WELLS FARGO

Law Department
N9305-173
Sixth and Marquette
Minneapolis, MN 55479

Laurel A. Holschuh
Assistant General Counsel and Secretary
(612) 667-8655
(612) 667-6082 (fax)
Laurel.A.Holschuh@wellsfargo.com

October 2, 2007

Via e-mail: rule-comments@sec.gov

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

Re: Shareholder Proposals (File No. S7-16-07);
Shareholder Proposals Relating to the Election of Directors (File No. S7-17-07)

Dear Ms. Morris:

I am submitting this letter on behalf of Wells Fargo & Company, a publicly held registered bank holding company ("Wells Fargo"), to offer comments to the Securities and Exchange Commission ("SEC") on the proposed rule regarding Shareholder Proposals, Exchange Act Release No. 34-56160 (the "Access Proposal") and the proposed rule regarding Shareholder Proposals Relating to the Election of Directors, Exchange Act Release No. 34-56161 (the "Exclusion Proposal"). Wells Fargo is a diversified financial services company with approximately $540 billion in assets, providing banking, insurance, investments, mortgage and consumer finance products and services to its customers through almost 6,000 stores and the Internet. Wells Fargo has more than 80 diverse businesses, operates in all 50 states in the United States and in other countries, and is one of the 25 largest private employers in the United States with over 155,000 employees.

For the reasons discussed in this letter, we believe the SEC should reject the Access Proposal and adopt the Exclusion Proposal to codify its well-established position that shareholder proposals that could result in an election contest may be excluded from a company's proxy statement under Exchange Act Rule 14a-8(i)(8).

No Demonstrated Need for Significant Change

For decades, Rule 14a-8 has, on balance, advanced the interests of shareholders and in a manner that is less disruptive to a company's operations than a director election contest. Many companies have demonstrated responsiveness to shareholder concerns, and have engaged in constructive dialogue with shareholders who have submitted proposals. For example, corporations, including Wells Fargo, have implemented shareholder proposals brought under Rule 14a-8 on various matters including majority voting, elimination of shareholder rights plans, environmental matters and other social and governance matters.

The election of directors, however, goes to the core of a company's governance, and shareholders need full and detailed disclosure about director candidates as well as the parties that are proposing and soliciting proxies for those candidates. The Exclusion Proposal recognizes that shareholder proposals that could result in director election contests are not appropriate for inclusion in a company's proxy statement

and should be made only in compliance with the rules that govern election contests, including Rule 14a-12. Such proposals should be subject to the increased disclosure and process requirements applicable to election contests in order to enhance clarity and disclosure, avoid shareholder confusion, and promote a level of accountability that an insert into a company's proxy statement would not provide.

Moreover, recent and ongoing corporate governance reforms have significantly lessened the perceived need for shareholders to have direct access to a company's proxy statement. Most notably, many companies, including Wells Fargo, have voluntarily adopted a majority vote standard for uncontested director elections. A majority vote standard provides shareholders with a powerful tool to express dissatisfaction with directors proposed by the nominating committee process while avoiding the concerns regarding direct access to the election process. SEC and NYSE rules have strengthened the role and independence of nominating committees. Companies now have committees of independent directors that are charged with the responsibility of identifying qualified individuals to serve as board members and to represent shareholders as a whole. The SEC's new e-proxy rule also makes it easier and less expensive for shareholders to conduct an election contest if they so chose.

Since the current shareholder proposal process already advances the interests of shareholders and recent reforms have given shareholders, particularly institutional shareholders, a greater voice in the director election process, there is no demonstrated need for the Access Proposal. The SEC should continue to categorically exclude under Rule 14a-8(i)(8) shareholder proposals relating to board elections and adopt the Exclusion Proposal to eliminate the uncertainty created by the Second Circuit's decision in *American Federation of State, County & Municipal Employees, Employees Pension Plan v. American International Group, Inc.*, 462 F.3d 121 (2nd Cir. 2006) (AFSCME v. AIG).

Election Contests Have Negative Consequences

Under the Access Proposal shareholders would be allowed to institute procedures through a bylaw amendment that would increase the frequency of contested director elections. Election contests are disruptive, require substantial attention and resources of a company, including its in-house legal and investor relations staff, outside securities and state-law counsel, senior management as well as the board of directors, and ultimately divert the time and attention of a company's board and management away from running the business. Any increase in the frequency of election contests would also likely undermine current efforts to develop cooperative relationships between companies and their shareholders and deter highly qualified individuals from serving on a board.

No Duty to Act in the Best Interests of All Shareholders

The Access Proposal would allow shareholders owning five percent or more of a company's voting shares to include in the company's proxy materials a proposal for an amendment to the company's bylaws mandating procedures to allow shareholders to include director nominations in the company's proxy materials. However, unless they are majority shareholders, no amount of stock and no holding period can create a fiduciary obligation for shareholders to act in the best interests of a company and all shareholders. Only directors are bound by fiduciary obligations to act in a manner they believe to be in the best interests of the company and its shareholders. It would be inappropriate for individual shareholders or groups of shareholders, who do not owe a fiduciary duty to a company or other shareholders, to be allowed to use company assets and resources to propose changes in the company's governance documents or elect a competing slate of directors.

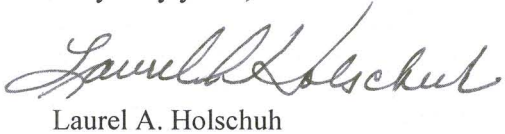
The Access Proposal, which allows individual shareholders acting in their own interests to take significant actions affecting a company without any fiduciary obligation to take actions that are in the best interests of all shareholders, could result in the election of directors who represent special interest groups. In fact it is likely that special interest groups would be at the forefront of those proposing and seeking to implement access regimes, and then using access mechanisms to nominate director candidates. Directors who represent special interest groups will be beholden to further the agenda of the shareholders who nominated them rather than the interests of all shareholders and the company's long-term business goals. This could easily result in a breakdown in communication among directors and between management and the board, creating a balkanized and dysfunctional board which could not effectively serve the best interests of all shareholders.

Summary

For the foregoing reasons, and for all of the reasons that made direct shareholder access to the proxy materials ill advised in 2003, Wells Fargo respectfully recommends that the SEC adopt the Exclusion Proposal well in advance of the 2008 proxy season in order to provide clarity to both issuers and shareholders as to the meaning of the exclusion for shareholder proposals related to the election of directors in Rule 14a-8(i)(8) and eliminate any uncertainty that has resulted from AFSCME v. AIG. Unless Rule 14a-8(i)(8) is interpreted so as to permit the exclusion of shareholder proposals that may lead to contested elections, we will have many of the same results that were feared when it was proposed that shareholders be given direct access to the proxy process in 2003. Chief among these are an increase in expensive and unproductive contested elections and the increased likelihood of balkanized boards of directors, with individual members representing their own private constituencies rather than the shareholder body as a whole. Because the Access Proposal undermines election procedures designed to protect the rights of all shareholders, we believe the SEC would be ill-advised to adopt the Access Proposal, especially without considering other significant issues present in today's shareholder communication and proxy voting processes such as the significant impact of the views of proxy advisory firms on institutional investors' votes at annual meetings, over voting in connection with annual meetings, and the NYSE's proposed elimination of broker voting in uncontested director elections.

Wells Fargo appreciates the opportunity to offer its comments on the Exclusion and Access Proposals. If you have any questions or comments with respect to the issues raised in this letter, please do not hesitate to contact me.

Very truly yours,



Laurel A. Holschuh