



Walden Asset Management

Investing for social change since 1975

Date: March 28, 2007

Chairman Congressman Barney Frank
And Ranking Member Spencer Bachus
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Frank and Congressman Bachus:

We write to comment on HR 1257, in particular the section of the bill proposing an annual shareholder advisory vote on the executive compensation report.

Walden Asset Management is an investment management firm based in Boston, a division of Boston Trust & Investment Management Company. We hold \$1.5 billion in assets on behalf of our clients who believe that positive performance on environmental, social and governance factors (ESG) contributes to long term shareowner value. Hence, ESG analysis is an integral component of our investment process and part of our fiduciary responsibility to our clients. Additionally, Walden engages companies as active shareowners, encouraging environmental, social and governance leadership.

Strong corporate governance is increasingly understood to be essential in protecting shareholder interests. Accordingly, the governance records of companies are carefully scrutinized by many investors. Executive compensation policies and practices are a central focus of added scrutiny, and as such, we are pleased that the new SEC compensation disclosure requirements are in place.

Investors have a wide variety of perspectives and concerns about executive compensation practices. Some express concern about excessive compensation packages and many believe that pay is inadequately aligned with company performance. We believe strongly that investors should have the ability to be proactive in raising questions with companies about compensation issues. However, at present investors have no formal mechanism to do so. They can write a letter of opinion to the Compensation Committee of the Board or they can withhold votes for Directors who serve on the Compensation Committee, a blunt instrument. We believe additional checks and balances are needed for shareowners to register concerns with, opposition to, or positive approval of senior executive compensation packages.

As one solution, the investor community is already actively encouraging companies to adopt an Advisory Vote practice. As you may know, this year over 40 institutional and individual investors filed shareholder resolutions with approximately 60 companies requesting the establishment of an Advisory Vote process. The sponsors included pension funds such as CALPERS, NYCERS and the State of Connecticut; 6 trade union pension funds including AFSCME, SEIU, and the AFL-CIO; and dozens of faith based investors, investment firms and mutual funds concerned about good governance, including Walden Asset Management.

AFLAC was the first company to respond positively by committing to adopt the Advisory Vote practice. Approximately a dozen other companies have also responded constructively, stating that the concept of an Advisory Vote has merit and forming a Working Group with investors to study how such a practice could be implemented in the U.S. Companies involved in this study process include Pfizer, Schering Plough, Prudential, EMC and Intel, among others. Investors involved include CALPERS and CALSTERS, TIAA-CREF, Walden Asset Management, AFSCME, and pension funds of State of Connecticut, Wisconsin and Pennsylvania. This constructive engagement is a positive response by a number of leading companies to this relatively new concept. Other companies, however, are not supportive of this request and will receive votes at their spring stockholder meetings allowing us to gauge the level of investor support for this governance reform.

We expect that, similar to proposals seeking Majority Votes for Directors, this issue will quickly gain credibility with investors. Thus, we believe HR 1257 mirrors the desire of an increasing number of investors for an Advisory Vote on executive compensation practices.

If there was a groundswell of support from the corporate community to adopt the Advisory Vote, then HR 1257 would not be necessary. This is not yet the case. The current trend is likely to result in a few corporate leaders implementing this emerging governance best practice, with many other companies failing to do so. Our view is that it is better to have a level playing field where all companies adopt the Advisory Vote.

The proposal to have an Advisory Vote provides an important vehicle for investors to be polled annually on their position with respect to the Board's Compensation Report. We are pleased HR 1257 has been moved out of Committee for a vote by the full House.

| Sincerely,

| Timothy Smith, Senior Vice President

Copy-William Apfel , Walden Asset Management