



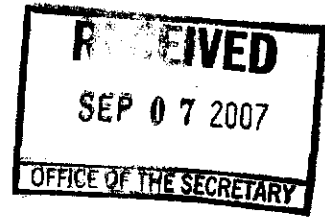
CATHOLIC HEALTH EAST

SYSTEM OFFICE

3805 West Chester Pike
Suite 100
Newtown Square, PA 19073-2304
www.che.org
(610) 355-2000 (610) 355-2050 fax

August 30, 2007

Nancy M. Morris, Secretary
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



Re: **Comment on File Number S7-16-07**

Dear Secretary Morris:

I am writing to comment on File Number S7-16-07, the Release proposing amendments to the Rules under the Securities and Exchange Act of 1934 concerning shareholder proposals and electronic shareholder communications. Catholic Health East feels strongly that SEC's suggested proposals to eliminate or curtail the shareholder resolution process should not be adopted.

Catholic Health East is a concerned long-term faith-based investor. Our mission and core values call us to advocate for a society in which all can realize their full potential and achieve the common good.

Catholic Health East has been actively involved in the co-sponsorship of shareowners proposals and conscientiously votes our proxies. We consider meeting with management, filing or supporting resolutions as well as voting our proxies to be essential. It provides a means to communicate with the Board and other investors on issues ranging from climate change, human rights, and governance reforms.

The SEC is asking for comments on the right of a company to "opt-out" of the shareholder resolution process, either by obtaining approval from shareholders through a proxy vote, or, if sanctioned under State law, by having a Board vote authorizing it to opt-out. Either option would have significant negative consequences. The most unresponsive companies would be most likely to opt-out because resolutions are an important mechanism to strengthen corporate accountability. Additionally, enabling companies to opt-out would result in an uneven playing field with some companies allowing resolutions and others prohibiting them.

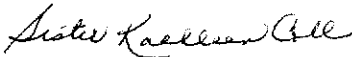
In response to the SEC's question regarding electronic petition model for non-binding shareholder proposals in lieu of 14a-8. We strongly oppose this proposed change. The

current resolution process ensures that management and the Board focus a reasonable amount of attention to the issue at hand as they must determine their response to the shareholder proposal. In addition, every investor receives the proxy and has the opportunity to consider the issue. To substitute a chat room or other form of electronic petition for the current proxy process erodes significantly a valuable fiduciary responsibility. Chat rooms and electronic forums are welcome approaches for enhancing communication with investors, but not at the expense of a shareholder's right to file resolutions.

In its Release, the Commission also asks for comments on increasing the votes required for resubmitting shareholder resolution to 10% after the first year, 15% after year two, and 20% thereafter, compared to current thresholds of 3%, 6%, 10%, respectively. Raising the thresholds as proposed would make it much more difficult for investors to resubmit proposals for a vote, thus further insulating management from shareholder opinion. Over the last 40 years, many proxy topics initially received very modest levels of support, only to garner increased support over time as shareowner awareness and knowledge increased. Adding more restrictive thresholds on resubmitting resolutions simply makes it harder for investors seeking constructive engagement with companies. Hence, we oppose changes in the resubmission thresholds.

Catholic Health strongly urges the SEC to uphold the right of investors to sponsor resolutions for a vote at stockholders meetings. The proposals described above are clearly contrary to constructive investor-management relations.

Sincerely,



Kathleen Coll, SSJ
Administrator, Shareholder Advocacy
Catholic Health East