

July 31, 2008

Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Submitted via e-mail to rule-comments@sec.gov

Subject: Proposed Rule Regarding Interactive Data to Improve Financial Reporting (File Number S7-11-08)

Valero Energy Corporation (referred to as “Valero” or “we” throughout this response) respectfully submits the following comments regarding the Securities and Exchange Commission’s (S.E.C.) proposed rule on interactive data to improve financial reporting.

SUMMARY OF VALERO POSITION

The summary to the proposed rule states that the purpose of the proposed expanded disclosure requirements is to (i) improve the usefulness of financial statement information to investors and (ii) assist in automating regulatory filings and business information processing. According to the summary, “interactive data has the potential to increase the speed, accuracy, and usability of financial disclosure, and eventually reduce costs.” For the reasons that will be discussed further below, Valero strongly believes that the proposed requirement to submit financial data in an interactive format (referred to herein as “XBRL”) will not increase the speed and accuracy of financial disclosure and that such a requirement will increase, not reduce, costs incurred by registrants. Furthermore, we do not believe that a requirement to submit interactive data will necessarily improve the usefulness of reported information to analysts and investors. Finally, Valero believes that even if interactive data were deemed to be beneficial to certain users of the financial statements, now is not the optimal time to implement such an effort. We will expound on the reasons for our position in the paragraphs that follow.

BASIS FOR VALERO POSITION

One of our primary concerns related to the proposed requirement to provide interactive disclosure information centers around the issue of timing constraints and the resulting potentially unfavorable impact on the quality of reported information. The deadlines for filing periodic reports required under the Securities and Exchange Act of 1934 were only recently dramatically reduced, thereby significantly condensing the amount of time available for companies to ensure that their reports are comprehensive and of the highest quality. The existing requirement to file such periodic reports electronically through the Electronic Data Gathering, Analysis and Retrieval System (EDGAR) is another step in

the filing process that already consumes a portion of the available filing period. Not only does a company's internally prepared document need to be reviewed for accuracy, but the document in EDGAR format needs to be reviewed to ensure appropriate conversion. The proposal requiring interactive data submission would require that a company's internally prepared document be "tagged" because there is no current capability to convert the EDGAR document into XBRL. Thus verification of the tagged information would be yet another review process that would have to occur within the already compressed filing timeframe, thereby detracting from time that would otherwise be spent ensuring the accuracy of the EDGAR document.

The proposed submission of interactive data also gives rise to another concern regarding potentially reduced accuracy of reported information. The current requirement to file in EDGAR format with its associated review time requires us to send our internally prepared document to a third-party printer several days before the filing deadline. As a result, changes to the document that may arise subsequent to submitting the document for conversion to the EDGAR format are sent directly to the printer. Because the tagging for the XBRL conversion must be applied to the internally prepared document rather than the EDGAR document, the proposed rule would now mandate that for any change, a corresponding simultaneous change be made to both the EDGAR document and the internally prepared document to ensure that the tagged data is consistent with the information disclosed in the current traditional format filing. Therefore, rather than increasing the speed and accuracy of reported information, the interactive data requirement under the proposed rule will slow down the reporting process and, more importantly, will create an additional risk that inconsistent and inaccurate information may be provided, with a resulting increase in liability exposure.

In regard to the cost effect of the adoption of an interactive data disclosure requirement, Valero strongly believes that the implementation of the proposed rule would increase, not decrease, costs to registrants, both in the short term and the long term. Companies will incur initial costs to develop the tagging of financial information in accordance with the established taxonomy, as well as ongoing costs to either (i) have a third-party service provider convert their disclosures for each periodic report or (ii) purchase and maintain the necessary software to enable them to perform that conversion internally. We do not believe that such incremental costs will be offset by savings resulting from efficiencies created elsewhere in companies' financial reporting processes. We do not foresee companies replacing or supplementing their current financial reporting and business information systems, most of which are highly integrated systems, with XBRL. To the contrary, we foresee inefficiencies being created by the proposed new rule. For example, Valero has historically prepared its internal document using Microsoft Word software, the most common and widely used word processing software in the United States. However, through discussions with an outside consultant, we determined that there is an increased complexity involved in tagging numbers that are presented using word processing software. As a result, we have had to revise our document preparation process to use Microsoft Excel for all of our financial statements and tables and incorporate that Microsoft Excel information into the remainder of the document that is prepared using Microsoft Word. We believe that these kinds of changes to satisfy the nuances of XBRL

will result in increased internal costs, will increase the risk of clerical errors, will increase delays in providing financial disclosure, and will compound, rather than offset, the incremental external costs that will be borne by registrants.

Finally, since the inception of the XBRL discussion, Valero has never received any contact from any of its analysts or investors indicating a desire to receive disclosure information in an interactive format. Over the past several years, we have had numerous earnings calls, investor presentations, and analyst meetings, and no one has ever discussed this topic with us. As a result, we question just how useful this additional proposed information would be to such users of our financial statements. Certainly the comparability of the tagged information among companies will only be as good as the consistency of every company's conversion into XBRL. Some companies will use more extensions than others, which would to some extent mitigate the comparability of information. Also, the application of different accounting policies by different companies would still require special evaluation and consideration by users. After a rather significant period of time during which the voluntary program of interactive data submission was in effect, the fact that none of our analysts, investors, or rating agencies has expressed an interest in receiving information from us in this format leads us to seriously question how strongly analysts and investors want this type of information.

CONCLUSION

Although there will always be a certain amount of manual intervention required in evaluating interactive information, Valero does not dispute that replacing or supplementing text-based information with interactive data could eventually facilitate the search and analysis capabilities of analysts and investors. The question at issue is how and when such a conversion to interactive disclosure can be most cost-effectively implemented. With the relatively recent curtailment of periodic filing deadlines and the current limitations related to the technicalities of converting to XBRL, mandating the implementation of XBRL at this time would constitute a significant increased burden on registrants that currently is not justified by the benefit to be realized by users of the financial statements.

PROPOSAL

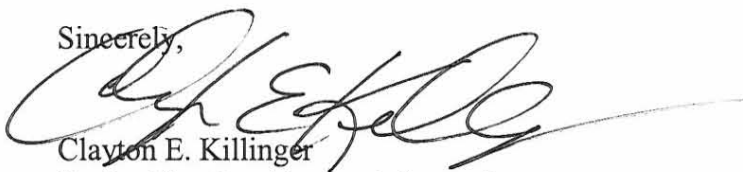
Valero proposes that the mandated implementation of XBRL be delayed until the capability exists to create an interactive format using the current electronic EDGAR format. EDGAR was intended to improve the accessibility and analysis of disclosure information. XBRL is an extension of that goal, and as a result, we believe that XBRL should be tied into the existing electronic system that is used for filing a company's periodic reports, thereby providing one system for filing all financial reporting information potentially desired by users. This approach would mitigate the burden on registrants by preventing them from having to prepare and review two conversions, and would avoid the associated concerns about ensuring the consistency of information between them. In this way, the accuracy of reported interactive data would be enhanced,

and potential amendments to periodic reports, along with a company's potential liability exposure, would be significantly reduced.

In the alternative, if it is decided that XBRL must be implemented pursuant to the timetable established in the S.E.C. proposed rule, then Valero proposes that the S.E.C. allow 30 days after the required filing date of each periodic report to provide the interactive disclosure information before a company would be deemed to be untimely in complying with its filing requirements. That is, Valero believes that the 30-day period allowed for the first report that includes interactive data disclosure and for the first report that includes detailed tagging information for the footnotes should become a permanent deadline for the submission of interactive disclosure information. This approach would enable companies to concentrate fully on each of the two separate submissions using EDGAR and XBRL, thereby increasing the accuracy of reported information for users of the financial statements. In addition, we propose that the interactive disclosure information should be furnished on a separate form, such as a Form 8-K as was required for the voluntary program, so that if there is a problem with the interactive disclosure conversion, it does not result in a Form 10-K/A or Form 10-Q/A. We believe that amendments to Form 10-Ks and Form 10-Qs cause more concern among users of the financial statements than would be warranted for the interactive disclosure information, especially because such information is deemed furnished and not filed with the S.E.C.

We appreciate the opportunity to express our viewpoints on this matter.

Sincerely,



Clayton E. Killinger
Senior Vice President and Controller