

RICHARD H. MOORE
Treasurer
State of North Carolina

October 2, 2007

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

Re: *Shareholder Proposals Relating to the Election of Directors*
(File number S7-17-07)

Dear Ms. Morris:

I am writing on behalf of the North Carolina Retirement Systems (“NCRS”) to comment on the Securities and Exchange Commission’s (“SEC”) proposed rule amendments regarding shareholder proposals relating to the election of directors, File Number S7-17-07 (the “Release”).

The North Carolina Retirement Systems is a consolidated pension fund that holds more than \$75 billion in assets and serves more than 750,000 employees and retirees. As the Treasurer of the State of North Carolina, I am the sole trustee for the NCRS. As a large institutional investor with a long-term investment horizon, the NCRS has a strong history of active and conscientious corporate governance activity. The right and ability to file shareholder resolutions and actively participate in the nomination and election of directors are vital to protecting the NCRS’s investments in the 1,700 publicly-traded domestic companies held in the portfolio.

One of the most important rights afforded to a shareowner is the opportunity to elect directors. The Release as drafted would effectively deny shareowners their existing right to adopt director election procedures through the shareholder proposal rule, without providing any meaningful alternative. Further, the release would overturn the 2nd Circuit decision in the *AFSCME v. AIG* case, which clearly confirmed this right.

Shareowners have the right and responsibility to carefully choose who represents them on a company’s board of directors. Thus, they need a meaningful way to participate in the director nomination process. Soliciting proxies for a separate ballot is exceedingly costly and would create more confusion than following an agreed-upon procedure to use the company’s proxy statement.

In this past proxy season, the proxy access proposal was used judiciously, with only three proposals being presented for a vote. These proposals were filed at companies with clear board

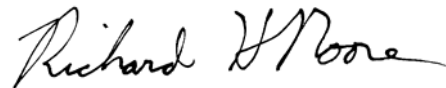
difficulties, including Hewlett Packard and UnitedHealth, and received high levels of support. For example, according to Institutional Shareholder Services, the proxy access proposal that the NCRS co-filed at Hewlett Packard received 42.95 percent of the for-and-against votes cast at the annual meeting. The UnitedHealth proposal received similar support, garnering 45.25 percent of the for-and-against votes cast.

The NCRS is aware that the SEC has issued a separate proposal for comment that would allow certain shareholders the ability to file proxy access resolutions. That proposal does not provide any practical level of proxy access, and I have submitted a separate comment letter addressing those concerns.

As outlined above, the NCRS strongly urges the SEC not to adopt the proposed rule as drafted.

I appreciate the opportunity to comment on the Release. Please feel free to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Richard H. Moore". The signature is written in a cursive, flowing style.

Richard H. Moore