



G. Richard Wagoner, Jr.  
Chairman &  
Chief Executive Officer

---

October 2, 2007

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

Re: Stockholder Proposals Relating to the Election of Directors –  
File Number S7-17-07  
Stockholder Proposals – File Number S7-16-07

Dear Ms. Morris:

As Chairman and CEO of General Motors Corporation, a Delaware corporation with 2006 annual revenues of \$207 billion and more than 280,000 employees, I would like to express GM's views in response to: (1) the Commission's proposal to revise the "director election" exclusion to reflect the Commission's long-standing interpretative position; (2) the Commission's alternative proposal on "access bylaws" and its proposal on electronic stockholder forums; and (3) the Commission's solicitation of comment on issues related to non-binding stockholder proposals.

We share the Commission's belief that corporate boards and management must hold themselves to high standards of corporate governance. In reviewing the Commission's proposals, we have considered what would best preserve and enhance the director election and stockholder proposal processes while benefiting all of our stockholders. The processes that we support reinforce core principles including:

- promoting the accountability and responsiveness of boards of directors;
- enhancing transparency to enable stockholders to make informed voting and investment decisions;
- facilitating communications between companies and their stockholders; and
- creating certainty and predictability for companies and their stockholders.

We agree with the Commission that company proxy statements are not the appropriate way for stockholders to nominate directors. The proposed interpretation and rule amendments will preserve a carefully constructed regulatory framework designed to promote full and

Ms. Nancy M. Morris  
Page Two  
October 2, 2007

accurate disclosure consistently with the applicable state corporation law. Under this framework, stockholders seeking to nominate their own candidates for director must do so in compliance with applicable state law as well as the federal regulatory scheme governing contested proxy solicitations. In this way, all of a company's stockholders would have an opportunity to make informed decisions in voting for directors in contested situations, which is the goal of the federal securities laws in this area. In contrast, access to the company's proxy statement is properly a matter of state corporation law, which governs whether a corporation may bear the expenses of a proxy campaign for incumbent or insurgent candidates for election as a director. In light of the Commission's interpretation, the staff should once again grant no-action relief to companies allowing them to exclude access bylaw proposals under Rule 14a-8(i)(8), even absent further Commission action. Doing so would be consistent with the Second Circuit's decision in *AFSCME v. AIG*, and would avoid the disruption and expense of litigation for companies and their stockholders.

We believe that access bylaw proposals would intrude improperly into matters of state law, and have a number of harmful effects. Proxy solicitations by a single stockholder or a small group of stockholders pursuant to such proposals could lead to the election of "special interest directors" who could disrupt boardroom dynamics and harm the board's decision making process. In addition, permitting access bylaws could turn every director election into a contest, which could discourage qualified, independent directors from serving on boards. It would also increase the costs of director elections and shift nominating stockholders' costs to companies and ultimately, to all stockholders. (Recognizing that shifting insurgents' costs to the corporation is frequently not in stockholders' best interests, Delaware corporate law strictly limits the situations in which a corporation may pay an insurgent's expenses.)

In fact, drastic measures such as the access bylaw proposals are unnecessary, given continued progress in corporate governance. As one example, GM's Board of Directors has a long-established tradition of active engagement and independence. Only one member of our 13-member Board is not independent, and all of our key Board committees are comprised exclusively of independent directors. In 2006, our Board held nine executive sessions, and time is reserved at each Board meeting for the independent directors to meet, if they choose to. In response to recent stockholder proposals, GM adopted majority voting for directors, a clawback policy for executive incentive compensation, and a policy requiring stockholder approval and a TIDE provision if GM ever adopts a stockholder rights plan.

Ms. Nancy M. Morris  
Page Three  
October 2, 2007

Moreover, the Commission's new "electronic proxy" rules will permit companies, and others who solicit proxies from stockholders, to deliver proxy materials electronically. "E-proxy" is expected to reduce greatly the costs of distributing proxy materials. This rule change will reduce stockholder costs in a traditional proxy contest. We recommend seeing how recent corporate initiatives and rapidly changing technology enhance stockholders' ability to make informed decisions in electing directors, prior to enacting bylaw access proposals that would significantly extend the federal proxy rules into areas previously governed by state laws.

The Commission's proposals to facilitate the use of electronic stockholder forums will continue recent corporate governance and disclosure initiatives that have improved communication between stockholders and boards. We have enhanced GM's Investor Information website in recent years, and it was honored in 2007 by *IR Magazine's* Investor Perception Survey as the best mid- to large-cap IR website. GM believes that, in general, the Commission's proposals strike the appropriate balance by providing the flexibility necessary to create and maintain voluntary electronic stockholder forums, while limiting liability that could discourage their use.

GM received 19 stockholder proposals for our 2007 Annual Meeting, most submitted by individuals owning fewer than 100 shares. In light of the significant resources consumed by the review of these proposals at GM and at the SEC Staff, we believe the Commission should strengthen the eligibility requirements for submitting stockholder proposals for inclusion in company proxy statements.

Under current Commission rules, a stockholder is eligible to submit a Rule 14a-8 proposal if the stockholder has continuously held at least \$2,000 in market value, or 1% of the company's shares, for at least one year. The Commission has not adjusted this threshold since 1998, when it raised the threshold from \$1,000 to the current \$2,000 eligibility threshold. Since then, stock ownership has become more widespread, and the value of overall stock market capitalization has increased substantially. Thus, we believe the Commission should significantly increase the eligibility threshold to justify the burden and cost on companies, stockholders and the Commission. This change is appropriate given the recent developments cited by the Commission, including increased opportunities for dialogue and the Commission's proposals on electronic stockholder forums, which have significantly enhanced collaborative discussion among stockholders, boards and management.

Ms. Nancy M. Morris  
Page Four  
October 2, 2007

Furthermore, the Commission should amend the resubmission thresholds under Rule 14a-8(i)(12) to increase the minimum votes a proposal must receive to avoid exclusion by the company upon resubmission (e.g., a proposal may be excluded if it receives less than 10% of votes cast the first time it is voted on, less than 25% of votes cast the second time it is voted on and less than 40% of votes cast the third time it is voted on).

While support for non-binding stockholder proposals has increased in recent years, many of these proposals continue to receive a relatively low percentage of votes cast. For example, at our 2007 Annual Meeting, three proposals that were submitted for the first time received between 3% and 5% support. Under Rule 14a-8(i)(12) we are currently not permitted to omit any of these proposals on resubmission grounds, but our experience with the stockholder proposal process indicates that such proposals are likely to receive relatively low votes year after year.

We urge the Commission to place a high priority on transparency and predictability, in considering other possible changes to the language or interpretation of the grounds for exclusion of a stockholder proposal under Rule 14a-8, such as the ordinary business exclusion.

In summary, GM believes that the Commission can best preserve and enhance the director election and stockholder proposal processes for the benefit of all stockholders by maintaining the existing framework for director nominations, adopting its proposal on electronic stockholder forums, and amending its rules to reduce the time and resources spent on non-binding stockholder proposals. Taken together, these actions will benefit companies and all their stockholders.

Thank you for considering GM's views on this subject. If you would like to discuss these comments, please do not hesitate to contact me.

Sincerely,



G. R. Wagoner, Jr.

c: Hon. Christopher Cox, Chairman  
Hon. Paul S. Atkins, Commissioner  
Hon. Annette L. Nazareth, Commissioner  
Hon. Kathleen Casey, Commissioner  
Mr. John W. White, Director, Division of Corporation Finance  
Mr. Brian G. Cartwright, General Counsel