



FACTCOALITION

Financial Accountability & Corporate Transparency

January 30, 2017

U.S. Senator
United States Senate
Washington, DC 20510

RE: Oppose Efforts to Overturn the Bipartisan Cardin-Lugar Anti-Corruption Measure (Dodd-Frank Sec. 1504)

Dear Senator,

We are writing on behalf of the **Financial Accountability and Corporate Transparency Coalition (FACT Coalition)** to urge you to oppose any effort to overturn the implementing rules of the bipartisan Cardin-Lugar anti-corruption provisions (Section 1504) of the Wall Street Reform and Consumer Protection Act of 2010. The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations that promotes policies to combat the harmful impacts of corrupt financial practices.

Sponsored by former Sen. Richard Lugar (R-IN) and Sen. Ben Cardin (D-MD), the bipartisan measure combats corruption and protects national security by requiring oil, gas, or mining companies that file an annual report with the Securities and Exchange Commission to disclose their country and project-level payments to host governments each year.

It's inaccurate to suggest that the implementing rules promulgated by the SEC in July put U.S. companies at a competitive disadvantage. 30 other countries—including Norway, Canada, and all 28 members of the European Union—have instituted the same disclosure requirements on extractive companies. This means that over 90 percent of internationally operating companies in the extractives sector are covered by these transparency measures. And, there are already reports coming out of these countries. We have seen reports from BP, Shell, and BHP Billiton—among other major multinational oil and gas companies. Despite this, no European company has suffered any disadvantage as a result of disclosures it has made.

Moreover, it's estimated that Cardin-Lugar would result in negligible compliance costs for American businesses, as was noted by one company, Tullow Oil, which has been reporting under requirements equivalent to Cardin-Lugar for several years. The rule requires disclosure of payments that companies track in the normal course of doing business.

Additionally, the SEC issued an equivalency order alongside its implementing rule for the Cardin-Lugar provision determining that companies reporting under EU rules, Canadian rules, or the U.S. Extractives Industry Transparency Initiative (EITI) standard would be deemed substantially similar to the SEC rule. As such, companies reporting under the above equivalent rules may submit those existing required reports to fulfill the SEC disclosure requirements, and would not add any new burdens or compliance costs for those companies.

While we take for granted the transparency of federal budgets in the United States, this is simply not the case in many developing nations. In a number of countries, government revenues and budgets aren't published

anywhere—which encourages public officials to steal from their citizens and extort private companies for bribes and kickbacks.

The problem is especially acute in a number of countries in the Middle East and Africa, where natural resource revenues often constitute the bulk of a government’s funds. As we’ve seen in countries such as Syria and Iraq, such widespread graft (combined with a lack of transparency) breeds disillusionment and instability—and can have very serious national security consequences for the United States.

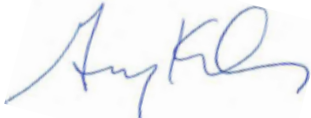
Corruption is more than just a threat to economic growth and human rights; corruption threatens U.S. national security by fueling and funding terrorism and driving conflict globally. Disclosure of company payments to governments for access to natural resources, and government commitments to publish receipts of those payments, are key to battling corruption and ensuring citizens benefit from their country’s natural resource wealth.

We would strongly urge you to consider ways to strengthen anti-corruption measures rather than weaken this important safeguard.

We again call on you to reject the pending Congressional Review Act resolution to roll back the bipartisan Cardin-Lugar amendment of the Wall Street Reform and Consumer Protection Act.

Should you have any questions, please feel free to contact Clark Gascoigne at cgascoigne@thefactcoalition.org or +1 (202) 810-1334.

Sincerely,



Gary Kalman
Executive Director
The FACT Coalition



Clark Gascoigne
Deputy Executive Director
The FACT Coalition



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Financial Accountability & Corporate Transparency

Coalition Members and Supporters

Organizational Members

National/International

ActionAid USA
Americans for Democratic Action
American Federation of Labor – Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County and Municipal Employees (AFSCME)
American Sustainable Business Council
Campaign for America’s Future
Citizens for Responsibility and Ethics in Washington (CREW)
Citizens for Tax Justice
EarthRights International
EG Justice
Enough Project
Fair Share
Fair Share Education Fund
Financial Transparency Coalition
Friends of the Earth U.S.
Global Financial Integrity
Global Witness
Government Accountability Project
Institute for Policy Studies – Program on Inequality and the Common Good
Institute on Taxation and Economic Policy
JPIC Ministry – Missionary Oblates
Jubilee USA Network
Leadership Conference of Women Religious
The Main Street Alliance
National Priorities Project
New Rules for Global Finance
OpenTheGovernment.org
Oxfam America
Pacific Environment
Polaris
Project On Government Oversight (POGO)
Public Citizen
Sargent Shriver National Center on Poverty Law
Service Employees International Union (SEIU)
Small Business Majority
Tax Justice Network USA
U.S. Public Interest Research Group (PIRG)
U.S. Public Interest Research Group (PIRG) Education Fund
U.S. UNCUT

State/Local

Arizona

Arizona Fair Share
Arizona Public Interest Research Group

California

California Fair Share
California/Venezuela Region – Religious Sisters of Charity
California Public Interest Research Group
Jubilee Bay Area
Main Street Alliance of California

Colorado

Colorado Fair Share
Colorado Main Street Alliance
Colorado Public Interest Research Group

Connecticut

Connecticut Fair Share
Connecticut Public Interest Research Group

Delaware

Delaware Americans for Democratic Action (Delaware ADA)

Florida

Florida Fair Share
Florida Public Interest Research Group
Main Street Alliance of Florida

Georgia

Georgia Fair Share
Georgia Public Interest Research Group

Idaho

Idaho Main Street Alliance

Illinois

Citizen Action / Illinois Illinois Fair Share
Illinois Public Interest Research Group

Iowa

Iowa Citizen Action Network
Iowa Citizens for Community Improvement

Iowa Fair Share
Iowa Farmers Union
Iowa Main Street Alliance
Move to Amend – Iowa Chapter

Kentucky

Kentucky Fair Share

Minnesota

Main Street Alliance of Minnesota
Minnesota Fair Share

Maine

Maine Small Business Coalition

Maryland

Maryland Fair Share
Maryland Public Interest Research Group

Massachusetts

Massachusetts Fair Share
Massachusetts Public Interest Research Group

Michigan

Michigan Fair Share
Michigan Public Interest Research Group

Missouri

Missouri Public Interest Research Group

Montana

Montana Fair Share
Montana Small Business Alliance

Nevada

Nevada Fair Share

New Hampshire

New Hampshire Fair Share
New Hampshire Public Interest Research Group

New Jersey

New Jersey Main Street Alliance
New Jersey Public Interest Research Group

New Mexico

New Mexico Public Interest Research Group

North Carolina

Fair Share in North Carolina
North Carolina Public Interest Research Group

North Dakota

North Dakota Fair Share

Ohio

Ohio Fair Share
Ohio Public Interest Research Group
Main Street Alliance of Ohio

Oregon

Jubilee Oregon
Main Street Alliance of Oregon
Oregon Fair Share
Oregon State Public Interest Research Group

Pennsylvania

Pennsylvania Fair Share
Pennsylvania Public Interest Research Group
SEIU Local 668, Pittsburgh, PA
UFCW Local 23, Western PA

South Carolina

South Carolina Small Business Chamber of Commerce

Texas

Texas Fair Share
Texas Public Interest Research Group

Vermont

Main Street Alliance of Vermont

Virginia

Virginia Fair Share
Main Street Alliance of Virginia

Washington (State)

Main Street Alliance of Washington
Washington Public Interest Research Group

Wisconsin

Wisconsin Fair Share
Wisconsin Public Interest Research Group

Individual Supporters

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