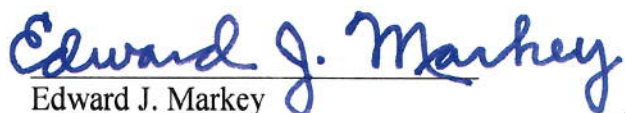
Richard J. Durbin
United States Senator



Tammy Baldwin
United States Senator



Sheldon Whitehouse
United States Senator



Edward J. Markey
United States Senator



Tom Udall
United States Senator



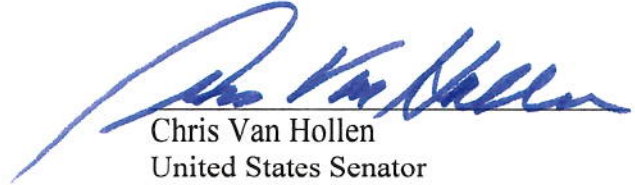
Jeffrey Merkley
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Jeanne Shaheen
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Chris Van Hollen
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Elizabeth Warren
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Christopher A. Coons
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