

October 1, 2007

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

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

Dear Ms. Morris:

We as undersigned serve as Chairman of New Jersey's State Investment Council and as Director of the New Jersey Division of Investment, entities responsible for investing more than \$80 billion in assets for more than 700,000 retirement systems participants. As a major institutional investor with a significant financial interest in the U.S. marketplace, we view the ability of shareholders to nominate directors in meaningful elections as an issue of critical importance and appreciate the opportunity to provide public comment.

We strongly urge the Commission not to adopt either of the proposals put forward in Releases S7-16-07 and S7-17-07, and to delay further action on proxy access until the issue can be deliberated by a full Commission.

We are concerned that Release S7-16-07 as drafted effectively removes the ability of shareholders to have input into a company's process for nominating directors. It would deny shareholders proxy voting access without any meaningful alternative. While we prefer to communicate directly with companies on governance issues, it is critical that real elections be an alternative for all shareholders when this approach is not effective.

We are also concerned that Release S7-17-07 sets too high a bar in its requirements for certain shareholders to amend bylaws to allow a process for shareholders to nominate directors. Specifically, we oppose the 5 percent outstanding stock ownership threshold, and the extensive requirements concerning disclosure. Indeed, although we are a major institutional investor, we currently do not own 5 percent of any company, and the vast majority of our holdings are under one percent.

These concerns deserve the attention and consideration of a Commission at full strength. Additionally, the credibility of the process and the outcome would be needlessly harmed by Commission vacancies that heavily favor either political party.

We believe the nomination and placement of directors is a critical shareholder right, and a key influence in a company's long-term performance. We appreciate the Commission's willingness to work with stakeholders on these proposals and stand ready to be of further assistance.

Orin S. Kramer
Chair, State Investment Council

William G. Clark
Director, Division of Investment