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SIERRA CLUB
FOUNDED 1892
Mutual Funds
433 California Street
San Francisco, California 94104

September 25, 2003

Jonathan G. Katz
Secretary
Securities & Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609

RE: SEC File # 4463

Dear Mr. Katz:

The Sierra Club Mutual Funds, a partnership between the Sierra Club and Forward Management, LLC, were launched in January of this year to offer investors environmentally and socially responsible investment options, in accordance with the Sierra Club's values and mission.

The Sierra Club is the oldest and largest environmental grass roots organization in the United States. Its Investment Advisory Committee has advanced a set of rigorous environmental and social guidelines for use in screening of potential investments. In our capacity as investment advisors to the Sierra Club Mutual Funds, Forward Management analyzes corporate records and behavior for compliance with these guidelines.

Among the specific issues of concern to Sierra Club Mutual Funds is corporate environmental liability. There is currently no regulation in place that requires US-registered public corporations to disclose aggregate liabilities for hazardous waste sites for which they are responsible. Currently, corporations can legally choose to apply piece-meal accounting methods wherein the liability for each discrete site may be found immaterial, and no disclosure is provided or required that if these liabilities were to be summed up in aggregate, the total liability would be, in fact, material to the company's financial performance. The result is that corporations can underreport their environmental liabilities, and therefore, their overall costs.

This issue ***is*** of particular concern to the Sierra Club Mutual Funds, which screen for hazardous waste liability on the basis of number of sites for which a company is responsible and on the individual and total amounts of remediation costs that are the company's direct liability. In the vast majority of cases, the amount of aggregate environmental costs is not provided in SEC filings.

Accurate disclosure of such costs would benefit Sierra Club Mutual Funds by aiding us in our efforts to select the most environmentally responsible US corporations. Increased disclosure would beget greater transparency that would benefit corporations and shareholders alike by fostering stronger corporate accountability.

We advocate that shareholders must know what they own, and we feel strongly that there is a need for greater disclosure and transparency requirements for environmental liabilities. We are therefore writing to urge the Commission to increase its standards for corporate reporting of environmental liabilities.

We recommend that the Commission act on the pending rulemaking petition (SEC File # 4-463) submitted by the Rose Foundation for Communities and the Environment. This petition, which has already received wide support, asks for adoption of American Society of Testing and Materials standards for evaluating and disclosing environmental liabilities.

By adopting American Society of Testing and Materials standards the Commission would ensure that material environmental liabilities are accurately and consistently reported. This would boost investor confidence and in the long-term benefit the corporations and shareholders alike. We therefore urge the Commission implement new regulations that define material environmental liabilities on the basis of standards advanced by the American Society of Testing and Materials.

Sincerely,

Garvin F. Jabusch
Vice President, Sierra Club Mutual Funds
Forward Management, LLC.