



CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS
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VIA REGULAR AND EMAIL

September 28, 2007

Ms. Nancy 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 to comment on the U.S. Securities and Exchange Commission's (SEC) proposed rules regarding shareholder resolutions related to the election of directors. I am also providing comments on the open-ended questions posed by the SEC regarding the filing of non-binding resolutions under Rule 14a-8.

In our opinion, the SEC should reject both proposed rules in their current form and should not make any changes to shareholders' rights to file non-binding resolutions.

I am writing on behalf of the Central Pension Fund of the International Union of Operating Engineers and Participating Employers, with assets of over \$10 billion. Our participants, numbering over 170,000, also participate in the capital markets as investors through savings plans, IRA's and other retirement vehicles.

Last year, the federal courts made it clear that, under the SEC's current rules, investors have the right to raise, through the shareholder resolution process, the issue of shareholder-nominated board candidates being included on the company's proxy solicitation.

As a result, this year, the proxy access issue came to a vote at Hewlett-Packard and UnitedHealth. At both companies, these resolutions received extraordinarily high levels of support. These developments constitute an improvement in our corporate governance system. There is no evidence that the return of the proxy access issue to the shareholder resolution system has harmed investors, companies or the markets.

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Nonetheless, the first SEC proposal would flatly roll back investor rights in this area. The second proposal would place restrictions on shareholders' exercise of those rights that would effectively make those rights a dead letter. Moreover, the second proposal does further injury to investors by raising the possibility of various dramatic rollbacks of shareholder rights to bring resolutions in general.

With the recent corporate scandals, including backdating of management stock options and unjustified executive pay awards, there clearly remain serious deficiencies in the board oversight of corporate management. By proposing to limit the right of shareholders to hold boards accountable through director elections with its proposed rules, the SEC will erode investor confidence in "fair, orderly, and efficient markets" in direct contradiction to its stated mission.

Finally, with the announced departure of Commissioner Roel Campos and other potential changes at the Commission, the SEC should defer action on these far-reaching proposed rules until a full complement of Commissioners is able to give any proposed changes its full attention.

In our opinion, the SEC should withdraw both of its proposed rules and instead allow shareholders to continue to road test the new opportunities available as a result of the AIG decision. Moreover, we see no need for the SEC to make any changes in Rule 14a-8 and would oppose any changes in the rules regarding non-binding resolutions.

Sincerely yours,


Michael R. Fanning
Chief Executive Officer

MRF/JS/gj