



California State Teachers'
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March 1, 2011

Via E-Mail: rule-comments@sec.gov

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

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

Dear Commissioners:

This letter is sent on behalf of the California State Teachers' Retirement System's (CalSTRS) members. CalSTRS is the second largest public pension system in the U.S., with approximately \$145 billion in assets. CalSTRS manages retirement benefits on behalf of over 830,000 members and beneficiaries. CalSTRS is a strong proponent of heightened transparency and full disclosure of all material risks that the companies in our investment portfolio are exposed to. We would like to take this 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 (Dodd-Frank Act.)

CalSTRS appreciates the thoroughness of the preparation and presentation of the Commissions proposed rules for the implementation of Section 1504 and we support the Commission in this effort to provide greater transparency to shareholders so that more informed investment decisions can be made. CalSTRS requests the Commission to consider the following comments regarding the implementation of Section 1504 as it finalizes the rules for this important reform, as we believe they would help to ensure that shareholders realize the maximum benefit of these critical disclosures:

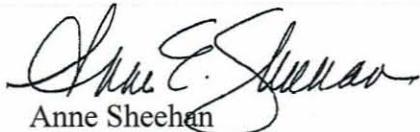
- Regarding question 1 (page 12) in the Commissions proposed rules, in recognition of the importance of investment information that is as consistent and comparable as possible, and in recognition that the Congressional intention that the disclosure mandated by Section 13(q) of the Dodd-Frank Act be as broad as possible, CalSTRS suggests that the Commission exercise caution in providing exemptions to smaller reporting companies or foreign

private issuers. Issuers in both these categories are exposed to significant political and regulatory risks and their exclusion from the Section 13(q) disclosure requirements would undermine the value of this reform to investors. While we appreciate the Commission's concerns about the regulatory burden for smaller issuers we believe that concern needs to be balanced with the Congressional intent of providing greater disclosure of this type of information to shareholders so they have the ability to assess the risks involved in investing in such companies.

- Regarding question 28 (page 28) in the Commission's proposed rules, in recognition of the need for standardization and consistency in reporting, CalSTRS believes the concept of de minimis as set out in Section 13(q) should be more clearly defined and that rules to set a de minimis payment threshold should be consistent with that used by the London Stock Exchange (LSE)'s Alternative Investment Market (AIM) of £10,000 (or about \$15,000) for disclosure of any payment "made to any government or regulatory authority" by an oil, gas or mining company registrant¹.

CalSTRS thanks the Commission for the opportunity to provide comment on the implementation of this very important proposed rule. If you would like to discuss any of these points, please do not hesitate to contact me at (916) 414-7410.

Sincerely,



Anne Sheehan
Director of Corporate Governance

¹ London Stock Exchange Alternative Investment Market. "AIM Note for Mining, Oil and Gas Companies." June 2009. Page 4. <http://www.londonstockexchange.com/companies-and-advisors/aim/publications/rules-regulations/guidance-note.pdf>.