



June 14, 2006

Christopher Cox
Chairman
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Cox:

We are writing to you as members of the Investor Network on Climate Risk (INCR), a group of investors launched in 2003 by six state treasurers, two state and city comptrollers and labor pension fund leaders to promote better understanding of the financial risks and investment opportunities posed by climate change. INCR currently has 50 members, representing nearly \$3 trillion in assets.

This letter is a continuation of communications we have had with the Commission over the past several years. We would like to meet with you to continue these discussions, which focus on how the SEC can play a leadership role in improving disclosure of climate risk in securities filings.

Over the past two years institutional investors in INCR have requested that the SEC take additional steps to ensure corporate disclosure of climate risk in securities filings.¹ In 2004 fourteen INCR members wrote former Chairman William Donaldson to request a meeting to discuss this issue. In addition, INCR Director Mindy Lubber and UN Foundation President Timothy Wirth met with Division of Corporation Finance staff in June 2004 and former Commissioner Harvey Goldschmid in April 2005 to discuss climate risk.

INCR members are reiterating their request for the Commission's leadership now because climate change is currently recognized as a top tier concern by investors, Wall Street firms, and companies, with both near-term and long-term impacts on our investments.

In their 2004 letters to Chairman Donaldson, investors in INCR asked the SEC to take the following steps to improve corporate disclosure:

- a) Enforce existing disclosure requirements on material risks such as climate change, which are underreported;
- b) Strengthen current disclosure requirements, for example by providing interpretive guidance on the materiality of risks posed by climate change; and
- c) Revise or change the Staff's interpretation of Rule 14a-8's "ordinary business" exclusion to require a registrant to include in its proxy statement a shareholder proposal asking the registrant to report on financial risks due to climate change.

We write today to renew these requests and emphasize the need for better interpretive guidance. We are mindful of the SEC's continuing efforts to improve corporate disclosure and accountability and are hopeful that under your leadership, the SEC will take action to address climate change risk.

¹ Please find attached two 2004 letters on climate change from institutional investors to former SEC Chairman William Donaldson.

Thank you very much for giving your time and attention to these important matters. In the near future, we would like schedule a call with you to discuss your views on these issues at a mutually agreeable time. We will contact your office to make arrangements and will look forward to talking with you.

Sincerely,

- Bradley Abelow, Treasurer, State of New Jersey
- Stephen Abrecht, Director, SEIU Capital Stewardship Program
- Phil Angelides, Treasurer, State of California
- Joan Bavaria, President, Trillium Asset Management
- William J. Boarman, Chairman, CWA/ITU NPP
- California Public Employees' Retirement System
- California State Teachers' Retirement System
- Patricia A. Daly, OP, Executive Director, Tri-State Coalition for Responsible Investment
- Randall Edwards, Treasurer, State of Oregon
- Julie Fox Gorte, Ph.D, Vice President and Chief Social Investment Strategist, Calvert Group
- Denis Hayes, President and CEO, Bullitt Foundation
- M. Benny Hernandez, Corporate Governance Advisor, Sheet Metal Workers National Pension Fund
- Alan Hevesi, Comptroller, State of New York
- Adam Kanzer, General Counsel & Director of Shareholder Advocacy, Domini Social Investments LLC
- C. Thomas Keegel, General Secretary-Treasurer, International Brotherhood of Teamsters
- Nancy Kopp, Treasurer, State of Maryland
- David Lemoine, Treasurer, State of Maine
- Lance E. Lindblom, President and CEO, Nathan Cummings Foundation
- Karina Litvack, Head of Governance & Socially Responsible Investment, F&C Asset Management (London)
- Jonathan Miller, Treasurer, State of Kentucky
- Denise L. Nappier, Treasurer, State of Connecticut
- Bruce Raynor, General President, UNITE HERE
- Jeb Spaulding, Treasurer, State of Vermont
- William C. Thompson, Jr., Comptroller, City of New York
- Steve Westly, Controller, State of California
- John Wilson, Director - Socially Responsible Investing, Christian Brothers Investment Services, Inc.
- Pat Zerega, Director, Corporate Social Responsibility, Program Unit for Church in Society, Evangelical Lutheran Church in America

Enclosures: Memorandum: Request for SEC Leadership on Climate Risk
2004 Letters to SEC Chairman William Donaldson

CC: Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Cynthia A. Glassman
Commissioner Annette L. Nazareth