



571707 634
571707 206

RECEIVED
ES/22593
2007 NOV 26 11:10
CHAIRMAN'S
CORRESPONDENCE UNIT

Colorado Public Employees' Retirement Association
Mailing Address: PO Box 5800, Denver, CO 80217-5800
Office Locations: 1300 Logan Street, Denver
1120 W. 122nd Avenue, Westminster
303-832-9550 • 1-800-759-PERA (7372)
www.copera.org

November 16, 2007

The Honorable Christopher Cox,
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RECEIVED
NOV 28 2007
OFFICE OF THE SECRETARY

RE: Shareholder Proposals Relating to the Election of Directors
(File Number S7-17-07 and File Number S7-16-07)

Dear Commissioner Cox:

I am writing on behalf of the Public Employee's Retirement Association of Colorado (Colorado PERA). Colorado PERA is a public pension fund with assets of over \$41 Billion serving over 410,000 members.

First, I would like to thank you for taking the time to personally meet with me this past summer. I am very appreciative of the opportunity to discuss issues of importance to both Colorado PERA and the SEC. Second, thank you for again taking the time today to consider Colorado PERA's position concerning Shareholder Proposal File Number S7-17-07 (Short Proposal) and Shareholder Proposal File number S7-16-07 (Long Proposal) that deal with shareholder access to the proxy.

The shareholder access proposals before you now have been much debated over the past four years. Regrettably, we have arrived at proposals which, in practice, will effectively deny meaningful access to the proxy even by the nation's and the world's largest investors.

The Short Proposal being considered will permit companies to exclude from their proxy statement all proxy access to shareholders. If this proposal is adopted it will cause a chilling effect as it eliminates any chance for shareholders to engage in meaningful proxy access. Companies that have chosen to ignore shareholder concerns regarding corporate structure, governance, and profitability will be able continue the same path without fear of opposition by shareholders.

The Long Proposal being considered allows access if certain criteria are met. This proposal also fails to provide for meaningful shareholder access. As written, the proposal requires a shareholder wishing to nominate a director hold a minimum of 5 percent of a company's stock for at least one year. Even with over \$41 Billion in assets, Colorado PERA does not hold 5 percent of outstanding shares in any publicly traded company. Additionally, an October 2007 survey done by CII found that the largest public funds typically hold between 0.2 percent and 0.5 percent of outstanding shares in major U.S. companies. The survey also found that even if the 10 largest funds were to pool

Christopher Cox, Chairman
Page Two
November 16, 2007

their holdings, those funds combined would fail to clear the 5 percent threshold in virtually every instance.

We respectfully suggest to you that the contemplated action will dramatically disenfranchise the world community of investors. The investment community will again be faced with clear evidence that they are denied rights as a shareholder through US markets that are commonly provided and recognized in other markets worldwide.

The significance of the proxy access issue is of such magnitude that we believe it warrants action only by vote of a full complement of duly appointed commissioners. We ask that until the Commission is fully staffed this issue be tabled and at such time as a full Commission is formed, these issues be the subject of additional study and public comment to ensure all interests are considered and represented in crafting the appropriate solution.

Finally, there have been some suggestions that action now would be followed by reconsideration next year. We recognize that the matter has been under consideration for an extended period but suggest that the detrimental effect of implementing a flawed proposal would far outweigh any perceived benefits from an immediate resolution.

At the end of the day it is important to realize that the goal of Colorado PERA and other shareholders is not to step in and run a company. It is the goal of Colorado PERA and other shareholders to build relationships with a board that work to strengthen the company and increase profits. When shareholders have been unable to build a necessary relationship there must be other methods for shareholders to voice concern. As such, Colorado PERA supports the CII formal position on proxy access. It is essential that shareholders have a viable method to present proposals that promote the best interest of companies and their shareholders. It is the belief of Colorado PERA that the CII position on proxy access best addresses the concerns of both companies and shareholders in this debate.

To that end Colorado PERA sincerely hopes that you will table these two proposals leaving the status quo in place for 2008, wait until all vacant seats have been filled at the SEC, and then once again engage in discussion to examine and develop methods that will truly provide meaningful shareholder access.

Thank you for your time and consideration in this very important matter.

Sincerely,



Meredith Williams
Executive Director

MW/da