

September 27, 2020

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

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

Dear Ms. Countryman:

I am writing to oppose the Commission's proposed amendments to 13F of the Securities and Exchange Act and respectfully request that they be withdrawn. As Vice President of Investor Relations for Range Resources Corporation, a NYSE publicly traded company headquartered in Fort Worth, Texas (NYSE:RRC) that engages in the production of natural gas and natural gas liquids, it is clear that the effect of the proposed amendments is to significantly reduce market transparency contrary to the purpose of the Securities and Exchange Act and detrimental to our company. From our perspective the proposal would reduce our ability to engage with current investors, impede our ability to attract new investors, and leave us open to unwarranted activism as discussed in more detail below.

Significantly, the proposal would give nearly 90 percent of current 13F filers a pass from having to identify and report important investment activities to issuers like Range. The 13F filings are the *only source* of quarterly ownership information available to our company and other U.S. issuers. While 13F information is not as timely as it should be, it is the only data that we have that shows which "street name" investors are buying or selling our shares. This information cannot be fully replaced by hiring stock surveillance firms, which themselves rely on quarterly 13F data as a starting point for their research efforts and are cost-prohibitive in many cases, particularly for small and mid-cap companies such as ours.

Respectfully, we do not believe that the Commission has adequately considered the potential impact of this 13F proposal to our company and our responsibility to regularly confer with our investors throughout the year. As a sub-\$2 billion market cap company, we are particularly concerned about how the reduction of 13F transparency would impair our ability to identify our most active shareholders and engage effectively with them as discussed below. We estimate that the proposed increase in the 13F threshold to \$3.5 billion would allow 15% of our current top 100 investors to avoid disclosure. While some of our largest investors would likely be required to continue disclosure about their investments, many of those institutions are passive, indexed holders with positions that do not change appreciably each quarter. For our company and many

others that are similarly situated, it is the 13F data from the active investment managers and hedge funds under the proposed \$3.5 billion threshold that is most valuable.^{1 2} This proposal would strip away that key information.

Engagement

Our company uses 13F data to allocate the limited time of our senior executives among the many requests that we receive from investors for one-on-one calls or meetings. The 13F data allows us to dedicate the appropriate time to our largest investors and fund managers as well as those shareholders with smaller positions who are interested in increasing their holdings in our company. With this proposed increase in the 13F threshold, we would not have visibility into this important group.

Capital Formation

The loss of 13F data also would impede our company's ability to attract new long-term institutional investors. Like many other issuers, we use 13F filings to identify potential shareholders (such as those who have invested in similar companies) and to measure the effectiveness of our outreach efforts to prospective investors. Both of these practices are essential for our company to effectively access the capital markets and fund our business. Without this information on who is holding as well as buying shares each quarter, our ability to raise capital is hindered. As required by the agency's mission, the Commission should fully consider the impact on public company capital formation before proceeding with this rulemaking.

Activism

The loss of 13F data under the proposed rule also exposes our company to a greater risk of unwarranted and unexpected activism by short-term-oriented fund managers, who may demand that we take actions that run counter to our long-term strategy or the investment strategy of our long-term investors. According to Activist Insight, 2019 was a record year for activism as 470 U.S. companies were targeted and 95 proxy contests were launched.³ Many corporate advisers are warning companies to prepare for another surge in activism in 2021-22 after the pandemic subsides (as there was after the financial crisis of 2008-09). This activist environment makes the

¹ According to Edelman's financial communications practice group, 60 percent of activist asset managers would fall under the \$3.5 billion threshold. Jeremy Cohen and Jeff Zilka, Edelman, "SEC Proposed Rule Change Is A Step Backwards for Shareholder Democracy," July 29, 2020, available at: <https://finance.yahoo.com/news/sec-proposed-rule-change-step-193708183.html>.

² IHS Markit estimates that 86 percent of activist investors would no longer have to report their positions through 13F filings. IHS Markit, "SEC's 13F Proposal – Issuer and Investor Analysis," August 7, 2020, available at: <https://ipreo.com/blog/secs-13f-proposal-issuer-and-investor-analysis/>.

³ See Lisa Silverman, Bloomberg Law, "Insight: Preparing for Post-Pandemic Corporate Activism," May 4, 2020, available at: <https://news.bloomberglaw.com/corporate-governance/insight-preparing-for-post-pandemic-corporate-activism>.

timing of the Commission's proposal to reduce transparency that much more challenging for public companies, like Range, and long-term investors.⁴

Without the 13F data we receive now, our company will not know if an activist fund manager that falls under the \$3.5 billion threshold, which it certainly can use to its advantage, is taking steps to launch a proxy contest until 10 days after the fund crosses the 13D disclosure threshold and publicly surfaces with a 5 percent (or often more) position.

For the reasons mentioned above, we respectfully request that the Commission withdraw its proposed 13F amendments and instead pursue the reforms detailed in the petitions submitted by National Investor Relations Institute, the NYSE Group, Nasdaq, and the Society for Corporate Governance.⁵ Rather than reduce 13F transparency, we urge the Commission to promote more timely and complete disclosure by reducing the outdated 45-day reporting period and by requiring the public disclosure of short positions.

Sincerely,



Laith Sando
Vice President – Investor Relations
Range Resources Corporation

⁴ See, e.g., Q4 Blog, "Activism in the Post-Pandemic Market: What You Need to Know," May 12, 2020, available at: <https://q4blog.com/2020/05/12/activism-in-the-post-pandemic-market-what-you-need-to-know/>; Frank Aquila and Melissa Sawyer, Sullivan & Cromwell, *Corporate Secretary*, "How boards can prepare for post-pandemic activism," April 6, 2020; available at: <https://www.corporatesecretary.com/articles/boardroom/32040/how-boards-can-prepare-post-pandemic-activism>.

⁵ 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>.