Jeanette L. Ourada
Vice President and Comptroller

July 22, 2016

Via E-mail to rule-comments@sec.gov

Brent J. Fields, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Concept Release – *Business and Financial Disclosure Required by Regulation S-K*, File Reference No. S7-06-16

Chevron Corporation ("Chevron" or the "Company") appreciates the opportunity to provide comments to the Securities and Exchange Commission (the "Commission" or "SEC") regarding the Concept Release - *Business and Financial Disclosure Required by Regulation S-K* (the "Concept Release") and commends the Division of Corporate Finance for its efforts to improve and modernize the disclosure requirements applicable to registrants.

Chevron Corporation is one of the world's leading integrated energy companies. Through its subsidiaries that conduct business worldwide, the Company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power and produces geothermal energy; and develops and deploys technologies that enhance business value in every aspect of the Company's operations. Chevron is based in San Ramon, California.

Chevron supports the stated goals of the disclosure effectiveness initiative to modernize the disclosure regime and improve it for the benefit of both investors and registrants. However, we are concerned that some of the potential changes made available for comment in the Concept Release would increase the number and complexity of disclosures, rather than streamline them, create the potential for disclosure overload and less meaningful disclosures, and increase the cost of compliance, while offering limited benefits to the reasonable investor, for the reasons we discuss further in this letter.

Our comments on selected topics in the Concept Release are below. Question references by number cited throughout relate to the specific questions asked by the Commission in the Concept Release.

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Materiality and Principles-Based Disclosure

We believe that the SEC's Regulation S-K should remain focused on requiring principles-based disclosures, applying the traditional definition of materiality promulgated by the U.S. Supreme Court[1], that provides information that a reasonable investor (not *any* investor or stakeholder) would consider important to making an investment or voting decision. We believe that these principles best serve the Commission's stated objectives of investor protection, while promoting efficiency and capital formation. We share the concern regarding the potential for disclosure overload arising from information already provided to investors in periodic reports, proxy statements and other filings and believe the Commission should focus its Disclosure Effectiveness efforts on simplifying and streamlining the reporting requirements under Regulation S-K rather than adding new prescriptive line-item requirements.

Prescriptive disclosure requirements are often less informative than principles-based disclosures given that they eliminate the ability for company management to present only the information most relevant and material to investors. We believe registrants remain in the best position to make the determination of what is material to their business, financial position and prospects. This is a facts and circumstances-based determination specific to each registrant, depending on its industry, size, business model, and other factors, and allows for flexibility as the business and legal and regulatory landscape in which a registrant operates continually evolves. Prescriptive disclosures can be costly and burdensome for registrants to assess and provide without providing sufficient benefit to investors. As an example, the current prescriptive disclosure threshold set forth in Legal Proceedings (Item 103) that requires disclosure of environmental proceedings to which a governmental authority is a party and that the Company does not reasonably believe will result in monetary sanctions of less than $100,000 results in the Company including certain disclosures in its filings even though a $100,000 penalty would not be material to the Company's financial condition. Similarly, the proposal in the Concept Release to consider adding quantitative thresholds to the determination of material contracts not made in the ordinary course of business (Question 238) could lead to the disclosure of a multitude of contracts that are not material to a registrant. Further, we believe illustrative guidance or interpretive releases can better serve to clarify the intent of the disclosure requirements. For example, we believe this approach would be more effective in encouraging meaningful disclosures specific to a registrant's operations than the proposal to add prescriptive requirements relating to critical accounting estimates (Question 141).

MD&A and Other Disclosure

As noted in the Concept Release, the Commission has provided substantial guidance over the years with the intent of improving the quality of Management's Discussion and Analysis (MD&A) disclosures. We believe this guidance is sufficient to elicit meaningful disclosures and has served to encourage the elimination of immaterial disclosures and strengthen the underlying principles-based approach to this section of Regulation S-K. We support the suggestion in the Concept Release (Question 90) to consolidate this guidance as it would help ensure registrants respond to the current requirements of the Commission. We also support the suggestions targeted to reducing content in the MD&A that is reflected elsewhere in disclosures or is otherwise easily obtainable. For example, we believe the Item 301 requirement to present a five-year financial summary can be eliminated as information on previous filings is readily available to investors (Question 67).

Companies are already required to assess and inform investors in SEC filings as new known events, trends or other factors are identified that could materially impact future results. Existing guidance

[1] See Basic Inc. v. Levinson, 485 U.S. 224 (1988); TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976).

requires a registrant to discuss both historical and prospective factors critical to earnings in the MD&A. This would include a discussion of the impact of a registrant's compliance with environmental regulations or other sustainability matters should they be material. We believe registrants remain in the best position to determine which of these events, trends and other factors are material to their business, financial position and operations.

As to the benefits of requiring auditor involvement in determining the reliability of the MD&A disclosure (Question 96), or in determining Selected Financial Data or Supplementary Financial Information (Questions 77 and 82), we do not believe that an audit requirement would result in disclosure of new or meaningful information to the investor. Further, per Chevron's previous comments submitted on this topic[2], the type of data contained in the MD&A section is not all conducive to normal audit evaluation procedures as it is based on the best judgment of management and is often difficult to predict, unlike the audit of the financial statements and corresponding notes, which reflect a registrant's actual transactions based on accounting standards. It would be difficult to communicate in the auditor's report precisely which data and statements were evaluated. Such an extension of the audit and controls requirements would result in significant additional costs to a registrant given the extra time and resources required from both external audit and corporate staffs to meet the requirements, without improving the overall quality of disclosure, and may even lead to a reduction in the content provided given the limited time window for filing a Form 10-K.

Further, we do not believe there would be value to a reasonable investor from the Commission undertaking the effort to determine and build requirements for industry-specific performance metrics (Question 106). To the extent certain metrics are common across a specific industry (for example, production or sales data), they are already included in current reporting and actively discussed in other company communications, such as in connection with shareholder meetings. For the oil and gas industry, the supplemental reporting on oil and gas producing activities required by the SEC and FASB already provides for comparability between companies on key metrics.

Risk, Risk Management and Risk Factor Disclosure

Understanding management's assessment of the risks facing a company is a critical factor in weighing an investment decision. The existing requirements set forth in Item 503(c) of Regulation S-K require an in-depth discussion in a registrant's periodic reports of the material risks that may impact a registrant's business, operations, industry or financial position, or its future financial performance. Together with the requirements in the MD&A section for disclosing known material trends and uncertainties, we believe that investors are already provided with appropriate information about a company's material risks. The flexibility inherent in the Commission's existing principles-based guidance is effective in promoting the continual reassessment of the relative importance of the different risks that a company may face over time (Question 154). For example, our Company's 2015 Form 10-K included a significant discussion of the potential risks of additional greenhouse gas emissions regulation following the outcome of the Paris Accord. We do not believe requiring a more structured disclosure of risk would aid the reasonable investor in understanding the risks facing the Company. Each company and its related risk factors are unique, and we believe imposing a forced ranking, a numerical limitation, an assessment of probability of occurrence or other quantitative measure could lead to more boilerplate, and also potentially misleading, disclosures. (Questions 146 and 152)

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[2] [1] Chevron Comment Letter, dated December 12, 2013, regarding PCAOB Rulemaking Docket Matter No. 34 – Release No. 2013-005.

The Company supports the suggestions to consolidate other portions of the required risk-related disclosures (Questions 180-182), especially where there are overlaps between the requirements in the notes to the financial statements and the sections governed by Regulation S-K. The overlap between the contingencies requirements and the disclosure of legal proceedings under Item 103 of Regulation S-K is one example where consolidation could lead to a reduction in disclosures.

Sunset Provisions and Harmonizing Standards

We support the proposal in the Concept Release that sunset provisions should accompany new disclosure requirements to reinforce a periodic assessment by the Commission of the continued effectiveness and relevance of a disclosure requirement (Questions 1-5). A periodic review by the staff of existing disclosures would also be beneficial and serve to limit disclosure of information that is potentially outdated and immaterial. We also believe it would be particularly beneficial for the FASB and SEC to jointly review their existing and proposed standards in light of the increasing overlap between the required disclosures. For example, the requirement to discuss significant contractual obligations in both the notes to the financial statements and in the MD&A (Item 303(a)(5)) results in duplicative disclosures. We believe the requirement for tabular disclosure of contractual obligations and related footnotes could be eliminated from the MD&A without a material loss of information to the investor. Limiting the need to cross-reference between sections of a periodic report by reducing duplicative requirements would help to improve the readability for the investor. However, we also encourage the FASB and SEC to ensure these harmonized disclosure requirements continue to support limiting the discussion of forward-looking information to the MD&A section, which is covered under statutory safe harbor protection.

Audience for Disclosure

Disclosure requirements under Regulation S-K should be constructed to target an audience with some level of sophistication such as the typical reader of SEC-filed documents (Questions14-16). Given the technical nature of SEC filed documents, such as Form 10-Ks, readers are often institutional investors, professional security analysts and sophisticated individual investors with a reasonable knowledge of finance and accounting fundamentals. Tailoring disclosure to less sophisticated investors, or certain investor or stakeholder groups with narrower interests, increases the potential for "disclosure overload" while obscuring information more relevant to investment or voting decisions. We support the Commission's mandate to protect all classes of investors, including retail and institutional investors, and we back the ongoing efforts of the SEC to solicit feedback from all investors on the usability of the disclosures. However, we believe that multiple presentations of the same information or expansion of prescriptive disclosure requirements would only create more confusion among investors about how to interpret disclosures and would increase the overall cost of preparation by registrants. We believe streamlining required disclosures would benefit all classes of investors in the long run by allowing them to focus on those items that are truly material.

Compliance Costs and Competitive Harm

The continued expansion of disclosure requirements generates significant incremental costs and practical challenges for registrants in preparing SEC documents. New disclosure requirements generate the need to put in place additional internal controls to ensure accurate data gathering and reporting capabilities, and in some cases, require significant investment in new information systems and business processes depending on the nature of the required disclosure. Each new disclosure requirement also requires additional attention by management, Board Audit Committees and internal and external auditors. To the extent new independent audit requirements are imposed, this will also result in additional reporting costs for registrants.

Expansion of disclosure requirements or adoption of prescriptive new requirements could also potentially result in requiring disclosure of competitively sensitive company information that is not material to a reasonable investor's voting and investment decisions. The information requested by certain special interest groups is often integrated into a registrant's strategy, business planning, and risk management tools and processes. We believe maintaining the confidentiality of these types of internal analyses and related metrics is in the best interest of stockholders as it prevents the release of information that could put a company at a competitive disadvantage.

In addition to our comments in this letter, Chevron supports the comments submitted by the American Petroleum Institute in its letter dated July 21, 2016, in response to the Concept Release.

In summary, we urge the Commission to fully weigh the incremental burden and cost on registrants relative to the potential benefits to shareholders prior to adopting any new disclosure requirements, especially where material information is already required under the current SEC disclosure regime or when suitable voluntary reporting frameworks are already in existence. We ask that the Commission assess these potential benefits from the perspective of the reasonable investor, as opposed to that of *any* investor, or any other stakeholder or special interest groups. In addition, we urge the Commission to remain focused on its core mandates of investor protection, maintaining fair, orderly and efficient capital markets and promoting capital formation, rather than using securities laws and regulations to promote social or public policy objectives, when issuing new disclosure requirements.

We trust our comments are helpful to the Commission in determining next steps for the project. If you have any questions on the content of this letter, please contact Al Ziarnik, Assistant Comptroller, at (925) 842-5031.

Sincerely,