

October 2, 2007

Nancy M. Morris, Secretary  
Securities and Exchange Commission  
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**Raymond C. Offenheiser**  
President

**Re: Release Nos. 34-56160 and 34-56161**

Dear Secretary Morris:

As President of Oxfam America, I would like to express our deep concern about the above referenced releases on proxy access and the shareholder resolution process. Oxfam America strongly supports the notion of proxy access and requests that the Commission does nothing to curtail or eliminate the current rights of shareholders to file non-binding resolutions under Rule 14a-8. The concepts related to non-binding resolutions mentioned specifically in Release 34-56160 would have significant adverse consequences on the business practices of companies, long-term shareholder value, and the human rights of people worldwide, and should therefore be rejected. Unlike most other forms of communication (such as the alternatives suggested by the proposals), shareholder resolutions attract the immediate attention of corporate leaders and demand a response.

Oxfam America is an international relief and development organization that creates lasting solutions to poverty, hunger, and social injustice. We are committed to integrating the organization's investments and endowment management with our mission. Toward that end, we implement screens on our portfolio, vote our proxies, and exercise our rights as shareholders to voice concerns that many fellow investors share.

In that vein, we also collaborate with socially responsible investors and corporations to address the social, economic, and environmental consequences of business practices in poor communities both here and abroad. Over the years, we have witnessed how shareholder resolutions can prompt productive dialogue between corporate management and shareholders, lead directly to significant improvements in the lives of poor people, and defuse potentially explosive situations that can erode shareholder value.

### **Our General Concerns with the Proposed Changes**

Submitting non-binding resolutions is an invaluable means for shareholders to make their voices heard about the direction of their respective companies. Shareholder proposals have helped to promote transparency and improve corporate governance and performance. They have also called attention to critical issues such as global warming,

nuclear power, sweatshops, executive compensation, conditions of natural resource extraction, and other social and environmental concerns that—if not fully addressed—can develop into costly litigation, damaged reputations, low staff morale, and loss of social license to operate. Advisory resolutions serve as early warning signals by bringing visibility to emerging, material business risks that can have a significant impact on the value of investments. Empowering shareholders to submit resolutions is critical to good corporate governance.

Oxfam America is concerned about the series of open questions posed by the Commission to (i) allow companies to opt-out of advisory shareholder resolutions, (ii) substitute non-binding proposals with an electronic forum for shareholders and companies, and (iii) increase threshold levels for resubmitting resolutions.

In our opinion, the SEC would make a serious mistake by allowing companies to opt-out of the shareholder resolution process altogether, and to substitute the right to file non-binding shareholder resolutions with an electronic chat room. It is precisely those companies that do not deal with problems promptly or responsibly that are more likely to opt-out and sequester themselves to the echo chamber of corporate management. They are also highly unlikely to treat chat room discussions seriously.

Substituting non-binding resolutions for a chat room would replace the current level playing field with an inconsistent, unwieldy array of rules and procedures differing company by company. This situation would hamper efforts to move corporations toward more sustainable practices.

Companies do not operate in a vacuum; they are integral parts of the communities in which they function. They are also responsible for the programs, policies and practices along the company's entire value chain. In a globalized economy where corporations source goods from every corner of the world, sell products in more and more countries, and are owned by both American and foreign shareholders, it is critical to ensure that companies do not avoid difficult problems through non-transparent and culturally specific rules governing chat rooms.

Treating sensitive issues in an electronic forum would mean, in practice, that the vast majority of shareholders will likely never hear the legitimate questions posed through resolutions. While shareholders would welcome additional opportunities for dialogue, chat rooms constitute an inadequate substitute for shareholder resolutions and do not ensure the procedural fairness of a proxy vote.

Furthermore, we oppose raising voting thresholds for resubmission. Existing thresholds already preclude re-introduction of frivolous resolutions, and increasing the requirements would prevent consideration of legitimate proposals, as investors and proxy advisors usually need several years to learn about an issue before making informed decisions about how to vote on a matter.

For instance, for at least ten years, religious and social investors have filed resolutions on climate change. Based on compelling studies by the Stern Review, Goldman Sachs, Swiss Re, and many others, they have used well founded arguments to demonstrate the urgency and importance of addressing climate change at the corporate level. In the first years, these resolutions received minimal levels of support. In 2007, though, these resolutions are now receiving votes of over 30%. Early efforts of shareholders to challenge company policies regarding global warming contributed to its emergence as a prominent public issue. The companies that paid heed to these early warnings have lower risk profiles today than if they had not.

### **Oxfam Experiences with Shareholder Resolutions**

Our experience with non-binding shareholder resolutions demonstrates the benefits for companies with respect to their domestic and international operations. Two examples will demonstrate how the shareholder resolution process has helped companies, shareholders, and communities within the United States and abroad.

#### *Newmont Mining Corporation*

Oxfam America supports communities affected by mining. For many years we have worked with local organizations concerned about Newmont Mining Corporation's practices.

Newmont is one of the largest mining operations in the world, with activities in Latin America, Africa, Asia and the United States. The company has faced numerous social and environmental risks, resulting in allegations of exploitation of environmentally and socially sensitive areas, a U.S. Department of Justice investigation over bribery allegations in Peru, and a criminal lawsuit in Indonesia over contamination of a waterway and its consequences upon human health.

These practices, among others, created significant risks to shareholder value and long-term sustainability of the company's investments. For instance, in 2006, protestors in Peru, angry about the allegedly harmful effects of company practices, denied access to a road leading to the company's Yanacocha mine. The blockade forced Newmont to suspend operation for three days, which the company admits cost \$1.8 million per day in losses. More significantly, a history of conflict at Yanacocha, which Newmont calls its "crown jewel", actually led the company to ask the Peruvian government to revoke its permit to explore on Cerro Quilish, effectively ending its plans to expand Yanacocha, the world's second largest gold mine.

Oxfam has an open and productive dialogue with Newmont. We have also worked to educate shareholders about the company's policies and procedures and ways that it could function more effectively. In 2004, Boston Common Asset Management submitted a resolution calling on Newmont to prepare a report on the risk to the company's operations, profitability, and reputation from its social and environmental liabilities.

This year, Christian Brothers Investment Services (CBIS) also submitted a second resolution. Citing “a pattern of community resistance to the company’s operations, especially in Peru, Indonesia, and Ghana, [which] raises concerns about issues such as the company’s mining waste disposal practices, the potential for water pollution, development on sacred sites, and community resettlement,” the proposal calls for a review of company practices by a committee of independent board members. *With the backing of Newmont’s management*, CBIS’s resolution garnered 91.6% shareholder approval. The company has now adopted the resolution and invited Oxfam America to serve on the committee to take a closer look at its policies. We expect this process to lead to better outcomes for communities, shareholders, and the company. In our opinion, these outcomes would not have happened as soon (or maybe at all) in the absence of non-binding shareholder resolutions.

*Yum! Brands, Inc.*

Through our program on agricultural workers’ rights in the U.S., Oxfam America has been funding the Coalition of Immokalee Workers (CIW), a community-based organization that advocates on behalf of low-wage agricultural workers throughout the state of Florida. In 2001, CIW launched a campaign against Taco Bell demanding the company ensure better working conditions in their supply chain. At the time, the average tomato picker was earning 40 cents per 32-pound bucket of tomatoes picked, or approximately \$7,500 a year. Moreover, workers received no health insurance, pension, paid holidays, vacation time or sick leave. Health and sick-leave benefits are of key concerns to the CIW, because farm workers are exposed to pesticides, which, after years of exposure, can cause infertility and birth defects.

CIW’s campaign garnered great public sympathy; most troubling for Taco Bell was the fact that backing was strongest amongst university students, a key consumer group for the company’s products. By 2004, at least twenty universities had removed Taco Bell franchises from their campuses. Yet, despite increasing risks to shareholder value, the company refused to respond to repeated invitations by CIW to enter into negotiations.

Shareholder resolutions played a key role in turning the situation around. In 2003 and 2004, socially responsible investors sponsored identical resolutions urging Yum! Brands, Taco Bell’s parent company, to examine its supply chain practices. The proposal garnered 39% of the shareholders’ vote in 2003, and was subsequently resubmitted in 2004, where it gained 43% of the vote.

Just before the annual general meeting in 2005, CIW and Yum! came to an agreement that ensured better working conditions and wages for the workers. Yum! also agreed to lobby the state of Florida for critical labor law reform which will help improve the basic work conditions in other supply chains, mitigate shareholder risk, and improve business practices across the food services industry. The victory at Yum! led to a similar agreement at McDonald’s, which has committed to work with CIW to develop an industry-wide mechanism for monitoring labor conditions in the fields and investigating workers’ complaints of abuse.

Shareholder resolutions played a critical role in resolving this conflict. Specifically, the resolutions sped up the negotiation process and pushed the company to address a growing and economically damaging boycott. They also pressured Yum! (and McDonald's) to examine similar risks in other areas that had not yet developed into a crisis. Recently Yum! announced that it is extending its agreement with CIW to cover the rest of its five major fast-food brands: KFC, Pizza Hut, Long John Silver's, and A&W. In the long run, these outcomes at Yum!, McDonald's, and the fast food industry benefit the companies, their shareholders, their workers, and the communities in which they operate.

## **Conclusion**

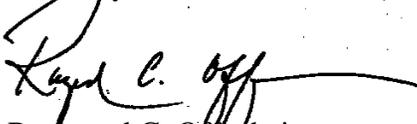
In the case of both Newmont and Yum! Brands, shareholder resolutions were an important channel for communicating with company boards and senior management concerning issues that threatened long-term shareholder value. Eliminating or curtailing the ability of shareholders to file advisory resolutions will be a detriment to companies, shareholders, and corporate stakeholders.

Because non-binding shareholder proposals provide clear warning signs regarding emerging issues, they are gaining increasing support. For this reason, instances where more than 50% of shareholders vote in favor of resolutions have risen significantly from 16% in 2000 to 23% in 2006.

The absence of a formal, impartial process for calling attention to serious social and environmental concerns would result in more aggressive tactics by company stakeholders. The current system of shareholder resolutions ensures a process where disputes can be resolved in a manner that all accept.

There is very little to gain and so much to lose in changing the current system, and it is impossible to identify a compelling argument for silencing or dampening the voices of shareholders. For these reasons, Oxfam America respectfully requests that the Commission withdraw the proposed rule changes under consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond C. Offenheiser", with a long horizontal flourish extending to the right.

Raymond C. Offenheiser  
President  
Oxfam America