CENTER FOR CAPITAL MARKETS COMPETITIVENESS

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February 4, 2008

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. S7-27-07

Dear Ms. Morris:

The U.S. Chamber of Commerce is the world's largest business federation, representing more than 3 million businesses and organizations of every size, sector, and region. We are submitting these comments in response to the Securities and Exchange Commission's (SEC or Commission) Concept Release proposing mechanisms to provide special access to company disclosures involving business in or with State Sponsors of Terrorism.

The Chamber recognizes that investors have an important interest in ensuring their funds do not support terrorism. However, the relevant proposals are inappropriate means of achieving this common goal. Allowing the SEC to provide special access to this type of information would result in severe and unintended consequences to U.S. registrants conducting legitimate business. The prejudicial cost incurred by companies would be highly disproportionate to any benefit realized.

Although the Commission has proposed improvements over the previous system, any variation of this mechanism could never sufficiently mitigate its inherently negative impact on a company's image. The harmful connotation associated with such a list could not be diminished by simply defining and publishing the standards used to determine materiality or providing more frequent updates by SEC staff. Furthermore, both the original web tool and proposed alternatives reallocate valuable Commission resources toward conducting merit-based assessments of company activity.

The Concept Release notes the SEC's concern regarding its earlier web tool and its inability to access more current information about a company's business activities in or with a designated state sponsor of terrorism. Considering that there is a timetable established for items within the scope of the Form 8-K reporting requirements (i.e., within 4 business days of the triggering event), it is not clear if or how the SEC would establish an independent timetable for updating information subject to enhanced access. A challenge in doing so will be how any such updating feature would be implemented to remedy the still existent risk of investors focusing on out-dated data.

Another SEC staff resource issue arises from the fact that the State Department list of state sponsors of terrorism is not static. The SEC presumably would need to ensure that any change to the State Department list is implemented in the enhanced access tool, such that any company with information in its historical filings pertaining to a country that is either added or dropped from the list is also reflected in the enhanced tool.

Providing special access to this information cuts against the Commission's longstanding role of promoting transparency through fair and consistent disclosure. Moreover, if the Commission opens the door to enhanced access for this subject matter, one could only imagine the possible spectrum of requests for special access to other areas of interest. The private sector has produced several resources that investors can turn to for a focused view on particular company information. Enhanced and tailored access to company disclosures, whether through a web tool or data tagging, embroils the Commission in politically-charged subject matter and damages the reputations of companies carrying out legitimate operations. This may have the unintended consequence of causing companies to be less forthcoming in describing their activities in these countries, thereby lessening the amount of information available to the investing public.

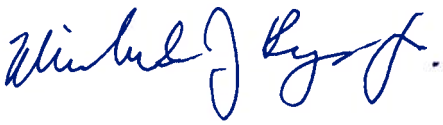
Furthermore, disclosure under the federal securities laws is premised on the well-founded and long-established "materiality" standard. Providing enhanced access to information supplied by companies relating to business activities in specific countries would effectively constitute a "one off" deviation from the materiality standard, undermine the consistency of the rule and risk conveying a message that such information is *per se* material. This in turn could cause investors to give greater

weight to this information than would normally and appropriately occur when they consider the "total mix" of information available in a disclosure statement. For example, companies often have a "Government Regulation" section that explains U.S. regulatory requirements so that investors can put the disclosed activities in the proper regulatory context. From this perspective, the rule would actually distort investor decisions to their detriment.

Historically, the federal securities laws have been based on a philosophy that investors are able to protect themselves if provided fair and equal access to required company disclosures. Early in its existence, the SEC made the decision not to engage in merit-based assessments of companies and allow investors to make their own informed investment decisions. The suggestions in this proposal represent a significant and inappropriate departure from this position.

Thank you for your consideration.

Sincerely,



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Paul S. Atkins, Commissioner, U.S. Securities and Exchange Commission
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