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Via email: rule-comments@sec.gov

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Request for Comment on the Effectiveness of Financial Disclosures about Entities Other than the Registrant

Chevron Corporation (“Chevron”) appreciates the opportunity to provide comments to the Securities and Exchange Commission (the “Commission”) regarding the *Effectiveness of Financial Disclosures about Entities Other than the Registrant*.

Chevron 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.

Overall, we support the Commission’s efforts to review the effectiveness of disclosure requirements for the benefit of investors and public companies. Generally, we feel more steps can be taken to simplify disclosure requirements to improve the usefulness to investors, while minimizing the burden on public companies. Specifically, we believe the extent of disclosure referenced in *Rule 3-09 of Regulation S-X – Separate Financial Statements of Subsidiaries not Consolidated and 50 Percent or Less Owned Persons and Related Requirements (“Rule 3-09”)*, as it relates to equity method investees, should be narrowed to focus on materiality.

The Chairman of FASB has commented that “our goal is to both improve disclosure content... and at the same time, where we can, reduce the amount of disclosure content... to lead to disclosures that clearly communicate the information that is most important to the users of financial statements.”¹ SEC Chair Mary Jo White has also commented that “...our disclosure regime... is fundamentally grounded on the standard of ‘materiality’.”² These comments appear to indicate that FASB and the SEC are aligned in efforts to tie disclosure in the financial statements to materiality, while providing useful information to existing and potential investors, lenders and other creditors.

In its current form, Rule 3-09 departs from this goal in cases where a company makes a profitable investment that results in a significant contribution to income, but is not a material investment on the balance sheet. While we agree significance tests are appropriate to determine the nature and timing of disclosure, we disagree with the extent of disclosure required under the current rule. More specifically, in cases where high earnings of an equity investment trigger Rule 3-09, but the assets of the equity investment are not material (e.g., less than 5 percent of the parent’s total assets), we believe companies should have the option to file only an unaudited Income Statement and Summarized Balance Sheet for the

¹ Remarks of Russell G. Golden, AICPA Conference on Current SEC and PCAOB Developments, December 2013

² The Path Forward on Disclosure, National Association of Corporate Directors — Leadership Conference, 15 October 2013

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equity investment in an Exhibit to the annual report on Form 10-K with a disclosure that adequately explains the main driver(s) of the higher earnings. Excluding other immaterial components of full financial statements for the equity investment would save time and costs, and reduce demand on resources during the peak annual reporting time period. Moreover, we believe an investor would be more interested in understanding the driver(s) underlying the company's investment that contributes to a high level of its earnings. In addition, while the investment may not be material on the parent company's Balance Sheet, we feel a Summarized Balance Sheet should be provided to give an adequate presentation of the financial health of the equity investment.

Another suggested amendment to Rule 3-09, which we believe is closely aligned with efforts of FASB and the SEC to tie disclosure in the financial statements to materiality, is that companies should only be required to file an audited financial statement for an equity investment in cases where both the Income and Investment Tests exceed 20 percent. Companies should not be required to file an unaudited financial statement for comparative periods when both significance tests were not triggered. Limiting expanded financial information related to the equity investment when both tests were not triggered would help reduce the time and costs to prepare this information and encourage investors to focus on material information.

In addition to the benefits listed above, amending Rule 3-09 to allow companies to focus on more relevant and material information could allow for:

- Increased investor confidence due to communication of more meaningful information; and
- Greater efficiency in preparing investor communications and auditing disclosures.

In summary, we support the Commission's project to simplify and improve the usefulness of corporate disclosures to effectively enhance the quality of financial documents and trust our comments are helpful to the Commission in determining next steps for this initiative. If you have any questions on the content of this letter, please contact Al Ziarnik, Assistant Comptroller, at (██████████).

Very truly yours,

