September 28, 2007

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
rules-comments@sec.gov

RE: Comment on Files No. S7-16-07 and S7-17-07

Dear Ms. Morris:

The Marco Consulting Group is a registered investment adviser and proxy voting agent for more than 300 institutional investors with an aggregate asset valuation in excess of $140 billion. Our clients our active participants in the corporate governance arena, having filed hundreds of shareholder proposals and frequently engaged companies at annual shareholder meetings and informal meetings.

We are writing to comment on File Number S7-16-07, the Release proposing amendments to the Rules under the Securities and Exchange Act of 1934 regarding access to the proxy for the nomination of directors as well as shareholder proposals, and the related File Number S7-17-07 on shareholder proposals relating to the election of directors.

Access To The Proxy

We submit that the proposal in File Number S7-16-07 to let shareholders submit a "proxy access" bylaw under which shareholders who have beneficially owned more than 5% of the company's stock for at least one year may nominate candidates for the board of directors and have those candidates appear in the company-prepared proxy contain will not be practical or meaningful because it contains burdensome Schedule 13G disclosure requirements and the 5% ownership requirement will be extremely difficult to satisfy.

We do support reforms that would provide shareholders with meaningful access to company-prepared proxy materials relating to the nomination and election of directors. Almost all elections for boards of directors in corporate America are uncontested because the cost of running a full-blown election campaign is prohibitive. We submit that if

Another is that companies, obviously cognizant of the vote support level shareholder proposals now receive, have become very willing to meet and negotiate with the proponents of shareholders proposals. Studies in recent years indicate that a quarter to a third of shareholders proposals now end up being withdrawn prior to coming to a vote. It would be naïve to presume that this welcome willingness by companies to meet and to negotiate with shareholders on major corporate governance issues will continue if shareholders do not have the option of filing shareholder proposals.

Therefore, we submit that it would be a major step backwards in the evolution of the shareholder rights if a company is granted the right to "opt out" of the shareholder resolution process by having the Board vote to do so (if allowed under State law) or to obtain approval from shareholders through a proxy vote. This would enable the most unresponsive companies to avoid shareholder accountability and would also result in different rules for different companies that would confuse shareholders.

We also do not believe that companies should be allowed to use an electronic petition model for shareholder proposals. The current model ensures that the company has to formulate a reasoned response to the proposal (which in turn promotes negotiations with the proponent) and that each and every investor receives both sides' arguments. Electronic chat rooms and forums can be a valuable addition and enhancement to the shareholder proposal model, but not a substitute.

Finally, we submit it will be a mistake to raise the thresholds for resubmitting shareholder proposals to 10% after the first year (from the current 3%), 15% after the second year (from the current 6%) and 20% after the third year (from the current 10%). Historically, many new types of shareholder proposals initially received small levels of support but that grew significantly over time as shareholders became more familiar with the issue. The leap in support can be dramatic. For example, proposals for a majority vote standard for director elections leaped from 11.8% in 2004 to 43.6% in 2005.

In summary, we believe the current shareholder proposal model is working well for shareholders and companies interested in constructive engagement with its shareholders and should not be jeopardized.

Shareholder Proposals Relating
To The Election of Directors

File Number S7-17-07 would reinterpret SEC Rule 14a-8(i)(8) under the 1934 Act to permit exclusion of any shareholder proposal seeking access to a company's proxy materials to nominate or elect a company's directors.

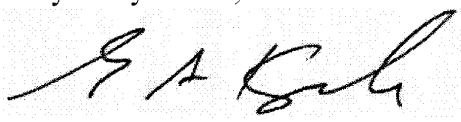
This would be logical if a practical, meaningful access to the proxy rule was being proposed. However, as noted in the preceding section, that does not appear to be the case.

Shareholder proxy access proposals received substantial support in 2007—a majority vote at Cyro-Cell International, 45% at UnitedHealth Group and 43% at Hewlett-Packard.

We submit that allowing shareholders to continue to submit proposals relating to the election of directors is far sounder and productive policy than the flawed access to the proxy proposal in File Number S7-16-07.

We appreciate the opportunity to submit our comments. Please feel free to contact the undersigned with any questions.

Very Truly Yours,



Greg A. Kinczewski
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