June 22, 2006

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-9303
Attn: Nancy M. Morris, Secretary

Re: File No. S7-03-06
Executive Compensation and Related Party Disclosure
(Release No. 33-8655; 34-53185; IC-27218)

Ladies and Gentlemen:

This letter is submitted by the undersigned to provide additional information to the Securities and Exchange Commission as it evaluates the comments received on Release No. 33-8655 (issued January 27, 2006 and referred to herein as the "Release") regarding proposed amendments to the rules governing the disclosure of information about the compensation of executive officers and directors in proxy and registration statements (the "Proposals"). Specifically, we are submitting for the Commission's consideration additional information and recommendations concerning the disclosure of executive retirement benefits.

Many of the comments on the Proposals have highlighted the complexity of devising disclosure requirements for executive retirement benefits. Given variations in plan design and operation, as well as the individualized nature of plan participation, the Commission faces several challenges in crafting a set of rules that balance registrants' compliance burden with investors' need for meaningful information.

We have reviewed the comment letters addressing the disclosure of executive retirement benefits and have participated in numerous discussions about those portions of the Proposals. As a result, we have re-evaluated and refined our initial views on the executive retirement benefits disclosure to address the issues and concerns that have been raised about this aspect of the Proposals. We are providing this information in the hope that it may be helpful to the Commission as it formulates the final executive compensation disclosure rules

Please note that this letter represents the views of the undersigned only and not necessarily the views or positions of the organizations with which we are affiliated.

Overall Objectives

- We support full disclosure of the potential retirement benefits and nonqualified deferred compensation amounts that may be received by the named executive officers (NEOs) because they can represent a significant (and often hidden) component of their total remuneration.

- However, the amounts accrued under these plans and arrangements are not well suited to disclosure in the Summary Compensation Table (SCT). In addition, including such amounts in determining a company's most highly-compensated executive officers will create considerable volatility from year-to-year in the NEO group.

- For these reasons, we recommend that the Commission:

  - Withdraw its proposal to require disclosure of all investment earnings on nonqualified deferred compensation and nonqualified defined contribution plans in the All Other Compensation column of the Summary Compensation Table.

  - Withdraw its proposal to require disclosure of the aggregate increase in the actuarial value of all defined benefit retirement plans accrued during each covered fiscal year in the All Other Compensation column of the Summary Compensation Table.

  - Withdraw its proposal to require disclosure of company contributions or other allocations to vested and unvested defined contribution plans in the All Other Compensation column of the Summary Compensation Table.

  - Modify and revise the Retirement Potential Annual Payments and Benefits Table and the Nonqualified Defined Contribution and Other Deferred Compensation Table as recommended below.

We believe that the recommended changes will provide shareholders with a better understanding of both the annual growth in value of NEO retirement benefits and nonqualified deferred compensation amounts, as well as their potential value at payout.

Background

Today, executive retirement benefits are generally provided through two different vehicles:

- **Defined benefit plans –** These are plans that provide a future benefit that is either fixed as a stated dollar amount or determined under a prescribed formula as a percentage of compensation.

- **Defined contribution plans –** These are plans to which the company contributes a specific amount either determined as a percentage of includable pay or in a specified dollar amount and which may, but need not, permit elective employee contributions as well. The plan provides for contributions to accumulate based on a deemed interest rate which can be a fixed rate or tied to external indices or investment options.

Each of these plans can be structured as a broad-based, tax-qualified plan that is available on a non-discriminatory basis to all employees or as a non-tax-qualified plan where participation is limited to a designated group of management-level or other highly-compensated employees.

We believe that the Commission's executive compensation disclosure rules should require information about each plan type to be disclosed separately. To reflect this approach, we recommend that the "Retirement Plan Potential Annual Payments and Benefits Table" be renamed the "Defined Benefit Retirement Table" and that the "Nonqualified Defined Contribution and Other Deferred Compensation Plan Table" be renamed the "Defined Contribution Table," and that both tables be modified and revised as described below.

Proposed Disclosure in Summary Compensation Table

Recommendation:

We recommend that the annual value of defined benefit plans, defined contribution plans, and nonqualified deferred compensation arrangements be excluded from the All Other Compensation column of the Summary Compensation Table for the following reasons:

- It is difficult to present a meaningful annual value for these benefits because their value is often the function of several dynamic components and these benefit amounts are earned over an executive's entire career.

- Including these benefits in the All Other Compensation column will result in significant annual fluctuations in the amounts disclosed in this column from year-to-year, will lead to significant volatility in the determination of the NEO group from year-to-year, and will produce anomalies in reported NEO compensation that will confuse, rather than enlighten, shareholders. (See Exhibits 1-3 in the Appendix to this letter for examples of these potential anomalies.)

- These benefits represent wealth accumulation and their values would be better disclosed in the appropriate post-employment-related tables. (See Exhibit 4 in the Appendix– the proposed Defined Benefit Retirement Table and Exhibit 5 in the Appendix – the proposed Defined Contribution Table.)

Alternative recommendations:

If the Commission decides to include the annual value of these benefits in the Summary Compensation Table, we continue to recommend that these amounts be excluded from the determination of a company's most highly-compensated executive officers for purposes of establishing the NEO group, both to reduce the administrative compliance burden and to maintain year-to-year consistency within the NEO group.

We further recommend that:

- The disclosure of investment earnings on nonqualified deferred compensation and nonqualified defined contribution plans be limited to investment earnings that are paid or accrued at “above market” or “preferential” rates;[1] and

- The disclosure of the annual increase in the value of defined benefit retirement plans exclude the effects of interest that simply represent the fact that the benefit is payable one year sooner (that is, the required disclosure should reflect the increase in value attributable to an additional year of service and/or compensation increases, and not the mere passage of time).

We believe that these changes are appropriate because investment earnings are not compensatory in nature because the annual increase at a market rate merely represents the time value of money.

Proposed Defined Benefit Retirement Table

Recommendation:

We recommend that the Retirement Plan Potential Annual Payments and Benefits Table be (i) renamed the Defined Benefit Retirement Table and (ii) modified to provide information on the potential benefits that may be received by the NEOs under all defined benefit retirement plans (both tax-qualified and nonqualified).

As reflected in the proposed table (see Exhibit 4 in the Appendix), the required disclosure would be governed by the following principles:

- **Benefit estimates –** Benefit values would be presented at three specific points in time:

  – The accrued benefit as of the beginning of the last completed fiscal year;

  – The accrued benefit as of the end of the last completed fiscal year; and

  – The potential benefit at normal retirement age.

  For this purpose, “accrued benefit” would mean the amount, whether or not currently vested, payable monthly or annually commencing at the plan’s normal retirement date. “Normal

[1] For these purposes, “above-market” or “preferential” earnings would be defined as currently provided in Instruction 3 to Item 402(b)(2)(iii)(C).

retirement date" would mean the (i) date defined in the plan document, (ii) the earliest date the NEO could receive payment without a reduction for early commencement (if there is no such definition), or (iii) an earlier expected retirement date as appropriate (for example, the CEO announces his or her retirement).

Disclosure of the potential benefit at early retirement age would not be required, but could be provided in a footnote to the table if desired.

These three values will give shareholders a reasonable indication of how the value of the benefits increased during the last completed fiscal year, as well as the potential value of the benefits upon retirement.

- **Combine plans –** Benefit values would be presented on an aggregated basis for all defined benefit retirement plans in which one plan is an offset to another to minimize multiple disclosures for each NEO. Disclosing benefits on an aggregated basis, coupled with narrative plan descriptions, will provide shareholders with adequate information about the operation of each plan.

- **Payment forms –** Benefit values would be presented under two prescribed equivalent payment forms:

  – An annual single life annuity beginning at the normal retirement date; and

  – The lump sum value of the benefit (or, if a lump sum payment option is not available, the lump sum present value of the accrued benefit).

  These standard forms would be used to support comparability among NEOs and among companies. If the payment form actually elected by an NEO differed from the standard form (or, where no election has been made, the default payment form so differed) the aggregate value of the benefit under this payment form would be provided in a footnote to the table.

- **Assumptions and methodology –** Companies would be given discretion in selecting the assumptions to be used to calculate estimated benefit values. However, to promote consistency, we recommend that the Commission provide that, where appropriate, these assumptions should be consistent with the assumptions used by the company for financial reporting purposes.

  – Actuarial assumptions, such as interest rates, the discount rate, and mortality, should be consistent the assumptions used by the company for financial reporting purposes.

- The assumed normal retirement age may logically deviate from the assumption used in the company’s financial statements since that assumption typically assumes an annual/piecemeal probability of retirement each year.

- Future compensation for the normal retirement age projections should be based upon current target pensionable compensation rather than the actual compensation from the last completed fiscal year to support year-to-year consistency in the potential normal retirement age benefits.

- Compensation increases should not be assumed. See the last “Comment” on Exhibit 4 in the Appendix.

Proposed Defined Contribution Table

Recommendation:

We recommend that the Nonqualified Defined Contribution and Other Deferred Compensation Plan Table be (i) renamed the Defined Contribution Table and (ii) modified to show only amounts associated with employer contributions to all defined contribution plans (that is, account balance-based plans) in which the NEOs participate.

As reflected in the proposed table (see Exhibit 5 in the Appendix), the required disclosure would be governed by the following principles:

- The aggregate amount of employer contributions would be presented for all tax-qualified and nonqualified plans to be consistent with the Defined Benefit Retirement Table.

- A narrative plan description would be provided for each plan that describes the material terms of the plan and the interest crediting method used under the plan.

- Any “above market” or “preferential” investment earnings associated with either company contributions or employee deferrals would be identified and quantified in a footnote to the table.

- Companies would be encouraged to highlight plans where the earnings crediting rate is associated solely with an increase in the value of company stock. This type of investment arrangement aligns an NEO’s benefits with company performance (thus aligning the NEO’s and shareholders’ interests) and is cost-neutral to most companies.

Alternative recommendation:

If the Commission decides to include employee deferrals to nonqualified defined contribution plans in the Defined Contribution Table, we recommend that the table show separately the amounts associated with company contributions and employee deferrals.

We further recommend:

- Disclosing all tax-qualified and nonqualified plans in the company portion of the table.
- Only showing nonqualified plans in the employee portion of the table.

We also encourage that the disclosure include a narrative description of each plan, quantification of "above-market" or "preferential" interest paid or accrued under the plan, and identification of plans with the earnings crediting rate is tied to increases in the value of company stock.

* * * * *

We appreciate the opportunity to provide this information to the Commission. If you have any questions with respect to the information, please do not hesitate to contact any of the undersigned.

Respectfully submitted,

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Exhibit 1
Annual Actuarial Increase in Defined Benefit
Lower paid executive may have higher reported value*

*Underlying assumptions and related information available upon request.

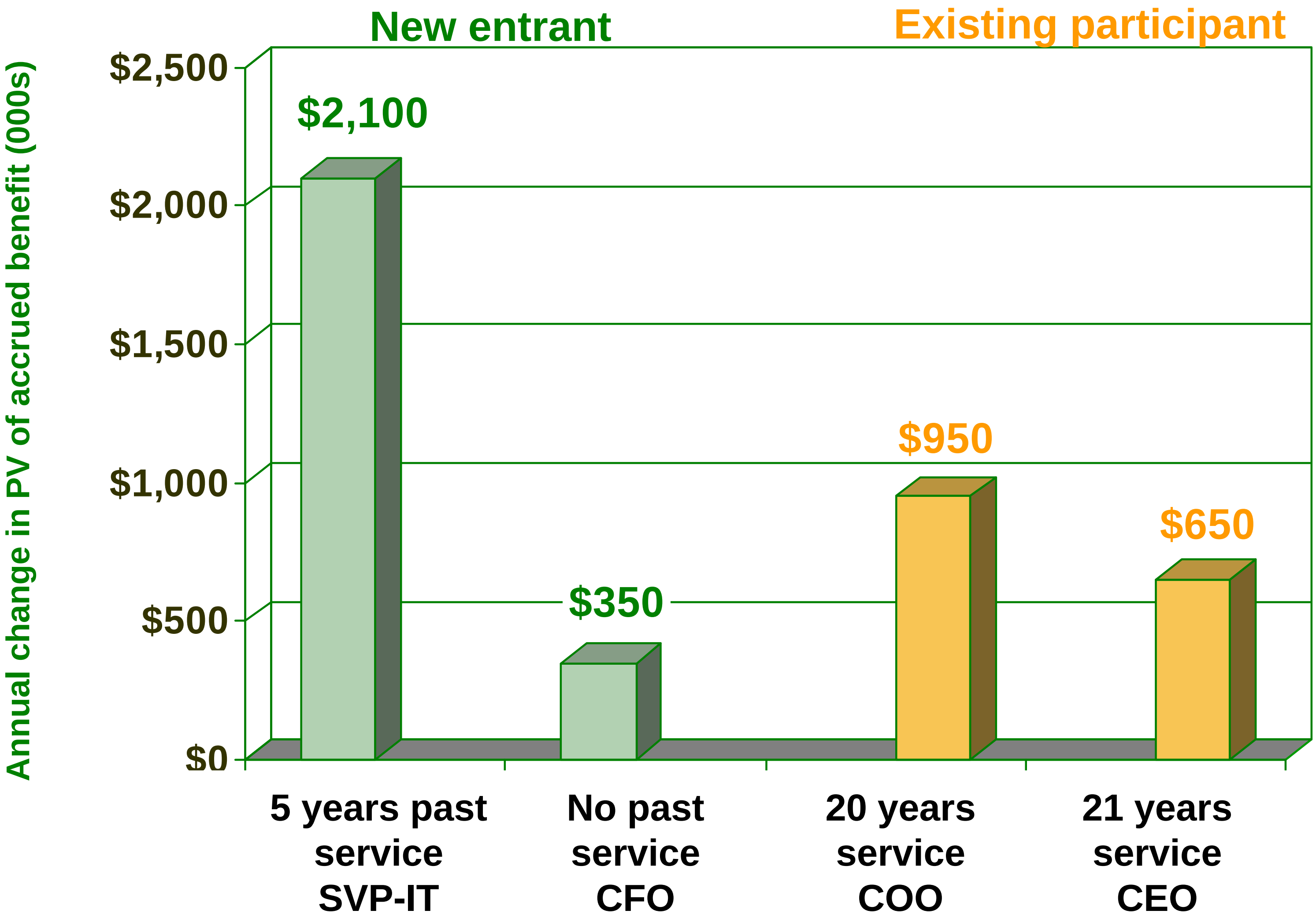
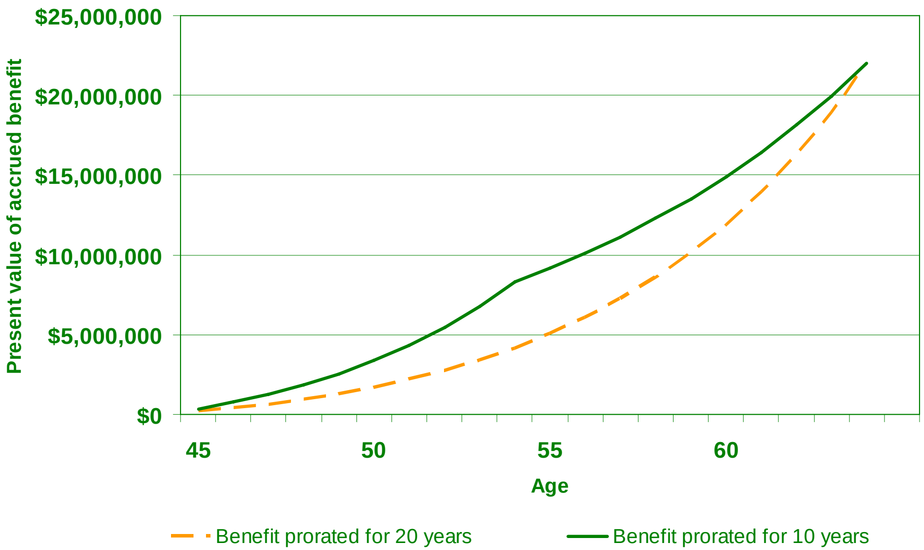
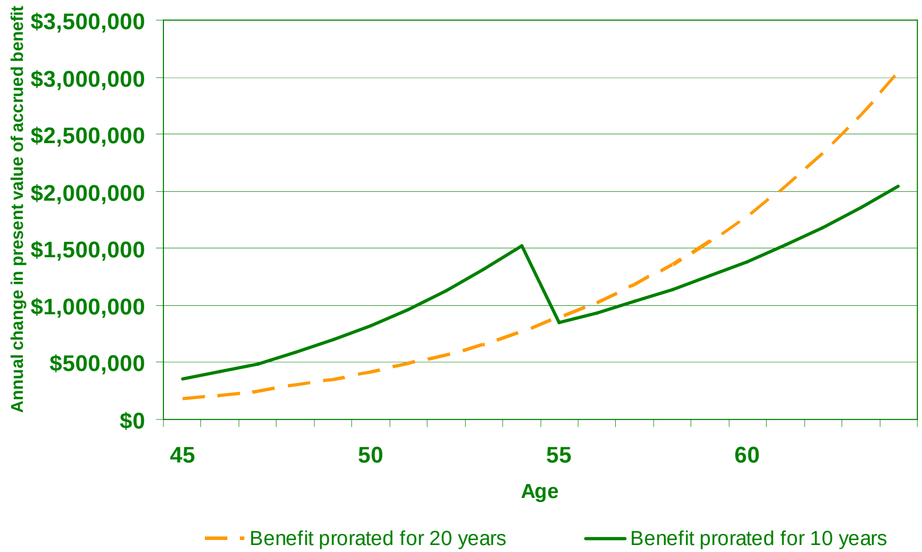


Exhibit 2
Annual actuarial increase in defined benefit retirement plan disclosure can draw incorrect comparison when plans have different accrual rates*

Much lower reported value after service accrual period ends





- Same target benefit
- Two accrual patterns

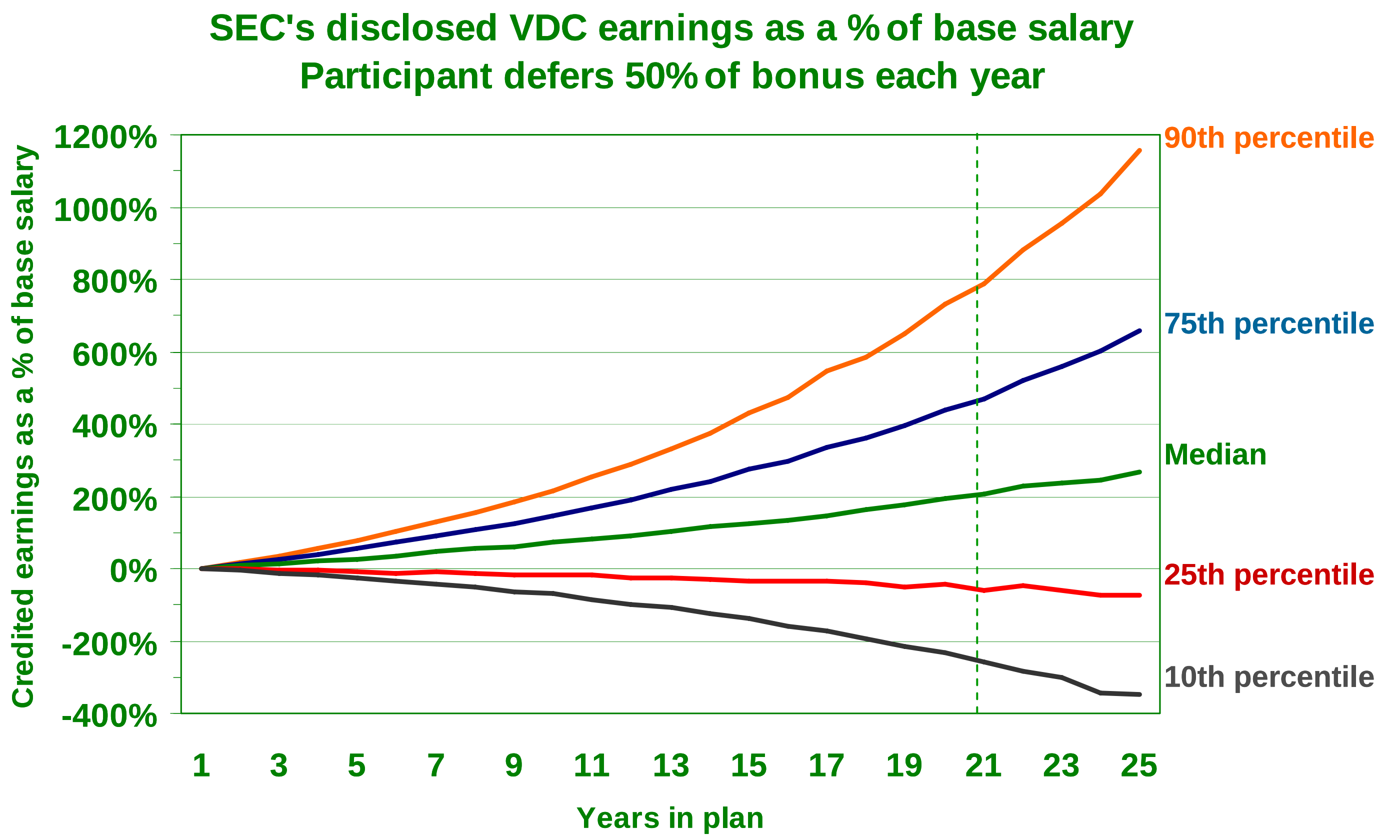
*Underlying assumptions and related information available upon request.

10-year accrual plan has greater proxy disclosure in first 10 years and lesser in subsequent 10 years

Exhibit 3
Investment earnings on voluntary deferred compensation; long-term savers will have volatile reported values*

*Underlying assumptions and related information available upon request.

May show up in proxy and have investment earnings from deferral plans overshadowing other elements of compensation



- IMPORTANT: The projections or other information regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.
- 10,000 random outcomes are used; it is possible for results to vary when a similar analysis is repeated.
- Other investments may have similar or superior characteristics.

Exhibit 4
Suggested Defined Benefit Retirement Table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
				Accrued Benefits (All Defined Benefit Plans) at FYE2006 and FYE2005					**Projected Normal Retirement Benefits (All Defined Benefit Plans)**			
					FYE2006		**FYE2005**					
Name and Position	Plan Names	FYE2006 Age	FYE2006 Service in Each Plan	Assumed Retirement Age	Annual Life Income Value	Current Age Present Value	Annual Life Income Value	Current Age Present Value	Assumed Retirement Age (Year)	Projected Service in Each Plan	Annual Life Income Value at Retirement	Lump Sum Value at Retirement
CEO	Qualified Pension, Restoration, and SERP	57	20/20/25	65	$250,000	$1,550,000	$230,000	$1,350,000	65 (2014)	28/28/33	$350,000	$3,500,000
CFO	Qualified Pension, Restoration, and SERP	55	15/15/18	65	$150,000	$850,000	$135,000	$700,000	65 (2016)	25/25/30	$250,000	$2,500,000

Special Instructions
(1) -- Position at FYE2006
(2) -- List all defined benefit plans in which NEO is a participant (even if plan is closed or frozen)
(3) -- Age at FYE2006
(4) -- List all credited service (as of FYE) for each plan and rationale if notional service has been granted
(5) -- Assumed retirement age when accrued benefits are payable (may be normal retirement, earliest unreduced, contractual age if publicly known, or other if defensible)
(6) and (8) -- Annual life income equivalent value of all accrued benefits payable at assumed retirement age (regardless of payment form elected or whether plan offers a life income)
-- Footnote actual payment election for each plan or if no election, the default payment form
(7) and (9) -- Present value as of FYE of all accrued benefits
-- This represents the discounted value as of FYE of either the lump sum payable at assumed retirement or the present value of the payments commencing at assumed retirement
-- Footnote whether each plan permits a lump sum option and if so under what terms
(10) -- Assumed retirement age and year when projected normal retirement benefits are payable (may be normal retirement, earliest unreduced, contractual age if publicly known, or other)
(11) -- List all projected credited service (as of normal retirement age) for each plan and rationale if notional service has been granted
(12) -- Annual life income equivalent value of projected normal retirement benefits (regardless of payment form elected or whether plan offers a life income)
(13) -- Lump sum present value (as of normal retirement age) of projected normal age benefits (regardless of payment form elected or whether plan offers a lump sum)
-- This represents the value (at normal retirement) of either the lump sum payable at normal retirement or the present value of the payments commencing at normal retirement

Comments:
* Where appropriate assumptions should be consistent with those used in preparing financial statements
* Lump sum of benefits reflects the lump sum value if available or the present value of benefits if no lump sum option exists
Actuarial assumptions used to determine these values should be consistent with those used in preparing financial statements
* Future compensation for purposes of projecting the potential normal retirement benefit should be based on current base salary plus *target* incentive payouts
that are pensionable rather than actual FYE2006 pensionable compensation. Compensation increases should not be assumed.

Exhibit 5
Suggested Defined Contribution Table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Company Contributions (All Plans)					**Executive Contributions (Nonqualified Plans)**				
Name and Position	Plan Names	Company Contribution During FY	Aggregate Earnings in During FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE	Plan Names	Executive Contribution During FY	Aggregate Earnings in During FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
CEO	Qualified 401(k), DC SERP, and Nonqualified deferral plan	$50,000	$30,000	$0	$300,000	Nonqualified deferral plan	$100,000	$50,000	$0	$550,000
CFO	Qualified 401(k), DC SERP, and Nonqualified deferral plan	$25,000	$20,000	$0	$200,000	Nonqualified deferral plan	$50,000	$25,000	$0	$300,000

Special Instructions

(1) -- Position at FYE2006
(2) -- List plans in which the NEO is a participant that include company contributions (even if plan is closed or frozen)
(3) -- Aggregate company contributions to all plans during FYE2006
(4) -- Aggregate earnings in all plans during FYE2006
 -- Describe method for determining investment earnings within each plan
 -- Provide a break-out of any earnings that are above-market
 -- Provide a break-out of any earnings that are solely associated with company stock
(5) -- Aggregate distributions from all plans during FYE2006 and reason for distribution
(6) -- Aggregate account balance for all plans at FYE2006
(7) -- List all nonqualified plans in which the NEO has the opportunity to defer compensation (even if plan is closed or frozen)
(8) -- Aggregate executive contributions to all plans during FYE2006
(9) -- Aggregate earnings in all plans during FYE2006
 -- Describe method for determining investment earnings within each plan
 -- Provide a break-out of any earnings that are above-market
 -- Provide a break-out of any earnings that are solely associated with company stock
(10) -- Aggregate distributions from all plans during FYE2006 and reason for distribution
(11) -- Aggregate account balance for all plans at FYE2006