



## State of Wisconsin Investment Board

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September 26, 2007

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

**RE: Shareholder Proposals (File Numbers S7-16-07 and S7-17-07)**

Dear Ms. Morris:

I am writing on behalf of the State of Wisconsin Investment Board ("SWIB") which is responsible for investing over \$86 billion in assets for over 542,000 retirement system participants. As a large institutional investor, with significant financial interest in the U.S. marketplace, we welcome the opportunity to provide comments regarding the Securities and Exchange Commission's ("SEC") Releases S7-16-07 and S7-17-07. These releases clarify the meaning of the exclusion for shareholder resolutions relating to the election of directors that is contained in Rule 14a-8(i)(8) under the Securities and Exchange Act of 1934 ("Release").

SWIB does not support Release S7-16-07 as drafted. This Release effectively removes any ability for shareholders to have input in the process a company undertakes to nominate directors, and it denies shareholders proxy voting access without any meaningful alternative approach. SWIB prefers to communicate directly with companies on governance issues. However, in instances where this approach is not effective, shareholders need other ways to make boards responsive to shareholders, including voting proxies.

SWIB appreciates the spirit of Release S7-17-07 which provides a method for certain shareholders to amend bylaws to allow a process for shareholders to nominate directors. However, we believe the requirements that must be met (such as the 5% outstanding stock ownership threshold and related extensive disclosure requirements) are restrictive and burdensome. Even though we are a large institutional investor, SWIB rarely holds more than 0.5% of a single large cap company. As a result, collective efforts with several, perhaps many, other investors would be required to meet the necessary threshold. Realistically, it may be impossible to coordinate the number of shareholders necessary for a group that holds 5% for the largest companies.

SWIB regularly engages with companies in which it is a shareholder. The Release would require SWIB to track all its communications with companies as well as their competitors. Although we understand the importance of ensuring that the proxy process is not tainted by anti-competitive maneuvers, the extensive record-keeping that would be required effectively would make the opportunity for shareholders to participate in the nomination process meaningless. In addition, the requirement to keep records of every communication could have a chilling effect on shareholder communications with companies.

SWIB commends the SEC for addressing this very important and complex issue. We believe that the nomination and placement of directors is a critical shareholder right and often a key component to a company's long-term performance. We hope the SEC continues to work with stakeholders to refine its proposals in ways that allow shareholders a meaningful and accessible means to communicate concerns to boards and ultimately hold them accountable for company performance.

Sincerely,

Keith S. Bozarth  
Executive Director

cc: SWIB Board of Trustees