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March 2, 2011

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

Re: File No. S7-42-10
Release No. 34–63549
Disclosure of Payments by Resource Extraction Issuers

Dear Ms. Murphy,

The BC Investment Management Corporation (bcIMC)[1] respectfully submits our investor views on the proposed rules for *Disclosure of Payments by Resource Extraction Issuers*, pursuant to Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

We are very supportive of the proposed rules, understanding that U.S.-listed Canadian energy and mining firms will also be included in the new disclosure regulations. As an investor, our interest in enhanced transparency of corporate payments made to foreign governments lies principally in the financial benefits it can bring to our pension and trust fund beneficiaries. If enacted, the rules will:

- help combat weak governance and corruption which breed social and political instability which, in turn, damage the global investment climate (diversification is a cornerstone of bcIMC's investment process and we invest in dozens of markets around the world).

- reduce business risk for the oil and mining companies in which we invest because companies are increasingly subject to accusations of complicity in corrupt behaviour, impairing their local and global "licence to operate", rendering them vulnerable to local conflict and insecurity, and possibly compromising their long-term commercial prospects in those markets.

- give extractive companies an opportunity to be seen as contributors to, and not just beneficiaries of, economic development and reconstruction, thereby enhancing their reputation with customers, employees, shareholders and other stakeholders.

[1] *bcIMC is responsible for investing the assets of public sector clients in the province of British Columbia. Public sector pension plans constitute our largest client group. At December 31, 2010, bcIMC's assets under management were approximately $85 billion, with approximately $10 billion invested in the shares of U.S. public companies.*

Our overall perspective:

We strongly welcome this consultation and the action of the SEC in mandating disclosure of all payments made by energy and mining companies to foreign governments under new anti-corruption rules.

In developed economies in Europe and North America, payments such as taxes, royalties and signing bonuses are a matter of public record and governments are therefore accountable to their citizens. In many developing countries, these payments are deliberately confidential, which leaves them vulnerable to misappropriation by government officials. This not only leads to impoverishment of the local population, but often fuels civil conflict and political and economic instability.

Specific comments:

(1) Project-by-project disclosure

We would be satisfied with a requirement for country level-only disclosure and subjecting these disclosures to external audit. This is the standard endorsed by the Extractive Industries Transparency Initiative (EITI), a voluntary disclosure standard in which most international resource companies now participate.

(2) Confidentiality/impaired competitiveness

We acknowledge company concerns that disclosures may reveal confidential details of fiscal terms that may be competitively sensitive, and that publication of items like signature bonuses and entry fees could provide information to competitors in bidding on surrounding blocks in a basin or province, thereby exposing companies to higher acquisition costs of assets. There may be pragmatic ways to safeguard such confidentiality without compromising the information needs of civil society to obtain information regarding payment flows to national and regional governments, for example, through the aggregation of certain types of payments. However, where commercial confidentiality and the public interest are in direct conflict, we would favour the latter at the expense of the former, on the following grounds:

As a large, global investor with exposure not only to large numbers of extractive companies, but also to other sectors and asset classes whose performance depends on stable and transparent resource-rich economies, we stand to gain less from allowing individual extractive companies to obtain favourable terms in non-transparent circumstances than we stand to lose across our broad portfolio from the heightened volatility that arises from pervasive corruption, economic stagnation and social conflict.

(3) Exemptions based on host country law

We do not support the grant of exemptions based on the existence of host-country laws prohibiting disclosure. An exemption would invalidate the original legislative intent (i.e., to shine a light into the murky world of corporate investment in corruption-prone

countries), invite producing country governments to introduce new such prohibitions, and add unnecessary complexity to the application of the new rules.

We understand that such statutory prohibition in foreign law is in fact rare and we note, for example, that Royal Dutch-Shell, which has operations in over 90 countries worldwide, has in its recent response to the SEC identified only three jurisdictions in which it operates, namely Cameroon, China and Qatar, where disclosure is prohibited under the laws of the host country. This suggests that an outright conflict of law does not currently occur in practice in much of the world.

(4) Inconsistency with other national reporting requirements

Some companies believe that the imposition of this law may place them at a competitive disadvantage to rival operators that are not subject to it. In our view, this concern does not justify the perpetuation of opaque and damaging practices. The solution lies in ensuring that this new standard is emulated in other jurisdictions with extractive companies, such as Canada. To this end, bcIMC intends to call on Canadian Securities Administrators (CSA) to introduce similar disclosure provisions in our legislation.

A consistent approach to reporting will provide users of the information with a definitive version of payment data and avoid the reporting burden that would be created for multinational companies if the disclosure rules varied country to country. However, insofar as regulations exist or may emerge outside the U.S. that adopt slightly differing standards, we would support mutual recognition of disclosure standards to the extent that non-U.S. regimes can be regarded as substantially equivalent or super-equivalent to that adopted through this law.

(5) Exemptions by type of issuer

We support the Commission's proposal to require disclosure by all "resource extraction issuers" without exceptions for broad categories of issuers. We believe that Section 1504 should apply to all SEC registrants who are engaged in the extraction of oil and gas or minerals, irrespective of the size of the issuer, whether the issuer is a US or foreign entity, and whether the issuer is owned or controlled by governments.

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Should you have any questions with respect to bcIMC's views, please contact me.

Sincerely,

Doug Pearce
Chief Executive Officer and Chief Investment Officer