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Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Solicitation of Public Views Regarding Possible Changes to the Proxy Rules
File No. S7-10-03

Dear Ms. Morris:

I am writing on behalf of the Retail Industry Leaders Association (“RILA”), the trade association of the largest and fastest growing companies in the retail industry. Its members include retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales. RILA members operate more than 100,000 stores, manufacturing facilities and distribution centers, have facilities in all 50 states, and provide millions of jobs.

RILA urges the Commission to affirm its longstanding interpretation of Commission Rule 14a-8(i)(8) permitting companies to exclude from proxy materials any shareholder proposal that “relates to an election for membership on the company’s board of directors or analogous governing body.” We agree with the Commission’s position on and legal analysis of this important issue, as recently set forth in the Commission’s letter brief filed in the United States Court of Appeals for the Second Circuit in the case of *AFSCME v. AIG*, and that the proper interpretation of the “election exclusion” is critical to prevent the circumvention of proxy rules that are designed to ensure investors receive adequate disclosure in election contests.

Consistent with the Commission’s letter to the Second Circuit, RILA believes that the Commission’s focus should be on ways to streamline the proxy process, enhance the ability of shareholders and registrants to communicate, and reduce the costs of using the proxy system.

We thank you for consideration of our views.

Sincerely,

Sandra L. Kennedy
President