

Congress of the United States
Washington, DC 20515

February 24, 2005

The Honorable William H. Donaldson
Chairman
United States Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Dear Chairman Donaldson:

We are writing to express our disappointment about the recent decision made by the staff of the Securities and Exchange Commission (SEC) to allow three major companies to refuse requests by their shareholders who were seeking the opportunity to propose their own board candidates. More broadly, we are concerned that this decision may indicate the Commission's lack of commitment to passing a proposal that would empower shareholders by giving them the limited ability to nominate directors to corporate boards. As we have communicated to you before, we believe that the shareholder-access proposal would give shareholders a long overdue voice in the companies they own and would help to increase accountability and transparency in boardrooms across America.

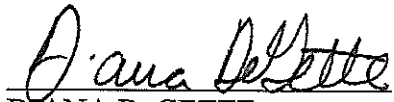
While we applaud the past efforts made by the SEC to increase corporate governance and thereby restore investor confidence in the United States, we nevertheless feel that the lack of accountability on the part of boards of directors remains one of the most glaring deficiencies in corporate governance practices today. Further, we believe that the very recent revelations of accounting irregularities at corporations and government-sponsored enterprises and the lack of board oversight that existed at such entities are simply the latest reminders of the need for deliberate and immediate reform in this domain.

As you know, under the current system, shareholders are largely forced to tolerate directors who have failed to serve them, their only recourse being to launch a costly and usually unsuccessful proxy fight. To help remedy this, we have been and continue to be supportive of the SEC's shareholder-access proposal. However, we would also welcome from the Commission any additional proposals designed to increase the responsiveness and accountability of boards of directors to shareholders.

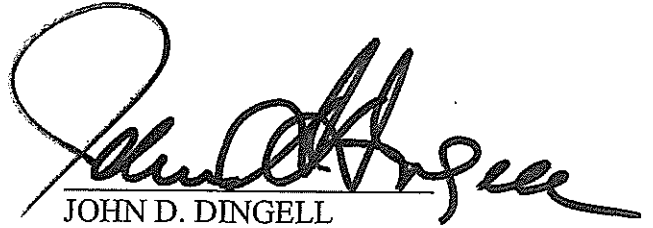
Again, we commend the Commission for its outstanding leadership in helping to improve corporate governance in our country. We believe that the corporate responsibility provisions of the Sarbanes-Oxley Act and the Commission's rulemaking and enforcement have been instrumental in improving and making more transparent business practices, restoring beleaguered investor confidence and forcing directors to take more seriously their responsibilities to shareholders. Like you, we believe that good corporate governance is essential to an efficient free market system, strong investor confidence and a prosperous business environment.

We urge the Commission to address the issue of board accountability and look forward to hearing from you about the Commission's plans to do so.

Sincerely,



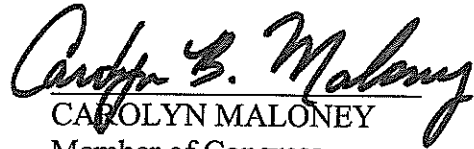
DIANA DeGETTE
Member of Congress
Committee on Energy and Commerce



JOHN D. DINGELL
Ranking Member
Committee on Energy and Commerce



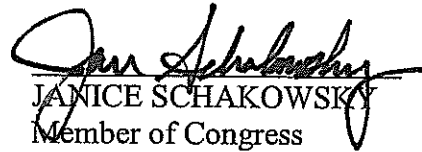
BARNEY FRANK
Ranking Member
Committee on Financial Services



CAROLYN MALONEY
Member of Congress
Committee on Financial Services



EDWARD MARKEY
Member of Congress
Committee on Energy and Commerce



JANICE SCHAKOWSKY
Member of Congress
Committee on Energy and Commerce