

December 20, 2012

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”)

Dear Ms. Murphy:

I am writing on behalf of Calvert Investment Management, Inc. to provide further perspective on our views as investors regarding Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) [or Exchange Act Section 13(q)]. Calvert is a diversified financial services company based in Bethesda, Maryland with more than \$12.1 billion in assets under management, as of December 19, 2012. My comments follow Calvert’s numerous previous submissions to the Securities and Exchange Commission (SEC) as well as meetings with commissioners, their staff and the professional staff of the SEC throughout the rulemaking process for Section 13(q). Calvert’s most recent communication with the SEC on this topic was my sworn statement submitted on November 1, 2012 in response to the motion for stay of Rule 13q-1 and Related Amendments to New Form SD.

Let me acknowledge and express our appreciation to the SEC for the approval on August 22, 2012 of final rules for the implementation of Section 13(q). These rules reinforce the strong investor interest in these disclosures and are faithful to the intent of the underlying statute. In addition, we commend the SEC’s November 7, 2012 denial of the request for stay of these rules made by the American Petroleum Institute (API), U.S. Chamber of Commerce (the Chamber), Independent Petroleum Association of America (IPAA), and National Foreign Trade Council (NFTC).

We strongly urge the SEC to continue its vigorous defense of these important rules, because investors value the unique disclosures they require. During the open meeting on August 22 at which the final rules for Section 13(q) were announced Commissioner Aguilar stated plainly, “[t]he final rule we consider today is in the interest of investors<sup>1</sup>.” Chairman Walter took this observation a step further by both pointing out how investors may use the information disclosed pursuant to Section 13(q) and also by noting that the stability fostered by disclosures such as these contributes to more predictable investment conditions.

As numerous commentators noted, the information disclosed pursuant to Section 13(q) will also benefit investors, by among other things, helping investors model project cash flows and assess political risk, acquisition costs, and management effectiveness. Moreover, investors and other market participants, as well as civil society in countries

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<sup>1</sup> U.S. Securities and Exchange Commission. Aguilar, Commissioner Luis A. “Facilitating Transparency of Resource Revenue Payments to Protect Investors.” SEC Open Meeting. Washington, D.C. August 22, 2012.

<http://www.sec.gov/news/speech/2012/spch082212laa-extraction.htm#>

that are resource-rich, may benefit from any increased economic and political stability and improved investment climate that transparency promotes<sup>2</sup>.

Calvert was among the investors representing more than a \$1 trillion in assets under management that submitted comments in support of Section 13(q) during the SEC's rulemaking process. These comments indicated that the information disclosed pursuant to Section 13(q) is material to investors and needed as soon as possible to address gaps in disclosures made by the covered issuers. The final rules for the implementation of Section 13(q) and the referenced comments by Chairman Walter and Commissioner Aguilar respond to investor needs in both word and deed.

The SEC's November 7 denial of the request to stay the effective date of these rules concluded that API and the other parties to the motion failed to show that they were likely to succeed in their legal challenge [American Petroleum Inst. v. SEC, No. 12-1398, Dkt. No. 1401564, (D.C. Cir. Oct. 25, 2012)], and that they were unable to demonstrate irreparable injury absent a stay<sup>3</sup>. The Commission's decision also firmly rejected API's claim that foreign laws prohibit Section 13(q) disclosures, concluding that the evidence for these laws was "both unpersuasive and vigorously contested by other commentators." We applaud the SEC on its thoughtful critique of the arguments put forward by the rules' challengers. These rules were the product of more than two years of hard work by SEC staff and leadership, complemented by multiple substantive contributions from investors and other stakeholders, including Calvert. Given this context, the SEC's assertive posture in defending the result of this deliberate and diligent process demonstrates respect for our involvement and interests as investors, and as such is acknowledged and appreciated.

In closing, I would like to draw the SEC's attention to an aspect of the legal challenge to Section 13(q) that is particularly troubling to Calvert. The first count in the legal challenge to Section 13(q) and its final rules made by API, the Chamber, IPAA, and NFTC argues that publicly disclosing the information required by Section 13(q) would "compel U.S. oil, gas, and mining companies to engage in speech--in violation of their First Amendment rights--that would have disastrous effects on the companies, their employees, and their shareholders<sup>4</sup>." In contrast, we believe firmly that if this argument were to prevail the result may threaten the fundamental capacity of the SEC to regulate markets as the First Amendment rights of companies may supersede the need of investors for disclosure of material information essential to promote efficiency, competition, and capital formation. This particular challenge is an ominous sign of the increasingly aggressive litigation strategies parties to the legal challenge, including the Chamber, are taking regarding necessary and, often, statutorily mandated regulations needed to improve investor confidence. We encourage the SEC to continue its defense of this overdue reform and of the Commission's own capacity to carry out its mandate without undue and needless interference.

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<sup>2</sup> U.S. Securities and Exchange Commission. "Statement at SEC Open Meeting." Commissioner Elisse B. Walter Washington, D.C.

August 22, 2012 <http://sec.gov/news/speech/2012/spch082212ebw-extraction.htm>

<sup>3</sup> Securities Exchange Act of 1934 Release No. 68197/November 8, 2012. Order Denying Stay in the Matter of American Petroleum Institute (API), U.S. Chamber of Commerce (the Chamber), Independent Petroleum Association of America (IPAA), and National Foreign Trade Council (NFTC)'s Motion for Stay of Rule 13q-1 and Related Amendments to Form SD <http://www.sec.gov/rules/other/2012/34-68197.pdf>

<sup>4</sup> American Petroleum Inst. v. SEC, No. 12-1398, Dkt. No. 1401564, (D.C. Cir. Oct. 25, 2012).

Again, we thank and commend the SEC on its vigorous defense to date of this important reform and urge you to continue your thorough protection of the interests of investors in this and other related legal challenges. We remain prepared to be of assistance in any ways which the Commission may deem useful.

Sincerely,



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