



**Interfaith Center on
Corporate Responsibility**

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Inspired by faith, committed to action

October 21, 2008

Florence E. Harmon, Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Via e-mail to rule-comments@sec.gov

Re: File Number 4-567

Dear Ms. Harmon,

The Interfaith Center on Corporate Responsibility ("ICCR") is a coalition of nearly 300 faith-based institutional investors, representing over \$100 billion in invested capital. ICCR members often characterize their work by saying that "ICCR works to bridge the divide between morality and markets by envisioning a civic economy that integrates ethical, environmental and social values."

An important objective of our work is to create a sufficiently rigorous analytical framework to build true consensus among investors regarding the role of natural, social and moral capital in equity valuation models. As such, we are deeply committed to the belief that it is critical to have accurate and complete information regarding the environmental, social and governance ("ESG") performance of publically traded companies in order to properly evaluate our portfolio holdings and contribute to the much-sought "alpha" of modern portfolio theory. For these reasons, please review the following comments regarding the Security and Exchange Commission's ("SEC") 21st Century Disclosure Initiative.

Our organization's by-laws clearly state:

"The purpose of ICCR shall be to further the mission of religious organizations in the areas of corporate responsibility; social responsibility in investment, social and economic policy; and to further interfaith cooperation in these areas."

Since our founding in 1971, ICCR has worked to integrate social values into corporate and investor actions. Our mission is guided by the notion that active investing not only produces competitive returns for ICCR members, all of whom are long-term institutional investors, but also by our conviction that active investing enhances ICCR members' ability to build a more just and sustainable world.

We believe a regulatory environment that promotes better, more consistent ESG reporting and information is essential to building a market environment that appropriately values the companies in which we invest. If recent market volatility has demonstrated anything it is that good valuation models for all underlying assets matter. Broad, deep, consistent information is essential to valuation across all investment domains and in all markets. The more directly and

consistently investors can access all the parameters that determine asset quality, the better the decisions they can make regarding potential risks and rewards.

On behalf of ICCR's membership, we appreciate this opportunity to respond to the Securities and Exchange Commission ("SEC") request for comment on modernizing the SEC's disclosure system. Our coalition supports the SEC's stated intention to rethink fundamentally our current disclosure system. Since our meeting with Chairman Cox in August of last year, we have consistently asserted that harnessing new technologies could be an even more powerful tool which could improve reporting, transparency and the fundamental "usefulness" of data. However, we also feel it is important to highlight the SEC's own statement that the,

"...study will be a fundamental rethinking of financial disclosure, beginning with the basic purposes of disclosure from the perspective of investors and markets."

Many of our members have expressed an interest in pondering a question that we believe undergirds the original statement, which we recognize was focused on the technological framework. We ask the Commission to consider the following:

"Is there information used by investors to assess a company's valuation that is not currently required to be filed or furnished with the Commission? If so, how can the system created accommodate a broader range of investor needs and encourage better data and increased transparency in our increasingly complex and volatile global marketplace?"

ICCR members continue to encourage the Commission to require companies to report on ESG and we are committed to continuing to work with the Commission, as well as the analyst community and the academy to enhance the efficacy and utility of key ESG performance indicators. With leadership from the Commission, we believe that the metrics related to ESG information and the market's ability to use the data would be immediately enhanced if the Commission were to both anticipate and incorporate ESG metrics in the SEC's 21st Century reporting system.

It is time for the SEC to begin requiring ESG issue reporting.

On behalf of ICCR's 300 faith-based institutional members, please be assured that we would be delighted to contribute to ongoing discussions and are vested in the best possible environment to support our efforts as investment fiduciaries and people of faith.

Sincerely,



Laura Berry
Executive Director