



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-3010

February 29, 2008

Christopher A. Butner  
Assistant Secretary and Counsel  
Corporate Governance  
Chevron Corporation  
6001 Bollinger Canyon Road  
T-3180  
San Ramon, CA 94583

Re: Chevron Corporation  
Incoming letter dated January 3, 2008

Dear Mr. Butner:

This is in response to your letters dated January 3, 2008 and January 31, 2008 concerning the shareholder proposal submitted to Chevron by Mary Ann Pattengale. We also have received a letter on the proponent's behalf dated January 18, 2008. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Jonathan A. Ingram  
Deputy Chief Counsel

Enclosures

cc: Daniel Kinburn  
General Counsel  
Physicians Committee for Responsible Medicine  
5100 Wisconsin Avenue NW, Suite 400  
Washington, DC 20016

February 29, 2008

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Chevron Corporation  
Incoming letter dated January 3, 2008

The proposal would have the board adopt and post an animal welfare policy addressing Chevron's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of animals used in research and testing by Chevron and its independently retained laboratories.

There appears to be some basis for your view that Chevron may exclude the proposal under rule 14a-8(i)(12)(iii). Accordingly, we will not recommend enforcement action to the Commission if Chevron omits the proposal from its proxy materials in reliance on rule 14a-8(i)(12)(iii).

Sincerely,

Craig ~~Sivka~~  
Attorney-Adviser



RECEIVED

2008 JAN -7 AM 9:43

OFFICE OF CHIEF COUNSEL  
CORPORATION FINANCE

**Christopher A. Butner**  
Asst. Secretary,  
Corporate Governance  
Legal

**Corporate Governance**  
Chevron Corporation  
6001 Bollinger Canyon Road  
T-3180  
San Ramon, CA 94583  
Tel: 925-842-2796  
Fax: 925-842-2846  
Email: cbutner@chevron.com

January 3, 2008

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Excluding a Stockholder Proposal Concerning Animal Welfare Policy from Chevron Corporation's 2008 Proxy Materials

Dear Sir or Madam:

We are submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, and requesting that the Staff of the Division of Corporation Finance (the "Staff") confirm that it will not recommend any enforcement action if Chevron Corporation excludes from Chevron's 2008 definitive proxy materials a stockholder proposal (the "2008 Proposal") submitted by the Physicians Committee for Responsible Medicine, which, although not a stockholder, submitted the proposal on behalf of its member, Mary Ann Pattengale, who is a stockholder (together, the "Proponent"). Chevron expects to file its 2008 definitive proxy materials on or about April 11, 2008. We are enclosing seven copies of this letter and its attachments and concurrently sending a complete copy to Daniel Kinburn, the Proponent's representative.

### **Summary**

We respectfully submit that Chevron may exclude the 2008 Proposal from its 2008 definitive proxy materials under Rule 14a-8(i)(12)(iii) (resubmissions) because there is no substantive difference between the 2008 Proposal and its predecessor proposals, the last of which received only 7.3 percent of the votes cast. The Proposals that are the subject of this request are no different from the proposals for which the Staff granted no-action relief in *Barr Pharmaceuticals, Inc.* (available Sept. 25, 2006). Consistent with the Staff's position in *Barr Pharmaceuticals*, we respectfully request that the Staff confirm that it will not recommend any enforcement action if Chevron excludes the 2008 Proposal from its 2008 definitive proxy materials and excludes similar proposals with respect to any meeting held within three calendar years of Chevron's 2007 annual meeting.

### **The 2008 Proposal and Its Antecedents**

The 2008 Proposal is entitled "Enacting Animal Welfare Policy" and the resolution reads as follows:

RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and all independently retained laboratories.

A copy of the 2008 Proposal, its supporting statement and the Proponent's related correspondence is attached to this letter as **Exhibit A**.

This is the fourth consecutive year that Chevron has received a stockholder proposal concerning animal welfare. The full proposals in the form each appeared in Chevron's proxy materials are attached to this letter as **Exhibit B**. The resolution from each proposal, together with the vote cast in favor, is set forth below.

Proxy Materials	Proposal	Vote in Favor*
2007—(the "2007 Proposal")	"RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures."	7.3%
2006—(the "2006 Proposal")	"BE IT RESOLVED, that the shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals' psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures."	6.4%
2005—(the "2005 Proposal")	"NOW THEREFORE BE IT RESOLVED, that the shareholders request that the Board: (1) commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity; (2) confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods; and (3) petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total	3.4%

	replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.”	
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\* “Vote in Favor” has been calculated in accordance with the Staff’s guidance contained in Staff Legal Bulletin No. 14, Question F.4 (available July 13, 2001). Votes cast for or against were reported in Chevron’s Quarterly Report on Form 10-Q for the quarter ended June 30 of the year in which the proposal was voted upon. Item 4 of each respective Form 10-Q is attached as **Exhibit C**.

#### **Basis for Exclusion—Rule 14a-8(i)(12)(iii)**

The 2008 Proposal may be excluded from Chevron’s 2008 definitive proxy materials under Rule 14a-8(i)(12)(iii) because it deals with substantially the same subject matter as proposals included in Chevron’s 2007, 2006 and 2005 proxy materials, none of which received greater than 7.3% support. Rule 14a-8(i)(12)(iii) permits a company to exclude a stockholder proposal “if the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company’s proxy materials within the preceding 5 calendar years. . . [and] if the proposal received. . . less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years.”

“Substantially the same subject matter,” as that phrase is used in Rule 14a-8(i)(12), does not mean that the proposals in question must be exactly the same. Although the predecessor to Rule 14a-8(i)(12) required a proposal to be “substantially the same proposal” as prior proposals, the Securities and Exchange Commission (the “Commission”) amended the rule in 1983. In *Release No. 34-20091* (Aug. 16, 1983), the Commission explained the reason for and meaning of the revision, stating:

The Commission believes that this change is necessary to signal a clean break from the strict interpretive position applied to the existing provision. The Commission is aware that the interpretation of the new provision will continue to involve difficult subjective judgments, but anticipates that those judgments will be based upon a consideration of the substantive concerns raised by a proposal rather than the specific language or actions proposed to deal with those concerns. The Commission believes that by focusing on [the] substantive concerns addressed in a series of proposals, an improperly broad interpretation of the new rule will be avoided.

Consistent with this interpretation, Staff consideration of requests for no-action relief under Rule 14a-8(i)(12) make clear that the essential consideration of a request for no-action relief under Rule 14a-8(i)(12) is the “substantive concerns” raised by the proposals, rather than the specific language or corporate action proposed to be taken. For example, in *Barr Pharmaceuticals, Inc.* (available Sept. 25, 2006), the Staff permitted Barr to rely upon Rule 14a-8(i)(12)(i) to exclude from its 2006 proxy materials a proposal (almost identical to the 2006, 2007 and 2008 Proposals at issue here) requesting that Barr’s board of directors:

[A]dopt and post an Animal Welfare Policy online which addresses the Company’s commitment to (a) reducing, refining and replacing its use of animals in research and testing,

and (b) implementing acceptable standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions that address animals' psychological, social and behavioral needs. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.

Barr's 2005 proxy materials included a stockholder proposal (identical to the 2005 Proposal at issue here) requesting that its board:

1. Commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity.
2. Confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods.
3. Petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.

Barr argued that it could exclude the 2006 proposal because "the substantive concern of both proposals is animal-based testing and, more specifically, replacing animal testing with non-animal testing." *Barr Pharmaceuticals, Inc.* at 21-22 (Company Letter). Continuing, Barr also argued that "despite the differences in some of the actions requested by the proposals, the express language of both [proposals] deal with the same substantive concern." *Id.* The Staff concurred and permitted Barr to exclude the 2006 proposal under Rule 14a-8(i)(12)(i) even though the proponent argued that "[w]hile both proposals fall under the rubric 'animal issues,' they address entirely different substantive issues and seek very different forms of implementation." *Barr Pharmaceuticals, Inc.* at 10-11 (Proponent Letter).

Similar animal welfare proposals were considered and similar no-action relief was granted in *Merck & Co., Inc.* (available Dec. 15, 2006) (permitting exclusion under Rule 14a-8(i)(12)(ii)) and in *Abbott Laboratories* (available Feb. 28, 2006) (permitting exclusion under Rule 14a-8(i)(12)(i)). (We have attached copies of each of *Barr Pharmaceuticals*, *Merck & Co., Inc.* and *Abbott Laboratories* as **Exhibits D, E and F**, for the Staff's convenience.) The Staff's decisions in these no-action letters reinforce the underlying principle of Rule 14a-8(i)(12) that, so long as the challenged proposal deals with the same substantive concerns, or subject matter, as previously included proposals, Rule 14a-8(i)(12) is a proper basis for excluding a stockholder proposal even if its text or proposed course of corporate action differs from its predecessor proposals.

Consistent with *Barr Pharmaceuticals*, *Merck & Co., Inc.* and *Abbott Laboratories*, there is no substantive difference between the 2008 Proposal and the predecessor proposals. The 2008, 2007 and 2006 Proposals are virtually identical and, like the 2006 proposal in *Barr Pharmaceuticals*, request an animal welfare policy with a commitment to (1) reduce, refine and replace the use of animals in research and testing and (2) provide for the social and behavioral needs of the animals.

The 2005 Proposal, like the 2005 proposal in *Barr Pharmaceuticals*, requested (1) a commitment to use only non-animal methods for assessing skin irritation; (2) confirmation that it is in the Company's best interest to replace animal-based tests with non-animal methods; and (3) petition the relevant regulatory agencies to allow non-animal methods for required safety testing. As pointed out by the company in *Barr Pharmaceuticals*, the substantive concern of these Proposals is the same: the use of animal-based testing and replacing animal testing with non-animal testing. Despite immaterial differences in wording and corporate actions requested by the Proposals, the Proposals deal with substantially the same subject matter for purposes of meeting the test for exclusion under Rule 14a-8(i)(12).

### Conclusion

In view of the substantially similar subject matter of the 2008 and 2007, 2006 and 2005 Proposals and the fact that, as noted above and evidenced in **Exhibit C**, the 2007 Proposal received less than ten percent of the votes cast, we respectfully request that the Staff confirm that it will not recommend any enforcement action if Chevron excludes the 2008 Proposal from its 2008 definitive proxy materials. We request that the Staff also confirm that Chevron may exclude it from its proxy materials for any meeting held within three calendar years of Chevron's 2007 annual meeting.

If the Staff has any questions with respect to the foregoing, please contact me at 925-842-2796 or Rick E. Hansen at 925-842-2778. We may also be reached by facsimile at 925-842-2846 and would appreciate it if you would send your response to us by facsimile to that number. The Proponent's representative, Daniel Kinburn, can be reached by facsimile at 202-686-2216.

Please acknowledge receipt of this letter and the enclosures by date-stamping one of the enclosed copies of this letter and returning it to me in the enclosed envelope.

Sincerely yours,



Christopher A. Butner  
Assistant Secretary and Counsel

Enclosures

cc Lydia I. Beebe  
Charles A. James

# Exhibit A

5 Pages



Mary Ann Pattengale

\*\*\* FISMA & OMB Memorandum M-07-16 \*\*\*

October 18, 2007

Ms. Lydia I. Beebe  
Corporate Secretary  
ChevronTexaco Corporation  
6001 Bollinger Canyon Road  
San Ramon, CA 94583

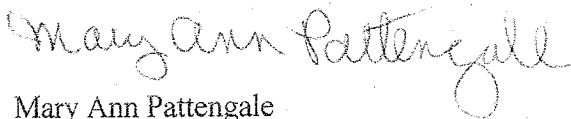
Re: Shareholder Resolution for Inclusion in the 2008 Proxy Materials

Dear Ms. Beebe:

Attached to this letter is a Shareholder Proposal submitted for inclusion in the proxy statement for the 2008 annual meeting. Also enclosed is a letter from my brokerage firm certifying to my ownership of stock. I have held these shares continuously for more than one year and intend to hold them through and including the date of the 2008 annual meeting of shareholders.

Please communicate with my representative, Daniel Kinburn, Esq. if you need any further information. If the Company will attempt to exclude any portion of my proposal under Rule 14a-8, please so advise my representative within 14 days of your receipt of this proposal. Mr. Kinburn may be reached at the Physicians Committee for Responsible Medicine, 5100 Wisconsin Avenue, NW, Washington, DC 20016, by telephone at (202) 686-2210 ext. 380, or by e-mail at [DKinburn@pcrm.org](mailto:DKinburn@pcrm.org).

Very truly yours,



Mary Ann Pattengale

Enclosures

OCT 24 2007

<b>PCRM</b>	P H Y S I C I A N S	
	C O M M I T T E E	5100 WISCONSIN AVENUE, N.W., SUITE 400
	F O R	WASHINGTON, DC 20016
	R E S P O N S I B L E	T: (202) 686-2210 F: (202) 686-2216
	M E D I C I N E	PCRM@PCRM.ORG WWW.PCRM.ORG

**DANIEL KINBURN****General Counsel****Writer's Direct Number: (202) 686-2210 ext. 380****Writer's Direct Fax: (202) 686-2155****Writer's E-Mail: [DKinburn@perm.org](mailto:DKinburn@perm.org)**

October 22, 2007

BY OVERNIGHT DELIVERY

Lydia I. Beebe  
Corporate Secretary  
Chevron Corporation  
6001 Bollinger Canyon Road  
San Ramon, CA 94583

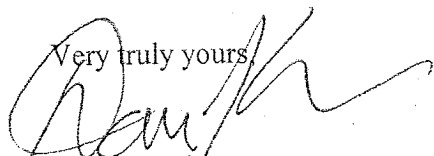
Re: Shareholder Resolution for Inclusion in the 2008 Proxy Materials

Dear Ms. Beebe:

Attached to this letter is a Shareholder Proposal sponsored by PCRM member Mary Ann Pattengale for inclusion in the proxy statement for the 2008 annual meeting. Also enclosed is a letter from Citigroup Smith Barney attesting to Ms. Pattengale's holdings of Chevron stock.

Please contact the undersigned as Ms. Pattengale's authorized representative if you need any further information. If the Company will attempt to exclude any portion of this proposal under Rule 14a-8, please advise me within 14 days of your receipt of this proposal.

Very truly yours,



Daniel Kinburn

## CHEVRON

### ENACTING ANIMAL WELFARE POLICY

**RESOLVED**, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories.

***Supporting Statement:***

The Boards of many companies have adopted and prominently published animal welfare policies on their Web sites committing to the care, welfare, and protection of animals used in product research and development. Our Company should be an industry leader with respect to animal welfare issues, and yet it has no publicly available animal welfare policy and is therefore below the industry standard.

This resolution was included in the Company's prior proxy materials, receiving favorable votes of 7% in 2006, and 8% in 2007. In the Board's opposition to this proposal in the 2007 proxy statement, it made the following representations:

- We are committed to ensuring that all animal research conducted on our products is performed in the most humane way possible.
- Chevron carefully selects only accredited testing laboratories with highest regard for animal welfare including the quality of the laboratory facilities and staff, their accreditations, results of past governmental inspections, scientific record, staff training, safety procedures, and technical expertise.

- We support scientific efforts and research to refine, reduce or replace the need for laboratory animals without compromising our principles of protecting people and the environment.
- Any indication of the misuse of animals is required to be reported immediately to the management of the testing laboratory and Chevron.
- Test animals for our studies are at all times under the direction and care of third-party trained veterinarians and their staff.
- Our contract toxicology laboratories are audited onsite by Chevron toxicologists to confirm the integrity of the testing procedures and the welfare of the research animals.

These same promises, along with the inclusion of environmental and psychological enrichment measures, are easily convertible to an animal welfare policy which can be posted on our Company's Web site. It would take less effort and resources for the Board to incorporate the cited principles into an online animal welfare policy, rather than opposing a socially and ethically responsible resolution -- especially since the Company purports to be observing these principles in practice.

Shareholders cannot monitor what goes on behind the closed doors of the animal testing laboratories, so the Company must. Accordingly, we urge the Board to publicly commit to promoting basic animal welfare measures as an integral part of our Company's corporate stewardship.

We urge shareholders to support this Resolution.

**citigroup**  
SMITH BARNEY  
October 18, 2007

814 Highway A1A North  
Suite 100  
Ponte Vedra Beach, FL 32082

Tel 904-543-7800  
Fax 904-273-0883  
Toll Free 800-752-8633

Lydia I. Beebe  
Corporate Secretary  
ChevronTexaco Corporation  
6001 Bollinger Canyon Road  
San Ramon, CA 94583

Re: Shareholder Resolution for Inclusion in the 2008 Proxy Materials

Dear Ms. Beebe:

Smith Barney holds 251 shares of Chevron Corporation common stock on behalf of our client, Mary Ann Pattengale. Ms. Pattengale has held these shares continuously for a period of one year prior to the date on which the shareholder proposal is being submitted. Our client advises us that she intends to continue holding these shares through the date of the annual meeting.

If you have any further questions, please do not hesitate to contact me.

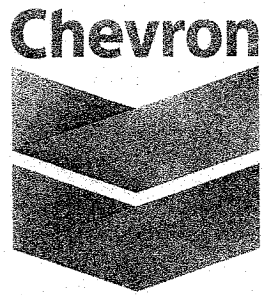
Thank you.



Andrew Pheiff  
Second Vice President  
904 543 7810

# Exhibit B

6 Pages



**Notice of the 2007  
Annual Meeting and the  
2007 Proxy Statement**

## Stockholder Proposals (Continued)

### STOCKHOLDER PROPOSAL ON AN ANIMAL WELFARE POLICY

(Item 6 on the proxy form)

**RESOLVED**, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.

#### **Supporting Statement:**

The Boards of many companies have adopted and prominently published animal welfare policies on their Web sites committing to the care, welfare, and protection of animals used in product research and development. Our Company should be an industry leader with respect to animal welfare issues, and yet it has no publicly available animal welfare policy and is therefore below the industry standard.

The disclosure of atrocities recorded at Covance, Inc., an independent laboratory headquartered in Princeton, New Jersey,<sup>1</sup> has made the need for a formalized, publicly available animal welfare policy that extends to all outside contractors all the more relevant, indeed urgent<sup>2</sup>. Filmed footage showed primates being subjected to such gross physical abuses and psychological torments that Covance sued to enjoin People for the Ethical Treatment of Animals in Europe from publicizing it. The Honorable Judge Peter Langan in the United Kingdom refused to stop PETA from publicizing the film and instead ruled in PETA's favor. The Judge stated in his opinion that the "rough manner in which the animals are handled and the bleakness of the surroundings in which they are kept . . . even to a viewer with no particular interest in animal welfare, . . . cry out for explanation."<sup>3</sup>

Shareholders cannot monitor what goes on behind the closed doors of the animal testing laboratories, so the Company must. Accordingly, we urge the Board to commit to promoting basic animal welfare measures as an integral part of our Company's corporate stewardship.

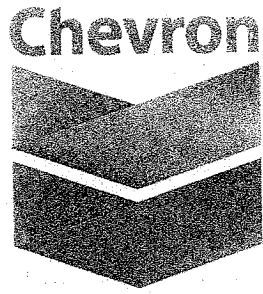
We urge shareholders to support this Resolution.

<sup>1</sup> PETA's undercover investigator videotaped the systematic abuse of animals at Covance's laboratory in Vienna, VA over a six month investigation.

<sup>2</sup> In October 2005, Covance's Director of Early Development stated that "We've worked with just about every major company around the world" (<http://www.azcentral.com/arizonarepublic/eastvalleyopinions/articles/1021cr-edl t21.html>)

<sup>3</sup> The case captioned *Covance Laboratories Limited v. PETA Europe Limited* was filed in the High Court of Justice, Chancery Division, Leeds District Registry, Claim No. 5C-00295. In addition to ruling in PETA's favor, the Court ordered Covance to pay PETA £50,000 in costs and fees.





**Notice of the 2006  
Annual Meeting and the  
2006 Proxy Statement**

## Stockholder Proposals *(Continued)*

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### **STOCKHOLDER PROPOSAL ON AN ANIMAL WELFARE POLICY**

*(Item 6 on the proxy form)*

WHEREAS, the Company conducts tests on animals as part of its product research and development; and

WHEREAS, the Company also retains independent laboratories to conduct tests on animals as part of product research and development; and

WHEREAS, abuses in independent laboratories have recently been revealed and disclosed by the media; and

WHEREAS, the Company has no published animal welfare or animal care policy prominently posted on its website; NOW THEREFORE,

BE IT RESOLVED, that the shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals' psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.

#### **Supporting Statement:**

The Boards of many companies have adopted and prominently published animal welfare

policies on their websites relating to the care of animals used in product research and development. Our Company should be an industry leader with respect to animal welfare issues, and yet it has no publicly, available animal welfare policy.

The recent disclosure of atrocities recorded at Covance, Inc. has made the need for a formalized, publicly available animal welfare policy that extends to all outside contractors all the more relevant, indeed urgent. Filmed footage showed primates being subjected to such gross physical abuses and psychological torments that Covance sued to stop PETA Europe from publicizing it. The Honorable Judge Peter Langan, in the United Kingdom, who denied Covance's petition, stated in his decision that the video was "highly disturbing" and that just two aspects of it, namely the "rough manner in which animals are handled and the bleakness of the surroundings in which they are kept ... even to a viewer with no particular interest in animal welfare, at least cry out for explanation."<sup>1</sup>

Shareholders cannot monitor what goes on behind the closed doors of the animal testing laboratories so the Company must. Accordingly, we urge the Board to commit to ensuring that basic animal welfare measures are an integral part of our Company's corporate stewardship.

We urge shareholders to support this Resolution.

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<sup>1</sup> The case captioned *Covance Laboratories Limited v. PETA Europe Limited* was filed in the High Court of Justice, Chancery Division, Leeds District Registry, Claim No. 5C-00295. In addition to ruling in PETA's favor, the Court ordered Covance to pay PETA £50,000 in costs and fees.

**ChevronTexaco**

**Notice of the 2005  
Annual Meeting and the  
2005 Proxy Statement**

## Stockholder Proposals (Continued)

### STOCKHOLDER PROPOSAL ON USE OF ANIMAL TESTING

(Item 6 on the proxy form)

WHEREAS, statistics published by research oversight bodies in North America and Europe document that the vast majority of painful and distressing animal experiments are conducted to satisfy outdated, government-mandated testing requirements<sup>1</sup> and that such testing is on the rise;<sup>2</sup> and

WHEREAS, nearly 60% of animals used in regulatory testing suffer pain ranging from moderate to severe, all the way to pain near, at, or above the pain tolerance threshold,<sup>3</sup> generally without any pain relief; and

WHEREAS, non-animal test methods are generally less expensive,<sup>4</sup> more rapid, and always more humane, than animal-based tests; and

WHEREAS, unlike animal tests, non-animal methods have been scientifically validated and/or accepted as total replacements for the following five toxicity endpoints: skin corrosion (irreversible tissue damage), skin irritation (milder and reversible damage), skin absorption (the rate of chemical penetration), phototoxicity (an inflammatory reaction caused by the interaction of a chemical with sunlight), and pyrogencity (a fever-like reaction that can occur when certain intravenous drugs interact with the immune system);

NOW THEREFORE BE IT RESOLVED, that the shareholders request that the Board:

1. Commit specifically to using only non-animal methods for assessing skin

1 CCAC Animal Use Survey—2001:  
<http://www.ccac.ca/english/FACTS/Facframeaus2001.htm>

2 Statistics of Scientific Procedures on Living Animals—Great Britain—2002. <http://www.official-documents.co.uk/document/cm58/5886/5886.htm>

3 CCAC Animal Use Survey—2001

4 Derelanko MJ and Hollinger MA (Eds.). (2002). *Handbook of Toxicology, Second Ed.*, 1414 pp. Washington, DC: CRC Press.

corrosion, irritation, absorption, phototoxicity and pyrogenicity.

2. Confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods.

3. Petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.

**Supporting Statement:** This Resolution is designed to harmonize the interests of sound science with the elimination of animal-based test methods where non-animal methodologies exist. It seeks to encourage the relevant regulatory agencies to join their peers in accepting validated *in vitro* and other non-animal test methods. It will not compromise consumer safety or violate applicable statutes and regulations.

Further, this Resolution commits the Company to end animal testing for five specific endpoints in favor of valid non-animal methods. These include the 3T3 Neutral Red Uptake Phototoxicity Test, human skin equivalent tests for corrosivity, and a human blood-based test for pyrogenicity, all of which have been successfully validated through the European Centre for the Validation of Alternative Methods.<sup>5</sup> Several non-animal methods have also been adopted as Test Guidelines by the OECD<sup>6</sup> (an alliance of 30 member countries including the US, EU, Japan, Canada and Australia). Regulatory agencies in OECD member countries are not at liberty to reject data from non-animal tests for skin corrosion, skin absorption and phototoxicity where such data have been generated in accordance with an OECD Test Guideline.

We urge shareholders to support this Resolution.

5 ECVAM website: <http://evam.jrc.it>

6 OECD test guidelines: [http://www.oecd.org/document/22/0,2340,en\\_2649\\_34377\\_1916054\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/22/0,2340,en_2649_34377_1916054_1_1_1_1,00.html)

# Exhibit C

7 Pages

Table of Contents


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**UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549

**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2007

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-368-2

**Chevron Corporation**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**6001 Bollinger Canyon Road,  
San Ramon, California**

*(Address of principal executive offices)*

**94-0890210**

*(I.R.S. Employer  
Identification Number)*

**94583-2324**

*(Zip Code)*

Registrant's telephone number, including area code: (925) 842-1000

**NONE**

(Former name or former address, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of June 30, 2007
Common stock, \$.75 par value	2,131,709,691

**Item 4. Submission of Matters to a Vote of Security Holders**

The following matters were submitted to a vote of stockholders at the Annual Meeting on April 25, 2007.

	Number of Shares		
	Voted For	Voted Against	Abstain
<b>1. Election of Directors</b>			
Samuel H. Armacost	1,801,959,546	49,012,643	20,181,679
Linnet F. Deily	1,829,009,496	21,789,461	20,354,910
Robert E. Denham	1,811,866,818	38,620,767	20,666,283
Robert J. Eaton	1,812,288,005	38,637,121	20,228,743
Sam Ginn	1,815,494,868	34,807,808	20,851,194
Franklyn G. Jenifer	1,812,752,505	37,161,056	21,237,892
Sam Nunn	1,815,488,914	35,783,653	19,879,944
David J. O'Reilly	1,818,061,573	33,647,327	19,444,029
Donald B. Rice	1,822,229,538	28,824,316	20,099,377
Peter J. Robertson	1,819,834,401	31,968,650	19,350,640
Kevin W. Sharer	1,814,200,043	36,213,741	20,740,024
Charles R. Shoemate	1,826,385,366	24,257,763	20,510,031
Ronald D. Sugar	1,824,928,051	25,379,955	20,845,224
Carl Ware	1,823,685,610	27,156,035	20,311,468

	Number of Shares			Represent Broker Non-Votes
	Voted For	Voted Against	Abstain	
<b>2. Ratification of Independent Registered Public Accounting Firm</b>	1,830,620,406	22,638,852	17,693,975	—
<b>3. Board Proposal to Amend Company's Restated Certificate of Incorporation to Repeal Supermajority Vote Provisions</b>	1,807,745,057	38,952,500	24,455,438	—
<b>4. Stockholder Proposal to Adopt Policy and Report on Human Rights</b>	359,395,197	974,177,002	197,445,915	340,135,029
<b>5. Stockholder Proposal to Report on Greenhouse Gas Emissions</b>	111,947,070	1,209,667,901	209,401,019	340,129,993
<b>6. A Stockholder Proposal to Adopt Policy and Report on Animal Welfare</b>	94,666,670	1,204,732,884	231,614,990	340,129,693
<b>7. Stockholder Proposal to Recommend Amendment to Company's By-Laws to Separate the CEO/Chairman Positions</b>	534,796,259	971,901,336	24,321,451	340,129,253
<b>8. Stockholder Proposal to Amend Company's By-Laws Relating to Stockholder Rights Plan Policy</b>	238,660,323	1,247,944,654	43,597,694	340,946,462
<b>9. Stockholder Proposal to Report on Host Country Environmental Laws</b>	115,125,429	1,227,696,546	187,383,955	340,940,325

As per SLB No. 14, F.4 (avail. July 13, 2001)

Votes For (94,666,670)

0.073

Votes Against (1,204,732,884) + Votes For (94,666,670)

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006  
or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-368-2

**Chevron Corporation**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**94-0890210**  
*(I.R.S. Employer  
Identification Number)*

**6001 Bollinger Canyon Road,  
San Ramon, California**  
*(Address of principal executive offices)*

**94583-2324**  
*(Zip Code)*

**Registrant's telephone number, including area code: (925) 842-1000**

**NONE**

**(Former name or former address, if changed since last report.)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of June 30, 2006
Common stock, \$.75 par value	2,197,987,726

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**Item 4. Submission of Matters to a Vote of Security Holders**

The following matters were submitted to a vote of stockholders at the Annual Meeting on April 26, 2006.

	Number of Shares	
	Voted For	Withheld
<b>1. Concerning Election of Directors</b>		
Samuel H. Armacost	1,862,115,542	57,867,411
Linnett F. Deily	1,884,899,577	35,083,376
Robert E. Denham	1,879,034,104	40,948,850
Robert J. Eaton	1,883,976,564	36,006,389
Sam Ginn	1,869,718,825	50,264,128
Franklyn G. Jenifer	1,869,795,547	50,187,406
Sam Nunn	1,859,577,062	60,405,891
David J. O'Reilly	1,863,485,131	56,497,823
Donald B. Rice	1,878,602,075	41,380,878
Peter J. Robertson	1,868,457,354	51,525,599
Charles R. Shoemate	1,885,021,202	34,961,751
Ronald D. Sugar	1,884,482,215	35,500,739
Carl Ware	1,885,071,895	34,911,058

	Number of Shares			Represent Broker Non-Votes
	Voted For	Voted Against	Abstain	
<b>2. Concerning Ratification of Independent Registered Public Accounting Firm</b>	1,871,845,904	31,777,756	16,355,345	N/A
<b>3. Concerning Stockholder Proposal to Amend Company By-Laws to Include Proponent Reimbursement</b>	477,830,886	977,567,062	88,095,825	376,489,180
<b>4. Concerning Stockholder Proposal to Report on Oil &amp; Gas Drilling in Protected Areas</b>	118,980,363	1,254,534,619	170,008,557	376,459,414
<b>5. Concerning Stockholder Proposal to Report on Political Contributions</b>	183,871,806	1,205,670,603	153,963,398	376,477,146
<b>6. Concerning a Stockholder Proposal to Adopt an Animal Welfare Policy</b>	87,969,616	1,291,558,398	164,002,938	376,452,001
<b>7. Concerning Stockholder Proposal to Report on Human Rights</b>	327,939,905	1,042,698,673	172,888,544	376,455,831
<b>8. Concerning Stockholder Proposal to Report on Ecuador</b>	114,908,332	1,257,736,443	170,879,795	376,458,383

As per SLB No. 14, F.4 (avail. July 13, 2001)

Votes For (87,969,616)

0.064

Votes Against (1,291,558,398) + Votes For (87,969,616)



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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2005**

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-368-2

**Chevron Corporation**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**94-0890210**  
*(I.R.S. Employer  
Identification Number)*

**6001 Bollinger Canyon Road,  
San Ramon, California**  
*(Address of principal executive offices)*

**94583-2324**  
*(Zip Code)*

Registrant's telephone number, including area code: (925) 842-1000

**ChevronTexaco Corporation**  
**(Former name or former address, if changed since last report.)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

**Class**  
Common stock, \$.75 par value

**Outstanding as of June 30, 2005**  
2,083,964,951

**Item 4. Submission of Matters to a Vote of Security Holders**

The following matters were submitted to a vote of stockholders at the Annual Meeting on April 27, 2005. Voters elected twelve directors for one-year terms. The vote tabulation for individual directors was:

<u>Directors</u>	<u>Shares For</u>	<u>Shares Withheld</u>
Samuel H. Armacost	1,801,541,707	54,461,676
Robert E. Denham	1,756,743,039	99,260,345
Robert J. Eaton	1,806,879,155	49,124,228
Sam L. Ginn	1,796,335,842	59,667,541
Carla A. Hills	1,795,866,226	60,137,157
Franklyn G. Jenifer	1,805,802,898	50,200,486
Sam Nunn	1,802,733,133	53,270,250
David J. O'Reilly	1,806,813,543	49,189,841
Peter J. Robertson	1,808,135,313	47,868,070
Charles R. Shoemate	1,821,480,745	34,522,639
Ronald D. Sugar	1,822,340,229	33,663,154
Carl Ware	1,821,953,365	34,050,018

**Concerning Ratification of Independent Registered Public Accounting Firm**

Votes Cast For:	1,798,664,282
Votes Cast Against:	41,433,105
Abstentions:	15,905,718
Broker Non-Votes:	N/A

**Concerning Stockholder Proposal on Directors' Compensation**

Votes Cast For:	101,771,905
Votes Cast Against:	1,392,469,720
Abstentions:	28,528,509
Broker Non-Votes:	333,233,249

**Concerning Stockholder Proposal on Executive Severance Agreements**

Votes Cast For:	824,614,963
Votes Cast Against:	645,467,546
Abstentions:	52,643,693
Broker Non-Votes:	333,277,181

**Concerning Stockholder Proposal on Stock Option Expensing**

Votes Cast For:	866,823,905
Votes Cast Against:	607,949,146
Abstentions:	47,954,076
Broker Non-Votes:	333,276,256

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**Concerning Stockholder Proposal on Use of Animal Testing**

Votes Cast For:	46,344,152
Votes Cast Against:	1,304,911,383
Abstentions:	171,517,294
Broker Non-Votes:	333,230,554

**Concerning Stockholder Proposal on Drilling in Sensitive and Protected Areas**

Votes Cast For:	116,737,586
Votes Cast Against:	1,233,336,701
Abstentions:	172,695,415
Broker Non-Votes:	333,233,681

**Concerning Stockholder Proposal to Report on Ecuador**

Votes Cast For:	124,040,489
Votes Cast Against:	1,225,009,455
Abstentions:	173,722,571
Broker Non-Votes:	333,230,868

45

As per SLB No. 14, F.4 (avail. July 13, 2001)

Votes For (46,344,152)

0.034

Votes Against (1,304,911,383) + Votes For (46,344,152)





RECEIVED

2008 FEB -1 PM 5:13

OFFICE OF CHIEF COUNSEL  
CORPORATION FINANCE

**Christopher A. Butner**  
Asst. Secretary,  
Corporate Governance  
Legal

**Corporate Governance**  
Chevron Corporation  
6001 Bollinger Canyon Road  
T-3180  
San Ramon, CA 94583  
Tel: 925-842-2796  
Fax: 925-842-2846  
Email: cbutner@chevron.com

January 31, 2008

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Excluding a Stockholder Proposal Concerning Animal Welfare Policy from Chevron Corporation's 2008 Proxy Materials

Dear Sir or Madam:

We refer you to our letter, dated January 3, 2008, requesting that the Staff of the Division of Corporation Finance (the "Staff") confirm that it will not recommend any enforcement action if Chevron Corporation excludes from its 2008 definitive proxy materials a stockholder proposal (the "2008 Proposal") submitted by the Physicians Committee for Responsible Medicine, which, although not a stockholder, submitted the proposal on behalf of its member, Mary Ann Pattengale, who is a stockholder (together, the "Proponent").

In our original no-action letter request, we indicated that Chevron may exclude the 2008 Proposal from its definitive proxy materials under Rule 14a-8(i)(12)(iii) (resubmissions) because there is no substantive difference between the 2008 Proposal and its predecessor proposals, the last of which received only 7.3 percent of the votes cast. Chevron included a proposal substantially similar to the 2008 Proposal in its 2007, 2006 and 2005 definitive proxy materials. For ease of reference, we have attached to this letter as **Exhibit A** the same chart appearing in our original no-action letter request, which sets forth the text of the resolution of each of the 2008, 2007, 2006 and 2005 Proposals.

We have received a copy of the Proponent's correspondence to the Staff, dated January 18, 2008 (the "Proponent's Letter"). A copy is attached to this letter as **Exhibit B**. The Proponent makes various arguments as to why the Staff should deny Chevron's no-action request. We respectfully offer the following in response to the Proponent's arguments and renew our request that the Staff confirm that it will not recommend any enforcement action if Chevron excludes the 2008 Proposal from its 2008 definitive proxy materials pursuant to Rule 14a-8(i)(12)(iii) (resubmissions) and excludes similar proposals with respect to any meeting held within three calendar years of Chevron's 2007 annual meeting.

First, we direct the Staff's attention to the fact that nowhere in the Proponent's Letter does Proponent argue that the 2008, 2007 and 2006 proposals are different in any substantive way. (*Proponent's Letter, page 1 at para. 2; page 4 at para. 3; page 5 at para. 2*). Therefore, the excludability of the 2008 Proposal rests on whether Chevron's 2008 and 2005 Proposal "deal with substantially the same subject matter."

Second, the Staff has already determined that Chevron's 2008 and 2005 Proposals "deal with substantially the same subject matter." In our original no-action letter request we cited to (and attached) each of *Merck & Co., Inc.* (available Dec. 15, 2006) ("*Merck*"); *Barr Pharmaceuticals, Inc.* (available Sept. 25, 2006) ("*Barr*"), and *Abbott Laboratories* (available Feb. 28, 2006) ("*Abbott*"). In these letters, the Staff concurred that the subject company could exclude a proposal nearly identical to Chevron's 2008 Proposal because the proposal dealt with "substantially the same subject matter" as a previous proposal also nearly identical to Chevron's 2005 Proposal. Although the Proponent argues that the Staff's decision in *Barr* is an aberration (*Proponent's Letter, page 4 at para 2*), which we address below, the Proponent makes no attempt to demonstrate why *Merck* and *Abbott Laboratories* are likewise inapplicable to Chevron's no-action letter request. For the Staff's convenience we have attached as **Exhibit C** to this letter a side-by-side comparison of Chevron's 2008, 2007, 2006 and 2005 Proposals and the proposals at issue in *Merck, Barr* and *Abbott*.

Third, the Staff has already implicitly rejected the arguments the Proponent advances in favor of denying Chevron's no-action letter request. In each of *Merck, Barr* and *Abbott*, the proponent submitted to the Staff a lengthy rebuttal to the subject company's no-action letter request and made the same or similar arguments as Proponent does now. Nevertheless, the Staff concurred that each company could exclude the proposal pursuant to Rule 14a-8(i)(12).

Fourth, consistency ought to be the hallmark of the Staff's consideration of requests for no-action relief. The Proponent's only basis for asserting that *Barr* is "a departure from earlier Staff conclusions" is *Bristol-Myers Squibb Co.* (available Mar. 7, 1991) (proposal dealing with live animal testing) and a handful of pre-1988 no-action letters not at all related to animal welfare or testing (also cited by the proponent in each of *Merck, Barr* and *Abbott*.) (*Proponent's Letter at page 2-3*). Indeed, *Abbott* was issued before *Barr*, and together *Merck, Barr* and *Abbott* represent the Staff's current and consistently established views on whether Chevron's 2008 and 2005 Proposals are substantially similar.

Fifth, as respecting animal welfare and testing proposals, it should not make any difference what industry a company belongs to. In an apparent attempt to distinguish Chevron's request for no-action relief from those in *Merck, Barr* and *Abbott*, the Proponent argues that "whether the proposals are substantially similar should depend in part on the types of business and its respective industry." (*Proponent's Letter at page 2, para. 1*). This is a distinction without a difference. The issue at hand is animal welfare, more specifically animal testing. It makes no discernable difference whether the animal testing is conducted by an energy company, a pharmaceutical company or a general consumer goods company. The purpose of any of the proposals was and is the same.

Finally, we answer the Proponent's allegation that Chevron is being "disingenuous" by waiting until this year to challenge the proposal in its present form. (*Proponent's Letter at page 1, para. 2; page 6 at para. 2*). The reason for this allegedly "curious" turn of events ought to be perfectly clear: it wasn't until last year that the proposal failed to receive the level of support required to withstand challenge under Rule 14a-8(i)(12). As noted in our original no-action letter request and **Exhibit A** to this letter, the 2007 Proposal received only 7.3 percent of the votes cast.

Accordingly, and in view of the above, we respectfully renew our request that the Staff confirm that it will not recommend any enforcement action if Chevron excludes the 2008 Proposal from its definitive

U.S. Securities and Exchange Commission  
Office of Chief Counsel  
January 31, 2008  
Page 3

proxy materials pursuant to Rule 14a-8(i)(12)(iii) (resubmissions) and excludes similar proposals with respect to any meeting held within three calendar years of Chevron's 2007 annual meeting.

If the Staff has any questions with respect to the foregoing, please contact me at 925-842-2796 or Rick E. Hansen at 925-842-2778. We may also be reached by facsimile at 925-842-2846 and would appreciate it if you would send your response to us by facsimile to that number. The Proponent's representative, Daniel Kinburn, can be reached by facsimile at 202-686-2216. We are concurrently providing Mr. Kinburn with a copy of this letter via email and overnight mail.

Sincerely yours,



Christopher A. Butner  
Assistant Secretary and Counsel

Enclosures

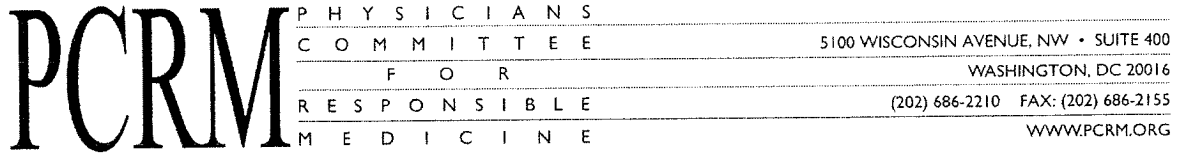
cc Lydia I. Beebe  
Charles A. James

**EXHIBIT A**

Proxy Materials	Proposal	Vote in Favor*
2008—(the “2008 Proposal”)	“RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company’s commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and all independently retained laboratories.”	--
2007—(the “2007 Proposal”)	“RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.”	7.3%
2006—(the “2006 Proposal”)	“BE IT RESOLVED, that the shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”	6.4%
2005—(the “2005 Proposal”)	“NOW THEREFORE BE IT RESOLVED, that the shareholders request that the Board: (1) commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity; (2) confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods; and (3) petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.”	3.4%

\* “Vote in Favor” has been calculated in accordance with the Staff’s guidance contained in Staff Legal Bulletin No. 14, Question F.4 (available July 13, 2001). Votes cast for or against were reported in Chevron’s Quarterly Report on Form 10-Q for the quarter ended June 30 of the year in which the proposal was voted upon. Item 4 of each respective Form 10-Q is attached as **Exhibit C**.





**DANIEL KINBURN**

General Counsel

Writer's Direct Number: 202.686.2210 ext. 380

Writer's Direct Fax: 202.686.2155

Writer's E-Mail: [DKinburn@pcrm.org](mailto:DKinburn@pcrm.org)

January 18, 2008

**BY SECOND DAY MAIL AND ELECTRONIC MAIL (CFLETTERS@SEC.GOV)**

U.S. Securities and Exchange Commission  
 Division of Corporation Finance  
 Office of the Chief Counsel  
 100 F Street, N.E.  
 Washington, D.C. 20549

Re: Opposition to Excluding a Shareholder Resolution Concerning Animal Welfare Policy for Inclusion in Chevron Corporation's 2008 Proxy Materials

Dear Ladies and Gentlemen:

This letter is submitted in response to a letter sent to the Securities and Exchange Commission ("SEC") by Chevron Corporation ("Chevron" or "the Company"), dated January 3, 2008, which stated Chevron's intention to exclude a shareholder proposal ("the Proposal") submitted on behalf of Mary Ann Pattengale ("Proponent"), a member and supporter of the Physicians Committee for Responsible Medicine ("PCRM"). Ms. Pattengale has named the undersigned as her authorized representative in this matter. Chevron argues that the Proposal should be excluded because it is allegedly substantially similar to another, different shareholder proposal, filed in 2005 by a different proponent. The Proponent disagrees with this contention and respectfully requests that the Staff deny Chevron's request for a "no action" response.

**SUMMARY**

The Proposal now at issue, like the two predecessor proposals included in the 2006 and 2007 proxy materials, seeks the adoption of a general animal welfare policy. In contrast, the proposal included in the 2005 proxy materials focused on two requests: the adoption of specific alternatives to a distinct set of animal tests in order to proactively reduce the use of animals in testing and a petition to the relevant agencies for approval of those tests. Thus, the economic, policy and managerial ramifications of adopting each of the two types of proposals would be vastly different. Consequently, the Proponent finds it both curious and disingenuous that Chevron now claims, for the first time, that these proposals are substantially the same.

Proponent is mindful of the policy considerations underlying Rule 14a-8(i)(12) and supports the notion that once a shareholder has had a fair opportunity to have an issue considered, voted upon and, ultimately, rejected (as measured by the percentage standards in the Rule), she or he should not be allowed to saddle the company with the continued expense of including substantially similar proposals in subsequent proxy materials. Nevertheless, whether the proposals are substantially similar should depend in part on the type of business and its respective industry. Every business operates differently, such that shareholder proposals should be considered in the context of the industry and the specific business to which the proposal is made. Proposals addressing a similar broad issue could have significantly different impacts when adopted by different businesses and industries. For example, a pharmaceutical company and its use of animal testing might be affected in ways very different from an oil and gas company, the latter not being in the business of drug development nor under mandate to perform any such tests on animals. Since SEC Staff have previously viewed proposals based on information specific to companies in particular industries, the Staff should do the same here and consider the Proposal in light of the specific application to Chevron.

**I. SEC Decisions Clarifying the “Substantially the Same” Standard Require Inclusion of the Proposal.**

Under the Securities and Exchange Act of 1934 (hereinafter “the Act”), Rule 14a-8(i)(12) permits a company to request the SEC’s advice on the exclusion of a proposal that addresses “substantially the same subject matter” as a prior proposal that has been submitted within the past 5 years and has not reached a threshold percent of votes. 17 C.F.R. § 240.14a-8 (2007). Since issuing its 1983 policy statement on the Act and its accompanying regulations, see *Exchange Act Release No. 34-20091* (Aug. 16, 1983) (hereinafter “the Release”), the SEC has repeatedly denied company requests to interpret proposals in contention as substantially the same where the substantive concerns were not similar. The Release affirmed the SEC’s policy of determining whether or not resubmissions deal with substantially the same subject matter by “focusing on substantive concerns addressed in a series of proposals.” In part, the Release noted that this would avoid “an improperly broad interpretation of the new rule.” Throughout the course of its responses to requests for no action determinations, the Staff has clarified the boundaries for this standard. More importantly, the case-by-case determinations in this informal decision-making process allow the SEC Staff to review proposals with an eye to ensure that the Act is followed and upheld.

**A. Similar subject areas are not substantially the same subject matter.**

Shortly after the Release, the SEC denied company requests for no action letters by noting that proposals covering similar subjects were not necessarily substantially the same subject matter. From SEC no action letter responses, it is clear that the SEC differentiates between proposals that address the same broad issues and are not substantially the same subject matter from those resubmissions of substantially identical proposals. See *Emerson Electric Company* (available Nov. 21, 1984) (Staff did not concur with the company that two proposals were substantially the same where one requested information on foreign military sales and the

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B. Proposals that address the same broad issue do not satisfy the substantially the same standard when different courses of action are requested.

The Staff continued interpreting the substantially the same subject matter standard, such that by the time of *Bristol-Myers Squibb Co.* (available March 7, 1991), the Staff gave significant weight to the specific action requested of the company. In *Bristol-Meyers Squibb Co.*, the Division Staff noted that "while the four proposals concern the same broad issue (i.e. use of live animals in product development and testing), the present proposal recommends . . . a very active and defined course of action . . . [while] [t]he previous proposals asked only that the Company take a passive course of action." The instant case essentially mirrors *Bristol-Myers Squibb Co.* in that the Proposal merely requests passive action from Chevron, to supply information to the shareholders and the public through on-line publication of its commitment to animal welfare, while the 2005 proposal requested the specific actions of replacing particular animal tests with non-animal tests and petitioning the regulatory agencies to permit these replacements. The Staff position in *General Electric Co.* (available Feb. 4, 1988) similarly supports this conclusion. The proposals in *General Electric* both dealt with the broad issue of reactor safety, but the Staff did not find them to be substantially the same. The Staff differentiated between one proposal, which would provide assistance to safely retire old reactors, and the other, which sought information on quality assurance and safety of reactors.

As Chevron should well be aware, the Staff further elaborated upon its position on Rule 14a-8(i)(12) in *Chevron* (available Feb. 29, 2000) by acknowledging that while the “prior two proposals concerned substantially the same subject matter, the company’s oil and gas drilling operations in the Arctic National Wildlife Refuge [“ANWR”], the present proposal requests an environmental impact study on the results of such operations rather than an immediate cessation.” The proposals at issue in *Chevron* both addressed the same broad issue of oil and drilling operations in ANWR. Similarly the proposals here at issue address the same broad issue of animal testing. Like in *Chevron*, where the Staff differentiated the proposals based on the requested action from the company, the Staff similarly should differentiate the proposals here at issue based on the two different requests for action: active cessation of five animal tests compared to passive supply of on-line information. Case after case reveals that the SEC places significant weight on the requested action in its determination of whether proposals addressing the same broad issue satisfy the substantially the same subject matter standard. Here, there is no question that the Staff can, and should, differentiate between the two sets of proposals as not being substantially the same.

C. The *Barr Pharmaceuticals, Inc.* decision does not apply to this situation.

*Barr Pharmaceuticals, Inc.* (available Sept. 25, 2006) was a departure from earlier Staff conclusions and therefore should not apply to the case at hand. In *Barr Pharmaceuticals, Inc.* (hereinafter “*Barr*”), the company argued that both proposals recommended an active and defined course of action as related to the animal welfare policy, thus addressing the same substantive concerns. The Staff responded by not recommending enforcement if the company omitted the proposal. However, the Staff did not define which part or parts of the company’s argument it agreed with, but instead dismissively responded that there “appears to be some basis for [the] view that Barr Pharmaceuticals may exclude the proposal under rule 14a-8(i)(12)(i).” Therefore, the decision provides no guidance here. Moreover, in light of administrative law and the informal decision-making that these no action letters quintessentially represent, the Staff is directed to review each case individually because of the “‘addressee-only’ limitation on its advice in most letters.” Donna M. Nagy, *Judicial Reliance on Regulatory Interpretations in SEC No-Action Letters: Current Problems and a Proposed Framework*, 83 CORNELL L. REV. 921, 942 (1998) (“In general, only the party or parties requesting a no-action or interpretive position may rely on a no-action or interpretive letter, and they may rely on the position with regard only to the specific facts addressed in the letter.” (citing *Exchange Act Release No. 7407* (Apr. 2, 1997))). Furthermore, following the end of every no action letter, the Division inserts a notice on the nature of the “Informal Procedures Regarding Shareholder Proposals,” demonstrating that such letters merely constitute informal advice and suggestions, not binding precedent. Thus, *Barr* is neither definitive nor binding and the Staff is thereby required under traditional notions of administrative law to review the case at hand independently from prior decisions.

**II. Chevron Cannot Rely on the Standards Articulated in Rule 14a-8(i)(12) to Exclude the Proposal from the 2008 Proxy Materials.**

The Proposal cannot be excluded from the 2008 proxy materials because it is not substantially the same as the 2005 proposal and has not missed the requisite voting threshold. In

order to determine if the substantially the same standard is met, the Staff must review the language of the Proposal to discern the distinct issues presented, rather than presume it shares the same substantive concerns as the 2005 proposal. Additionally, the most recent submission in 2007 garnered the requisite percentage of shareholder votes. For these reasons, Rule 14a-8(i)(12) does not permit the Proposal to be excluded from the 2008 proxy materials.

A. The 2008 Proposal is not substantially the same as the 2005 proposal.

Proponent recognizes that under Rule 14a-8(i)(12) judgments are to be “based upon a consideration of the substantive concerns raised by a proposal rather than the specific language or actions proposed to deal with those concerns.” *Exchange Act Release No. 34-20091* (Aug. 16, 1983). While the Staff is not constrained by prior decisions, it is required to comply with the Act and the Release. Any determinations rendering all topics and actions relating to animal research as effectively the same widen the scope of “substantive concerns” beyond the reasonable interpretation of the 1983 amendment. For the Division to re-affirm this bewilderingly broad brush stroke would perpetuate the error of ignoring the complexity, variability and manifold implications (both economic and otherwise) of the distinct issues raised by the different proposals. The Staff must abide by the substantially similar standard through a focused analysis of the proposals’ language to discern their different substantive concerns. Each proposal reviewed should be considered under the totality of the circumstances, such that no one proposal should be governed by decisions directed at another industry, let alone a decision directed at another company.

B. The 2008 Proposal satisfies the voter threshold requirement under Rule 14a-8(i)(12).

As discussed above, 2008 reflects the third consecutive year that Proponent has submitted a proposal requesting that the Company adopt and post on-line an Animal Welfare Policy. When this proposal was included in the 2007 proxy materials, 7.3% of the shareholders cast their vote affirmatively, significantly more than the requisite minimum 6% of the vote required for a resubmission. Because Rule 14a-8(i)(12)’s voter threshold requirement has been satisfied, Chevron cannot exclude the Proposal from the 2008 proxy materials.

**III. Investor Trends and Chevron’s Commitment to Social Responsibility Support the Inclusion of the Proposal in the 2008 Proxy Materials.**

While completing its analysis of the Proposal under Rule 14a-8(i)(12), the Staff should be mindful that the Company’s commitment to corporate accountability and its shareholders would benefit from inclusion of the Proposal in the 2008 proxy materials. The Staff should consider the nature of the Company and the possible effects on the shareholders when those who seek to be engaged in the Company’s business are precluded from engaging in a corporate dialogue over issues of social concern. Recent investor trends indicate an increasing awareness of animal welfare issues and growing support that should Chevron live up to its superior commitment to social and corporate responsibility. For these reasons, Chevron should include the Proposal to allow the shareholders to vote for an Animal Welfare Policy at the 2008 annual meeting.

A. Pressing shareholder concern for socially responsible investments requires a commitment to a corporate dialogue on the Proposal.

The upward trend of affirmative shareholder votes on animal welfare issues (3% in 2005, 6.4% in 2006, and 7.3% in 2007) represents a growing shareholder concern and, not surprisingly, correlates with the increased public awareness and debate of animal welfare issues. The importance of this issue can be seen at the federal level by the passage of the Interagency Coordinating Committee on the Validation of Alternative Methods (“ICCVAM”) Authorization Act of 2000, 42 U.S.C. § 2851-3 (2008), which established a permanent interagency committee, composed of representatives from 15 federal regulatory and research agencies, directed to refine, reduce, or replace animal use.<sup>1</sup> At the state level, New Jersey and California have both passed laws prohibiting product tests on animals when a federally approved alternative exists. With a significant portion of the population already voting on and addressing these issues, it is clear that the “writing is on the wall.” Moreover, socially responsible investing has been on the rise for the last 20 years. With choices to be made, investors increasingly base decisions on their ethical and/or religious values. Not only will a company’s decision to adhere to and/or articulate its policy on the issue of animal welfare have a personal impact on its current shareholders, but it will indubitably affect the value of a company’s stock and its position in the global marketplace.

Yet, it is curious, in light of the increased public attention of animal welfare and the documented growth of shareholder concern, that Chevron would choose now, its third year of receiving substantially the same proposal, to challenge the Proposal’s presence on the proxy. Why has it not done so in the past? The Proposal for an Animal Welfare Policy has garnered increasing shareholder approval from its two earlier inclusions. In 2006, it received shareholder votes representing over 87 million shares, and in 2007 it received over 94 million shares. This issue must be presented to Chevron’s shareholders, as there is no doubt the trend will continue to escalate in 2008. Turning a blind eye to prevalent social trends and growing public awareness does not “earn the admiration of all [its] stakeholders . . . for the goals . . . [and] how [it] achieve[s] them.” See Chevron, *The Chevron Way*, <http://www.chevron.com/about/chevronway/> (hereinafter “*The Chevron Way*”). Instead, failing to engage its shareholders is a great disservice to a company committed to “socially responsible and ethical” values. See “*The Chevron Way*”. As a company with “superior capabilities and commitment,” Chevron should include the Proposal in its 2008 proxy materials. See “*The Chevron Way*.”

B. Corporate accountability and Chevron’s commitment to the highest standards reinforce the inclusion of the Proposal in the 2008 proxy materials.

The Staff should also take into consideration the nature of the business here at issue, which is a part of the oil and gas industry. While proposals for animal testing prohibitions in a pharmaceutical industry may yield the same results despite asking for separate courses of action, this is not the case for Chevron. Not only does “Chevron do [ ] no in-house animal testing of mammals,” but the animal testing is “primarily limited to a small number . . . per year.” CHEVRON CORPORATION, NOTICE OF THE 2007 ANNUAL MEETING AND THE 2007 PROXY STATEMENT 53 (2007) (hereinafter “*2007 Proxy Statement*”). While an animal welfare policy in

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<sup>1</sup> ICCVAM must accomplish this mandate by conducting technical evaluations of new, revised and alternative test methods with regulatory applicability, and by promoting the scientific validation and regulatory acceptance of test methods that more accurately assess the safety and hazards of chemicals and products.

a pharmaceutical company may yield far-reaching effects in every aspect of the business, Chevron has asserted that it engages in limited animal testing, all of which is off-site. This small scale testing is unlikely to result in a comprehensive rippling effect throughout all of Chevron, unlike the possibility that could result in a company that completes all animal-testing in-house for virtually all of its products. Chevron essentially concedes in its 2007 Board recommendation against the proposal that it is committed to an animal welfare policy through its “support [of] scientific efforts and research to refine, reduce or replace the need for laboratory animals” and assurances that its use of research animals who are “healthy and well cared for.” See *2007 Proxy Statement*.

With this commitment to “confirm the integrity of testing procedures and the welfare of the research animals,” see *2007 Proxy Statement*, Chevron should maintain its corporate accountability by allowing shareholders to review this commitment, as an issue of social importance, as it allowed the shareholders to review the 2005, 2006 and 2007 proposals. Moreover, exclusion of the Proposal offends the shareholders by underestimating both their abilities and desires to discern or respond to material and substantive differences in proposals. As issues of animal welfare are increasingly debated in the public arena--nationally and internationally--the shareholders ought not to be disenfranchised of this choice by a generic treatment of animal welfare proposals, which in substantive terms are materially different.

For the above reasons, pursuant to Rule 14a-8(i)(12), 17 C.F.R. § 240.14a-8 (2007), we respectfully request the Staff to deny Chevron’s request for no enforcement action in the event of the exclusion of the Proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dan Kinburn', with a long horizontal flourish extending to the right.

Daniel Kinburn

Comparison of Chevron Proposals and Proposals at Issue In *Merck & Co., Inc.* (available Dec. 15, 2006); *Barr Pharmaceuticals, Inc.* (available Sept. 25, 2006), and *Abbott Laboratories* (available Feb. 28, 2006).

	Chevron	Merck & Co. Inc.	Barr Pharmaceuticals, Inc.	Abbott Laboratories
2008	RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and all independently retained laboratories.			
2007	RESOLVED, that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.	RESOLVED, that the Board issue a report to shareholders on the feasibility of amending the Company's Policy on <i>Animal Research</i> to ensure that i) it extends to all contract laboratories and that is reviewed with such outside laboratories on a regular basis, and ii) it addresses animals' social and behavioral needs. Further, the shareholders request that the report include information to the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.		
2006	BE IT RESOLVED, that the shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals' psychological, social	BE IT RESOLVED, that the shareholders request that the Board issue a report to shareholders on the feasibility of amending the Company's Policy to ensure (a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and (b) superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories,	BE IT RESOLVED, that the shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) implementing acceptable standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories,	BE IT RESOLVED, that the shareholders request that the Board issue a report to shareholders on the feasibility of amending the Company's Policy to ensure (a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and (b) superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all



	<b>Chevron</b>	<b>Merck &amp; Co. Inc.</b>	<b>Barr Pharmaceuticals, Inc.</b>	<b>Abbott Laboratories</b>
	and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.	including provisions to ensure that animals' psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.	including provisions that address animals' psychological, social and behavioral needs. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.	independently retained laboratories, including provisions to ensure that animals' psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.
2005	<p>NOW THEREFORE BE IT RESOLVED, that the shareholders request that the Board:</p> <p>(1) commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity;</p> <p>(2) confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods; and (</p> <p>3) petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.</p>	<p>RESOLVED, that the shareholders request that the Board:</p> <p>1. Commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity.</p> <p>2. Confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods.</p> <p>3. Petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.</p>	<p>RESOLVED, that the shareholders request that the Board:</p> <p>1. commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity;</p> <p>2. confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods; and</p> <p>3. petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.</p>	<p>RESOLVED, that the shareholders request that the Board:</p> <p>1. Commit specifically to using only non-animal methods for assessing skin corrosion, irritation, absorption, phototoxicity and pyrogenicity.</p> <p>2. Confirm that it is in the Company's best interest to commit to replacing animal-based tests with non-animal methods.</p> <p>3. Petition the relevant regulatory agencies requiring safety testing for the Company's products to accept as total replacements for animal-based methods, those approved non-animal methods described above, along with any others currently used and accepted by the Organization for Economic Cooperation and Development (OECD) and other developed countries.</p>

# PCRM

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January 18, 2008

**BY SECOND DAY MAIL AND ELECTRONIC MAIL (CFLETTERS@SEC.GOV)**

U.S. Securities and Exchange Commission

Division of Corporation Finance

Office of the Chief Counsel

100 F Street, N.E.

Washington, D.C. 20549

Re: Opposition to Excluding a Shareholder Resolution Concerning Animal Welfare Policy for Inclusion in Chevron Corporation's 2008 Proxy Materials

Dear Ladies and Gentlemen:

This letter is submitted in response to a letter sent to the Securities and Exchange Commission ("SEC") by Chevron Corporation ("Chevron" or "the Company"), dated January 3, 2008, which stated Chevron's intention to exclude a shareholder proposal ("the Proposal") submitted on behalf of Mary Ann Pattengale ("Proponent"), a member and supporter of the Physicians Committee for Responsible Medicine ("PCRM"). Ms. Pattengale has named the undersigned as her authorized representative in this matter. Chevron argues that the Proposal should be excluded because it is allegedly substantially similar to another, different shareholder proposal, filed in 2005 by a different proponent. The Proponent disagrees with this contention and respectfully requests that the Staff deny Chevron's request for a "no action" response.

## SUMMARY

The Proposal now at issue, like the two predecessor proposals included in the 2006 and 2007 proxy materials, seeks the adoption of a general animal welfare policy. In contrast, the proposal included in the 2005 proxy materials focused on two requests: the adoption of specific alternatives to a distinct set of animal tests in order to proactively reduce the use of animals in testing and a petition to the relevant agencies for approval of those tests. Thus, the economic, policy and managerial ramifications of adopting each of the two types of proposals would be vastly different. Consequently, the Proponent finds it both curious and disingenuous that Chevron now claims, for the first time, that these proposals are substantially the same.

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CORPORATION FINANCE

Proponent is mindful of the policy considerations underlying Rule 14a-8(i)(12) and supports the notion that once a shareholder has had a fair opportunity to have an issue considered, voted upon and, ultimately, rejected (as measured by the percentage standards in the Rule), she or he should not be allowed to saddle the company with the continued expense of including substantially similar proposals in subsequent proxy materials. Nevertheless, whether the proposals are substantially similar should depend in part on the type of business and its respective industry. Every business operates differently, such that shareholder proposals should be considered in the context of the industry and the specific business to which the proposal is made. Proposals addressing a similar broad issue could have significantly different impacts when adopted by different businesses and industries. For example, a pharmaceutical company and its use of animal testing might be affected in ways very different from an oil and gas company, the latter not being in the business of drug development nor under mandate to perform any such tests on animals. Since SEC Staff have previously viewed proposals based on information specific to companies in particular industries, the Staff should do the same here and consider the Proposal in light of the specific application to Chevron.

**I. SEC Decisions Clarifying the “Substantially the Same” Standard Require Inclusion of the Proposal.**

Under the Securities and Exchange Act of 1934 (hereinafter “the Act”), Rule 14a-8(i)(12) permits a company to request the SEC’s advice on the exclusion of a proposal that addresses “substantially the same subject matter” as a prior proposal that has been submitted within the past 5 years and has not reached a threshold percent of votes. 17 C.F.R. § 240.14a-8 (2007). Since issuing its 1983 policy statement on the Act and its accompanying regulations, see *Exchange Act Release No. 34-20091* (Aug. 16, 1983) (hereinafter “the Release”), the SEC has repeatedly denied company requests to interpret proposals in contention as substantially the same where the substantive concerns were not similar. The Release affirmed the SEC’s policy of determining whether or not resubmissions deal with substantially the same subject matter by “focusing on substantive concerns addressed in a series of proposals.” In part, the Release noted that this would avoid “an improperly broad interpretation of the new rule.” Throughout the course of its responses to requests for no action determinations, the Staff has clarified the boundaries for this standard. More importantly, the case-by-case determinations in this informal decision-making process allow the SEC Staff to review proposals with an eye to ensure that the Act is followed and upheld.

**A. Similar subject areas are not substantially the same subject matter.**

Shortly after the Release, the SEC denied company requests for no action letters by noting that proposals covering similar subjects were not necessarily substantially the same subject matter. From SEC no action letter responses, it is clear that the SEC differentiates between proposals that address the same broad issues and are not substantially the same subject matter from those resubmissions of substantially identical proposals. See *Emerson Electric Company* (available Nov. 21, 1984) (Staff did not concur with the company that two proposals were substantially the same where one requested information on foreign military sales and the

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order to determine if the substantially the same standard is met, the Staff must review the language of the Proposal to discern the distinct issues presented, rather than presume it shares the same substantive concerns as the 2005 proposal. Additionally, the most recent submission in 2007 garnered the requisite percentage of shareholder votes. For these reasons, Rule 14a-8(i)(12) does not permit the Proposal to be excluded from the 2008 proxy materials.

A. The 2008 Proposal is not substantially the same as the 2005 proposal.

Proponent recognizes that under Rule 14a-8(i)(12) judgments are to be “based upon a consideration of the substantive concerns raised by a proposal rather than the specific language or actions proposed to deal with those concerns.” *Exchange Act Release No. 34-20091* (Aug. 16, 1983). While the Staff is not constrained by prior decisions, it is required to comply with the Act and the Release. Any determinations rendering all topics and actions relating to animal research as effectively the same widen the scope of “substantive concerns” beyond the reasonable interpretation of the 1983 amendment. For the Division to re-affirm this bewilderingly broad brush stroke would perpetuate the error of ignoring the complexity, variability and manifold implications (both economic and otherwise) of the distinct issues raised by the different proposals. The Staff must abide by the substantially similar standard through a focused analysis of the proposals’ language to discern their different substantive concerns. Each proposal reviewed should be considered under the totality of the circumstances, such that no one proposal should be governed by decisions directed at another industry; let alone a decision directed at another company.

B. The 2008 Proposal satisfies the voter threshold requirement under Rule 14a-8(i)(12).

As discussed above, 2008 reflects the third consecutive year that Proponent has submitted a proposal requesting that the Company adopt and post on-line an Animal Welfare Policy. When this proposal was included in the 2007 proxy materials, 7.3% of the shareholders cast their vote affirmatively, significantly more than the requisite minimum 6% of the vote required for a resubmission. Because Rule 14a-8(i)(12)’s voter threshold requirement has been satisfied, Chevron cannot exclude the Proposal from the 2008 proxy materials.

**III. Investor Trends and Chevron’s Commitment to Social Responsibility Support the Inclusion of the Proposal in the 2008 Proxy Materials.**

While completing its analysis of the Proposal under Rule 14a-8(i)(12), the Staff should be mindful that the Company’s commitment to corporate accountability and its shareholders would benefit from inclusion of the Proposal in the 2008 proxy materials. The Staff should consider the nature of the Company and the possible effects on the shareholders when those who seek to be engaged in the Company’s business are precluded from engaging in a corporate dialogue over issues of social concern. Recent investor trends indicate an increasing awareness of animal welfare issues and growing support that should Chevron live up to its superior commitment to social and corporate responsibility. For these reasons, Chevron should include the Proposal to allow the shareholders to vote for an Animal Welfare Policy at the 2008 annual meeting.

A. Pressing shareholder concern for socially responsible investments requires a commitment to a corporate dialogue on the Proposal.

The upward trend of affirmative shareholder votes on animal welfare issues (3% in 2005, 6.4% in 2006, and 7.3% in 2007) represents a growing shareholder concern and, not surprisingly, correlates with the increased public awareness and debate of animal welfare issues. The importance of this issue can be seen at the federal level by the passage of the Interagency Coordinating Committee on the Validation of Alternative Methods (“ICCVAM”) Authorization Act of 2000, 42 U.S.C. § 2851-3 (2008), which established a permanent interagency committee, composed of representatives from 15 federal regulatory and research agencies, directed to refine, reduce, or replace animal use.<sup>1</sup> At the state level, New Jersey and California have both passed laws prohibiting product tests on animals when a federally approved alternative exists. With a significant portion of the population already voting on and addressing these issues, it is clear that the “writing is on the wall.” Moreover, socially responsible investing has been on the rise for the last 20 years. With choices to be made, investors increasingly base decisions on their ethical and/or religious values. Not only will a company’s decision to adhere to and/or articulate its policy on the issue of animal welfare have a personal impact on its current shareholders, but it will indubitably affect the value of a company’s stock and its position in the global marketplace.

Yet, it is curious, in light of the increased public attention of animal welfare and the documented growth of shareholder concern, that Chevron would choose now, its third year of receiving substantially the same proposal, to challenge the Proposal’s presence on the proxy. Why has it not done so in the past? The Proposal for an Animal Welfare Policy has garnered increasing shareholder approval from its two earlier inclusions. In 2006, it received shareholder votes representing over 87 million shares, and in 2007 it received over 94 million shares. This issue must be presented to Chevron’s shareholders, as there is no doubt the trend will continue to escalate in 2008. Turning a blind eye to prevalent social trends and growing public awareness does not “earn the admiration of all [its] stakeholders . . . for the goals . . . [and] how [it] achieve[s] them.” See Chevron, *The Chevron Way*, <http://www.chevron.com/about/chevronway/> (hereinafter “*The Chevron Way*”). Instead, failing to engage its shareholders is a great disservice to a company committed to “socially responsible and ethical” values. See “*The Chevron Way*”. As a company with “superior capabilities and commitment,” Chevron should include the Proposal in its 2008 proxy materials. See “*The Chevron Way*.”

B. Corporate accountability and Chevron’s commitment to the highest standards reinforce the inclusion of the Proposal in the 2008 proxy materials.

The Staff should also take into consideration the nature of the business here at issue, which is a part of the oil and gas industry. While proposals for animal testing prohibitions in a pharmaceutical industry may yield the same results despite asking for separate courses of action, this is not the case for Chevron. Not only does “Chevron do [ ] no in-house animal testing of mammals,” but the animal testing is “primarily limited to a small number . . . per year.” CHEVRON CORPORATION, NOTICE OF THE 2007 ANNUAL MEETING AND THE 2007 PROXY STATEMENT 53 (2007) (hereinafter “*2007 Proxy Statement*”). While an animal welfare policy in

<sup>1</sup> ICCVAM must accomplish this mandate by conducting technical evaluations of new, revised and alternative test methods with regulatory applicability, and by promoting the scientific validation and regulatory acceptance of test methods that more accurately assess the safety and hazards of chemicals and products.

a pharmaceutical company may yield far-reaching effects in every aspect of the business, Chevron has asserted that it engages in limited animal testing, all of which is off-site. This small scale testing is unlikely to result in a comprehensive rippling effect throughout all of Chevron, unlike the possibility that could result in a company that completes all animal-testing in-house for virtually all of its products. Chevron essentially concedes in its 2007 Board recommendation against the proposal that it is committed to an animal welfare policy through its "support [of] scientific efforts and research to refine, reduce or replace the need for laboratory animals" and assurances that its use of research animals who are "healthy and well cared for." See *2007 Proxy Statement*.

With this commitment to "confirm the integrity of testing procedures and the welfare of the research animals," see *2007 Proxy Statement*, Chevron should maintain its corporate accountability by allowing shareholders to review this commitment, as an issue of social importance, as it allowed the shareholders to review the 2005, 2006 and 2007 proposals. Moreover, exclusion of the Proposal offends the shareholders by underestimating both their abilities and desires to discern or respond to material and substantive differences in proposals. As issues of animal welfare are increasingly debated in the public arena--nationally and internationally--the shareholders ought not to be disenfranchised of this choice by a generic treatment of animal welfare proposals, which in substantive terms are materially different.

For the above reasons, pursuant to Rule 14a-8(i)(12), 17 C.F.R. § 240.14a-8 (2007), we respectfully request the Staff to deny Chevron's request for no enforcement action in the event of the exclusion of the Proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dan Kinburn", with a long horizontal flourish extending to the right.

Daniel Kinburn