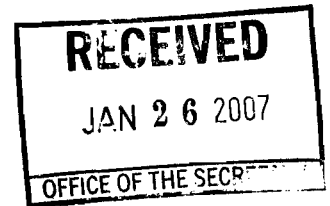


4537-18



INSTITUTIONAL SHAREHOLDER SERVICES



January 19, 2007

Ms. Nancy M. Morris, Secretary  
U.S. Securities and Exchange Commission  
100 F. St., NE  
Mailstop 1090  
Washington, D.C. 20549-1090

RE: Shareholder access to the corporate proxy ballot for the purposes of director nominations and shareholder resolutions on director nomination procedures

Ladies and Gentlemen:

We are writing to reiterate ISS' support for shareholder access to the corporate proxy ballot for the purpose of director nominations. This statement represents the views of Institutional Shareholder Services (ISS) and not necessarily those of our clients. We urge the Securities and Exchange Commission to complete consideration and adopt a proxy access rule. Meanwhile, we believe that shareholders should have the right to place proxy access resolutions on corporate ballots. Such resolutions will stimulate constructive discussion and will subject the idea to a series of market tests on a company-by-company basis.

Shareholder proposals on proxy access will facilitate private ordering by enabling investors to consider what is right for individual companies. Shareholders already have the right to submit proposals and to vote on other matters concerning procedures of director elections, including declassified boards, cumulative voting, and majority voting. It would be logical and consistent to include shareholder proposals on proxy access among the topics protected from ballot exclusion.


In our Dec. 18, 2003, comment letter, we explained our support for the SEC's proposed rule on security holder director nominations. We believe that the considerations discussed in that letter remain equally valid today. Providing eligible investors with reasonable access to place their nominees on corporate proxy ballots will improve the performance of boards and boost the confidence of investors in corporations. While nearly all the reforms adopted in the past five years enhance boardroom oversight of management, ballot access will enable shareholders to hold directors more accountable.

Since 2003, as proxy access reforms stalled, many shareholders have shifted their focus to the voting standard for director elections. Shareholders and companies increasingly have come to

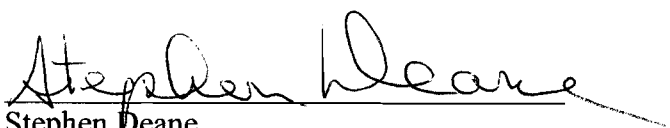
accept majority voting in director elections as a democratic reform that transforms board elections from the symbolic to the meaningful. Nonetheless, there are clear distinctions between majority voting and proxy access – and we believe both reforms are needed. Majority election standards enable shareholders to vote directors out of office or to prevent nominees from assuming office. In this sense, majority voting can be likened to a limited form of veto. Proxy access, on the other hand, gives eligible shareholders the right to nominate one or more directors to the board. In this way, proxy access enables shareholders to make a positive contribution in building the board. The two reforms, far from being mutually exclusive, are complementary. They share the common aim of making boards more accountable.

In our 2003 letter, we took issue with the contention of opponents of ballot access that shareholders would allow themselves to be stampeded by special-interest groups. We are confident that a proxy access rule – such as the one proposed by the SEC – will contain numerous safeguards to prevent any abuses by special-interest groups. Moreover, proxy voting behavior by institutional investors shows that the rhetoric of critics is not in line with reality. In our decades of experience with institutional investors, we have found that the vast majority of them approach corporate governance issues in a thoughtful manner to build value for themselves and their portfolio companies. We believe that investors will apply that same thoughtful process to proxy access, should the SEC provide them with this important governance tool. It is a tool that will enable investors to fulfill their ownership responsibilities while improving board accountability.

Respectfully submitted,



Dr. Martha Carter  
Senior Vice President  
Managing Director, Corporate Governance



Stephen Deane  
Vice President  
Director of the ISS Center for Corporate Governance

cc: Hon. Christopher Cox, Chairman  
Hon. Paul S. Atkins, Commissioner  
Hon. Roel C. Campos, Commissioner  
Hon. Annette L. Nazareth, Commissioner  
Hon. Kathleen L. Casey, Commissioner  
John W. White, Director, Division of Corporate Finance  
Brian Cartwright, General Counsel