

Jack Ehnes
Chief Executive Officer



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October 12, 2004

Mr. William Donaldson
Chairman
Securities and Exchange Commission
450 5th Street, NW
Washington, DC 20549

RE: Environmental Disclosure Rules

Dear Chairman Donaldson:

This letter is sent on behalf of the California State Teachers' Retirement System (CalSTRS). CalSTRS is the third largest public pension plan in the U.S., with over \$117 billion in assets. CalSTRS manages retirement benefits on behalf of over 735,000 members and beneficiaries.

CalSTRS participated in the first Institutional Investors Summit on Climate Risk at the United Nations in November 2003. This was a very well attended meeting, with representation from the finance and insurance industries, as well as the institutional investor fiduciaries, environmental, political and labor sectors. As investors, we have become concerned about the risk implications of climate change for our portfolio companies, and our assets.

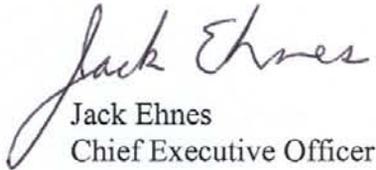
It is my understanding that you have received several letters and a petition, asking that the corporate disclosure requirements on material risks related to climate change be strengthened. Investors cannot adequately evaluate the risk if it is not disclosed and it is appropriate that the SEC be the authority over this matter. We invest in a national market and do not believe that the disclosure should be addressed on a state-by-state basis. If one is an investor in a company with material risks in this area that have not been adequately managed, the loss to the value of the asset will have an impact in the national markets where the company's securities are traded.

CalSTRS is respectfully requesting that the SEC review its disclosure requirements in this area and strengthen the requirements to include the climate risk information. Although reporting rules are found in the SEC requirements now, we do not believe that these rules, as presently constructed and enforced, provide the level of detail that investors need to complete their due diligence. The information has implications for our investment program and that has consequences for our 735,000 members and beneficiaries.

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Please feel free to contact me to discuss this matter; let me know if there are other ways for investors like CalSTRS to address the issue.

Sincerely,


Jack Ehnes
Chief Executive Officer