



July 24, 2007

Mr. Christopher Cox
Chairman

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

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CHAIRMAN'S
CORRESPONDENCE UNIT

And Via Email: chairmanoffice@sec.gov

Re: File No. 4-537 and Upcoming 7/25/07 SEC Open Meeting

The Service Employees International Union Master Trust consists of three Taft-Hartley pension funds with \$1.8 billion in assets. The SEIU Master Trust is deeply concerned about corporate governance, fair markets, and the ethical and social responsibility of issuers in which our participants' pension plan assets are invested. I am writing to draw your attention to concerns the Trust has about possible action this month by the Securities and Exchange Commission (SEC) with respect to proxy access and revisions to Rule 14a-8 governing the shareholder resolution process.

It is our understanding that the Commissioners will propose new reforms at the July 25th Open Meeting that would have a serious negative impact on U.S. shareholder advocacy, corporate governance, and the ability of long-term shareholders to improve the value of the corporations they are invested in.

One concern is a weakening of investor rights to file advisory resolutions that improve corporate value and reduce risk. While the SEC may not move to eliminate the right to file all advisory resolutions, it may present amendments to Rule 14a-8 that would have a crippling effect on shareholder rights in the name of updating the proxy rules. The SEIU Master Trust strongly believes that the right to sponsor reasonable resolutions aimed at company improvements should be strengthened, not weakened.

The other concern regards proxy access, and the possibility that the Commission might propose thresholds for access proposals (such as 5% ownership) that would eliminate most of the investors from the process that fought for these reforms during the past four years—namely small investors, public pension funds, and socially responsible mutual funds. These investors make up the bulk of long-term investors in the U.S. who are concerned about corporate financial viability beyond quarterly earnings. They are also the base of investors that have spent much time and energy for decades trying to improve the markets through better corporate disclosure, greater independence of company leaders, and enhanced corporate responsibility practices that many mainstream investors now acknowledge do impact the bottom line.

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Shareholder advocacy, by individual and institutional investors, has resulted in critical governance, accounting, policy and other reforms. Thus the SEIU Master Trust is very concerned about any proposed changes to the 14a-8 Rule that would hinder investors' ability to improve the transparency and practices of the companies which they own. Advisory resolutions filed by U.S. investors—both large and small—have been responsible for great improvements in U.S. financial market practices for many years, including:

- Improving independence standards for directors, auditors, and management;
- Encouraging greater disclosure by companies to investors and stakeholders;
- Stimulating a rethinking of policies and practices;
- Fostering meaningful discussions between management or the Board and its investors;
- Initiating long-term study by management or the Board on critical business topics;
- Aiding Boards in understanding social and environmental risk to company value and brand management;
- Communicating “early warning signals” to the Board of looming risks and concerns with current business practices.

These changes occurred whether resolutions received 10 percent or a majority of votes cast. A further testimony of the importance of the advisory resolution process is the sheer number of resolutions that are withdrawn because companies understand the value of the issues being raised and agree to be proactive in warding off risks or positioning themselves for greater business opportunities.

We will be present at the Open Meeting on July 25th, and hope that the Commission will put forward proposed rules that empower, rather than hinder, investors' important role in corporate accountability and good governance.

Sincerely,



Stephen Abrecht
Executive Director of Benefit Funds
SEIU Master Trust