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U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 24, 2007

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The Honorable Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Mr. Chairman:

We wish to reiterate the importance to us of points made at the oversight hearing held by the Committee on Financial Services on June 26th, at which several members raised issues concerning proposals to amend the Commission's rules under which shareholder proposals may gain access to management's proxy. We understand that the Commission on Wednesday may consider regulatory amendments that, if adopted, will significantly limit the ability of shareholders to place proposals on the proxy to amend a company's bylaws with respect to the conduct of corporate elections. We would be very concerned about changes in rules or interpretations that would prevent shareholders from having a meaningful opportunity to present proposals concerning issues critical to the corporate governance of a company.

We would be opposed to any potential rule changes that would place new limits on the ability of shareholders to gain access to the proxy for non-binding proposals on a broader range of topics. With some companies, such proposals may provide the only effective means of communication by shareholders with a company's board and management.

With any kind of proposal, the proposing shareholder still will have the burden of persuading a majority of other shareholders of the merits of the proposal. Experience demonstrates that shareholders do not have any trouble rejecting proposals, regardless of source, that they do not see as being in the interests of shareholders and the company generally.

While some companies may view shareholder proposals as a nuisance, these proposals are nonetheless a valuable tool for keeping the lines of communication between shareholders and the board open. Without such a mechanism, the sometimes difficult questions raised by shareholder proposals are all too easily ignored, to the long term detriment of both shareholders and the companies in which they invest.

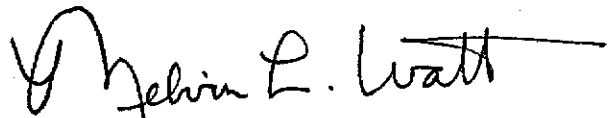
Sincerely,


BARNEY FRANK


PAUL KANJORSKI

The Honorable Christopher Cox
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MAXINE WATERS


MELVIN L. WATT


CAROLYN MALONEY


BRAD SHERMAN


BRAD MILLER

cc: The Honorable Raoul Campos
The Honorable Paul Atkins
The Honorable Annette Nazareth
The Honorable Kathleen Casey