



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

THE CHAIRMAN

March 8, 2010

The Honorable F. James Sensenbrenner, Jr.
Ranking Member
Select Committee on Energy Independence and Global Warming
U.S. House of Representatives
B243 Longworth House Office Building
Washington, DC 20515

Dear Representative Sensenbrenner:

I am writing in response to your recent letter expressing concerns in connection with the Commission's interpretive guidance regarding disclosure related to climate change.

The Commission's role is to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation. At the base of our mission is a straightforward concept – that all investors should have access to certain basic facts about an investment prior to buying it, and for as long as they hold it. The interpretive guidance simply reminds issuers that our existing disclosure rules may require them to provide investors with certain information about climate change-related matters, if those matters are having, or could have, a material impact on the issuer. Interpretive guidance does not create new legal requirements or modify existing requirements.

The interpretive guidance does not take a position on the state of the science related to global warming or the likelihood of passage of pending legislation or inter-governmental accords. Rather, we simply advise public issuers about their disclosure obligations under our existing rules. In the release, the Commission provides several examples of ways in which climate change-related issues could be material to an issuer's financial condition and, consequently could require disclosure under our existing rules. However, the determination of any impact and its materiality belongs to the issuer, based on its particular facts and circumstances.

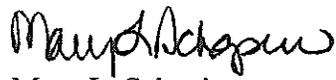
With regard to whether a company may need to address the potential impact of pending legislation or regulation, companies regularly provide disclosure about the potential material impacts of pending regulation or legislation in accordance with our existing disclosure requirements, even when the eventual outcome is uncertain. For example, consistent with our existing rules, many insurance companies currently provide disclosure about the potential impact on their businesses of pending healthcare reform legislation. The interpretive guidance simply reminds companies that they need to consider issues with respect to climate change matters in preparing their disclosures.

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Investors are protected by the provision of full and fair disclosure of material information. This guidance is designed to advance the interests of investors by helping issuers prepare their disclosure in response to our existing rules.

Please do not hesitate to call me at (202) 551-2100 or have your staff call Eric Spitler, Director of the Office of Legislative and Intergovernmental Affairs, at (202) 551-2010 if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary L. Schapiro". The signature is fluid and cursive, with the first name "Mary" and last name "Schapiro" clearly distinguishable.

Mary L. Schapiro
Chairman