



American Federation
of Teachers, AFL-CIO

September 27, 2007

Via Email: rule-comments@sec.gov

Via U.S. Postal Service

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

Re: File Numbers S7-16-07 and S7-17-07

Dear Secretary Morris:

I am writing on behalf of the more than 1.4 million members of the American Federation of Teachers (AFT) to comment on the recently proposed amendments to the Securities and Exchange Act of 1934 (File Number S7-16-07 and File Number S7-17-07). File Number S7-16-07 is the Release proposing amendments to the Securities and Exchange Act of 1934 regarding shareholder proposals as well as proxy access for the nomination of directors. File Number S7-17-07 concerns shareholder proposals that relate to the election of boards of directors.

Both proposals are deeply flawed. The proposals fail to give shareholders equal access to the corporate proxy for director nominations and threaten shareholders' right to file resolutions. It is my firm belief that the SEC should reject both proposed rules in their current form and should not make any changes to shareholders' right to file non-binding resolutions. In fact, due to the announced departure of Commissioner Roel Campos and other proposed changes to the Commission, the SEC should defer *any* actions until a full complement of Commissioners are able to give *any* proposed changes their full attention.

Most AFT members rely on traditional public pension plans for their retirement security, and because of this many AFT members serve as trustees for public retirement funds that collectively invest trillions of dollars in capital markets. AFT member trustees take their proxy voting duties very seriously, and the ability for funds to submit shareholder proposals is a critical way for funds to communicate with the companies in which they invest.

AFT Teachers
AFT PSRP
AFT Higher Education
AFT Public Employees
AFT Healthcare

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The federal courts have been clear that under the SEC's current rules investors have the right to use the shareholder resolution process to nominate board candidates to be included on the company's proxy solicitation. The ability to exercise this right encourages good corporate governance.

With the recent corporate scandals, including backdating of management stock options and excessive executive pay awards, it is clear that a serious deficiency in board oversight of corporate management still exists. By proposing to limit the right of shareholders to hold boards accountable, the SEC position is in direct contradiction to its stated mission: "to protect investors, maintain fair, orderly and efficient markets."

I urge you to reject these far-reaching proposals that will curb shareholder rights.

Sincerely,

A handwritten signature in black ink that reads "Edward J. McElroy". The signature is written in a cursive, flowing style with a large, prominent initial "E".

Edward J. McElroy
President, American Federation of Teachers

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