QUANTA
SERVICES

September 9, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Via Email: rule-comments@sec.gov

RE: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20

Dear Ms. Countryman:

On behalf of Quanta Services, Inc. (NYSE: PWR), a specialty infrastructure solutions provider headquartered in Houston, Texas, we are writing to respectfully express our opposition to the Commission's proposed amendments to the Form 13F reporting rules for institutional investment managers.

As a publicly traded midcap company, we rely significantly on 13F filings to aid in our stockholder engagement efforts – as it is the primary source of accurate institutional ownership data available. While we welcome the Commission's interest in modernizing 13F reporting, we believe that the proposed amendments would significantly reduce transparency around our ownership and hedge fund activism, as well as meaningfully undermine our investor engagement efforts and deprive our retail investors of information they use to make investment decisions. We urge the Commission to withdraw this proposal and instead consider the reforms that were detailed in rulemaking petitions submitted by the National Investor Relations Institute (NIRI), the NYSE Group, the Society for Corporate Governance and Nasdaq.[1] As set forth in those petitions, rather than allow approximately 90 percent of current 13F filers to go dark, we urge the Commission to reduce the outdated 45-day reporting period, require 13F filers to disclose short positions and support legislation that provides for monthly stock ownership disclosure.[2]

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[1] *See* NYSE Group, NIRI, and Society for Corporate Governance, Request for Rulemaking Concerning Amendment of Beneficial Ownership Reporting Rules Under Section 13(f) of the Securities Exchange Act of 1934 in Order to Shorten the Reporting Deadline under Paragraph (a)(1) of Rule 13f-1, Petition No. 4-659, February 4, 2013, available at: https://www.sec.gov/rules/petitions/2013/petn4-659.pdf; NYSE Group and NIRI, Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934, Petition No. 4-689, October 7, 2015, available at: https://www.sec.gov/rules/petitions/2015/petn4-689.pdf.; and Nasdaq, Petition for Rulemaking to Require Disclosure of Short Positions in Parity with Required Disclosure of Long Positions, Petition No. 4-691, December 7, 2015, available at https://www.sec.gov/rules/petitions/2015/petn4-691.pdf.

[2] Congress has expressed a clear intent for 13F filers to provide more disclosure. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 called for monthly disclosure of short positions. *See* 15 U.S.C. § 78m(f)(2) ("The Commission shall prescribe rules providing for the public disclosure of the name of the issuer and the title, class, CUSIP number, aggregate amount of the number of short sales of each security, and any additional information determined by the Commission following the end of the reporting period. At a minimum, such public disclosure shall occur every month.").

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While there has been a meaningful shift in equity assets under management over the past couple decades to passive investment products, such as index funds, ETFs and quantitative strategies, which public companies rarely engage with, actively managed equity firms remain the majority and an important portion of our current and potential investor base. As a result, active engagement with them is critical, and we believe that this proposal would seriously jeopardize our shareholder engagement efforts by excluding more than 4,500 investment managers – or nearly 90% of all filers – from the required disclosure.

Based on reporting data as of June 30, 2020, actively managed firms that report under 13F owned approximately 55 percent of Quanta's outstanding shares. If the proposal were enacted, we would lose visibility on more than 50 percent of these actively managed firms, resulting in a significant loss of market transparency regarding a large portion of our investor base.

The need for effective shareholder engagement is clearer than ever, and the current proposal would be a tremendous misstep at a time when shareholders, corporations and elected officials are increasingly calling for greater transparency. We ask the Commission to pause and reconsider the implications of this proposed rule, and instead refocus its efforts on the modernization of the 13F disclosure regime to improve transparency in a manner consistent with recommendations submitted by NIRI, the NYSE Group, the Society for Corporate Governance, and Nasdaq.

Sincerely,

Derrick Jensen
Chief Financial Officer
Quanta Services, Inc.

Kip Rupp, CFA
Vice President, Investor Relations
Quanta Services, Inc.