Michael E. Keane
Vice President and Chief Financial Officer

April 10, 2006

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-9303

Re: File No. S7-03-06: Proposed Amendments to Requirements for Executive Compensation and Related Party Disclosure

FILED ELECTRONICALLY (rule-comments@sec.gov)

Dear Ms. Morris,

We appreciate the opportunity to submit the following comments regarding the Securities and Exchange Commission's ("the SEC or Commission") "Proposed Rule: Executive Compensation and Related Party Disclosure," Subject File No. S7-03-06 (the "Proposed Rule").

We commend the Commission's decision to address the area of executive compensation to provide investors with greater transparency into the manner in which corporate executives are compensated and the relationship of executive compensation to corporate performance. We agree it is critically important that investors are able to evaluate executive compensation relative to the underlying performance of the business. We also agree it is likewise important for investors to have a clear and complete understanding of all the relevant components of executive compensation, and it is equally important these disclosures be presented in a manner which is clear, concise and readily understood. However, we have recommendations we think may help the Commission achieve these objectives more effectively and with less issuer effort and cost.

I. Compensation Discussion and Analysis (CD&A): General Matters

A. Filing vs. Furnishing the CD&A

We do not think the CD&A should be filed as a part of the Proxy and/or incorporated into periodic SEC filings which are subject to certification by the principal executive and principal financial officer (PEO and PFO). Requiring the PEO and PFO to certify this information would not be appropriate since the report relates to deliberations of the Compensation Committee, an independent committee of the board of directors, frequently conducted in executive session at which the PEO and PFO are not present. We think it would be more appropriate to furnish the Compensation Committee report to the SEC similar to the manner in which the Audit Committee report is furnished as part of the Proxy filing.

B. Retain Stock Performance Graph

We think the Commission may want to reconsider inclusion of the stock performance graph. Although this information may in large part be available on the Internet, presentation of this information alongside compensation information allows the investor to readily evaluate executive compensation relative to overall corporate performance (as compared to a general market index and the company's peer group). Accordingly, we recommend the stock performance graph be retained as a part of the CD&A.

C. Disclosure of Performance Objectives Rather Than Targets

We agree the CD&A should provide an overview of the company's compensation practices, including compensation program objectives, rewards of the program, basis and relative significance of the elements of compensation and the alignment of these elements with the overall compensation program. This discussion also includes a general discussion of corporate performance objectives and the manner in which compensation is structured to align performance with these objectives. We strongly agree with the Commission's conclusion companies not be required to disclose specific target levels with respect to specific quantitative or qualitative performance-related factors which are confidential and proprietary. Disclosure of specific performance targets could compromise a company's competitive position. Moreover, where corporate performance objectives are over-allocated to motivate performance and assure attainment, disclosure may be more confusing than enlightening to investors.

II. Summary Compensation Table

We largely agree with the form and content of the Summary Compensation Table, however, we have several recommendations concerning certain components of the table. These recommendations also are applicable, where relevant, to the Director Compensation Table.

A. Valuation of Stock Options

The Proposed Rule provides that the full fair value of stock options should be included in the compensation table in the year of award, regardless of vesting requirements. We think compensation costs associated with stock options should be included in the Compensation Table as the options vest and are recognized as expense in the company's financial statements under SFAS No. 123R, "Share Based Payments." Likewise performance based stock awards should be recognized in the year in which they are recognized in the financial statements. If stock awards are modified, only the incremental compensation cost should be included in the compensation table to avoid double counting the prior award. This approach also would be consistent with the expense recognized in the financial statements under SFAS No. 123R.

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Alternatively, we recommend the Compensation Table only include gains realized on options which were exercised by executives during the year. While these amounts would not coincide with expense reported in the financial statements, we think they would provide a better measure of the actual compensation to the executive than the full fair value of grant awarded in any year.

We also request the Commission to clarify whether non-stock awards which are at least partially based on the company's stock price should be reported as stock awards or as non-stock incentive plan compensation. This would avoid the possibility of double counting these compensation elements.

B. Deferred Compensation Earnings

The Proposed Rule would require all earnings on deferred compensation arrangements be included in the compensation table. We think the Commission should retain its existing practice which only requires disclosure of any portion that is "above-market or preferential." We think this is particularly appropriate in situations where earnings relate to executive compensation (such as bonuses) which have been otherwise reported and voluntarily contributed to a deferred compensation arrangement. These arrangements constitute private investments of these individuals and therefore do not warrant disclosure.

C. Executive Perquisites

The Proposed Rule would reduce the threshold for disclosure of executive perquisites from the lesser of $50,000 or 10% of total salary and bonus to $10,000 with respect to any individual and $25,000 in the aggregate. We think this threshold is unreasonably low and will require exhaustive record-keeping for relatively immaterial amounts.

Existing disclosure rules permit issuers to exclude perquisites which are generally available to employees. In view of restrictions imposed in various jurisdictions by workers councils and collective bargaining, we recommend this exemption be afforded where perquisites are generally available on a non-discriminatory basis to salaried employees. Existing rules also permit issuers to exclude benefits relating to group life, health, hospitalization, medical reimbursement and relocation plans where these benefits are generally available on a non-discriminatory basis to all salaried employees. The Proposed Rule would eliminate relocation plans from this exemption. We think this exemption is appropriate and should be continued.

Valuing perquisites based on incremental cost may at times be a painstaking and time consuming exercise. We recommend the Commission allow issuers the alternative of valuing perquisites based on fair values where such values are more readily available.

D. Increase in Pension Plan Actuarial Value

There are several different methods which could be used to calculate the increase in actuarial value. We recommend the instructions specify the method to be used be

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consistent with those required under SFAS No. 87, "Employers' Accounting for Pensions."

III. Non-Qualified Defined Contribution and Other Compensation Plans Table

Our concern regarding the information disclosed in this table is consistent with our comment concerning deferred compensation in the Summary Compensation Table. If the amounts contributed represent amounts (such as bonuses) which have been otherwise reported as compensation and voluntarily contributed to a deferred compensation arrangement, we think disclosure should only be required for "above market or preferential" rates of return on amounts contributed.

IV. Post Employment Compensation

A. Payments on Termination or Change in Control Provisions

In most cases quantification of potential payments which may be due upon termination or change in control will involve extensive, highly subjective assumptions and complex calculations. Quantifying these potential payments will be painstaking time consuming efforts. The resulting estimates will be so subjective as to be largely speculative and as likely to mislead as to inform investors. Therefore, we recommend these arrangements be disclosed in narrative form without quantification. In the alternative, if the Commission requires disclosure of estimated payments we recommend the Commission afford safe harbor protection to issuers and provide more direct guidance regarding the assumptions which should be used in the underlying calculations.

B. Tax Gross-Up of Post Employment Payments

The Proposed Rule requires post employment compensation payment disclosures include the value of any tax gross-up arrangements. This calculation would require a host of assumptions (including date of termination or transaction, transaction price, tax rates, etc.). We think this information would be of little value to investors because of the number of variables involved in making the calculations. Calculations would also be very costly, requiring the use of actuaries and tax advisors. We recommend the terms of these arrangements be disclosed as a part of the narrative without quantification.

V. Narrative Disclosure: Compensation Table and Supplemental Schedules

A. Non-Executive Employees

The Proposed Rule would require narrative disclosure of compensation for up to three non-executive employees where their compensation exceeds the compensation of any of the five highest compensated executive officers. We think this disclosure would be unduly burdensome for issuers since it would require them to track total compensation including all the elements in the table for virtually every employee (80,000 in our case). Since these employees exercise no policy making influence

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over the company, we do not think this information would be material to investors or other users of the financial statements. Furthermore, this disclosure would likely release proprietary and sensitive information to a company's competitors.

VI. Cost of Required Disclosures

We think the Commission has significantly underestimated the cost of the proposed disclosure requirements. In most cases, the required disclosures will require information not currently available from existing information systems. These systems will need to be modified to meet many of the requirements. These costs will be significantly increased in the first year if issuers are not afforded an adequate transition period to accommodate the changes. Certain of the disclosures addressed in our preceding comments and recommendations if not curtailed or otherwise modified (such as the requirement to track total compensation for all employees to comply with disclosure of up to three highly compensated non-executives) would further exacerbate these costs.

VII. Transition Period

The Proposed Rule requires adoption by issuers for 10-K filings for fiscal years ending 60 days or more after publication; 8-K filings 60 days or more after publication; registration statements effective 120 days or more after publication and for proxy statements filed 90 days or more after publication. The proposed disclosure requirements are significantly more expansive and detailed than current disclosure requirements and, in many cases, will require issuers to accumulate significantly greater information not currently captured in their existing systems nor subject to existing disclosure controls and procedures. We think due to the extent of the proposed changes in disclosure requirements a more appropriate transition period would be one year after publication.

Finally, in view of the significance of the concerns and recommendations raised in this letter, as well as comments and suggestions raised by other interested parties including investor groups, we recommend the Commission re-expose the revised rule for public comment prior to final issuance.

Thank you for the opportunity to comment on this important proposal. We appreciate your consideration of our comments and suggestions.

Sincerely,

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cc:
The Honorable Christopher Cox, Chairman, Securities and Exchange Commission
The Honorable Paul S. Atkins, Commissioner
The Honorable Roel C. Campos, Commissioner
The Honorable Cynthia A. Glassman, Commissioner
The Honorable Annette L. Nazareth, Commissioner

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