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1 March 2011
Our reference
PGGM 20110301
Subject
File No. S7-42-10
Handled by
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(via www.sec.gov)
Attn. Ms. Elizabeth M. Murphy
Secretary Securities and Exchange Commission (SEC)
100 F Street, NE
Washington, DC 20549-1090

Please quote date and our reference
in all correspondence

Re: File No. S7-42-10
Disclosure of Payments by Resource Extraction Issuers

Dear Ms. Murphy,

We appreciate the opportunity to provide our comments on the proposed rules for Disclosure of Payments by Resource Extraction Issuers (File No. S7-42-10) as set forth in Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

PGGM is an asset manager acting on behalf of a number of Dutch pension funds, amongst which Pensioenfondsen Zorg en Welzijn, the Dutch pension fund for the healthcare and welfare sector, which with over two million beneficiaries is the third largest pension fund in Europe. PGGM currently has over € 100 billion in assets under management. Acting on the belief that financial and social returns go largely hand in hand, PGGM sees it as its duty to incorporate responsible investment principles into its investment process, thereby helping to secure a high and stable return.

As an institutional investor with exposure to companies operating around the world, we believe it is in the interest of the companies in which we invest to operate in a business environment that is characterized by stability, transparency and respect for the rule of law. We are concerned that in particular extractive companies face exposure to unaddressed political and regulatory risk by operating in environments undermined by poor standards of governance and transparency, which can give rise to corruption. Companies that make legitimate, but undisclosed, payments to governments may be accused of contributing to the conditions under which corruption can thrive.

We believe that improved transparency regarding company payments of royalties, taxes and production entitlements on a country level not only provide us with the necessary information to assess a company's relative exposure to country-specific risks including political risks, but also are an important contributor to good governance by host governments. A few years ago we therefore expressed our support for the voluntary Extractive Industries Transparency Initiative (EITI) through the Investors' Statement on Transparency in the Extractive Sector. Today, we welcome this particular piece of regulation with the hope it leads to further transparency.

Section 1504 disclosure would not only provide investors with the information necessary to model material social, political and regulatory risks, but also provide the government payment information necessary for in-country activists to hold their governments accountable for the responsible management of resource windfall.

PGGM appreciates the thoroughness of the preparation and presentation of the Commissions proposed rules for the implementation of Section 1504, or Section 13(q) to the Securities Exchange Act of 1934, as released on December 15, 2010. PGGM urges the Commission to consider the following comments regarding the implementation of Section 13(q) as it finalizes the rules for this important reform, as they would ensure investors could realize the maximum benefit of these critical disclosures.

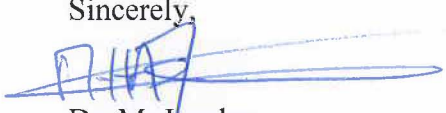
Regarding question 1 in the Commission's proposed rules¹, in recognition of the importance of investment information that is as consistent and comparable as possible and the Congressional mandate that the disclosure mandated by Section 13(q) be as broad as possible, PGGM suggests that the Commission exercise caution in providing exemptions to smaller reporting companies or foreign private issuers. Issuers in both these categories are similarly exposed to significant political and regulatory risks and their exclusion for the Section 13(q) disclosure requirements would undermine the value of this reform to investors.

Regarding question 28 in the Commissions proposed rules², in recognition of the need for standardization and consistency in reporting, PGGM believes the concept of de minimis as set out in Section 13(q) is distinct from material. We do not regard materiality as the appropriate standard by which to determine the level of payments disclosure and therefore suggest that Commission considers a fixed de minimis payment threshold.

Regarding question 88 in the Commission's proposed rules³, in recognition of the materiality of the disclosures mandated by Section 13(q) and the clarity of the Congressional intent, PGGM suggests that the rules require the resource extraction payment disclosure should be filed rather than furnished in the annual report on Form 10-K, Form 20-F, or Form 40-F of relevant issuers. The disclosure required by Section 13(q) is not qualitatively different from the nature and purpose of existing disclosure that has historically been required under Section 13 of the Exchange Act. As such, this disclosure requires the investor assurance provided by Exchange Act Section 18 liability and inclusion among the regular financial statements of relevant issuers.

We appreciate the opportunity to provide comment on the implementation of this very important proposed rule and would welcome further discussion of the importance of Section 13(q) to investors.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Jeucken", with a long horizontal flourish extending to the right.

Dr. M. Jeucken
Head of Responsible Investment
PGGM Investments

¹ U.S. Securities and Exchange Commission. "Proposed rule: DISCLOSURE OF PAYMENTS BY RESOURCE EXTRACTION ISSUERS." [RELEASE NO. 34-63549; FILE NO. S7-42-10]. December 15, 2010. Page 12. <http://www.sec.gov/rules/proposed/2010/34-63549.pdf>

² Ibid. Page 28.

³ Ibid. Page 61.