

**Honeywell International Inc.
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March 31, 2004

VIA ELECTRONIC MAIL: rule-comments@sec.gov

Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609

Re: Security Holder Director Nominations
(Release No. 34-48626; IC-26206; File No. S7-19-03)

Dear Mr. Katz:

Please consider the following points regarding the proposed changes to the proxy rules with respect to security holder director nominations set forth in Release No. 34-48626 (the "Proposed Rules"):

1. A contested election is not the best way to select qualified board members.
 - Recent corporate governance reforms enacted by the SEC and the stock exchanges place the responsibility for selecting director candidates with the unique mix of skills and experience needed to oversee each company with a governance or nominating committee comprised entirely of independent directors. In order to fulfill these responsibilities, the nominating committee has the authority to retain search firms and other external advisors to identify and conduct due diligence regarding potential director candidates. Shareowner visibility to this process has been provided through new disclosure requirements pertaining to the identification and evaluation of director candidates, including a discussion of the skills, qualifications and other criteria taken into account by the committee.
 - While the Proposed Rules contain provisions that would call for security holder director nominees to be independent, they are devoid of reference to any requirement that such nominees satisfy other needs of the Board (e.g., specific skills or qualifications such as financial expertise, diversity of experience and culture, etc.) identified by the nominating committee.

- Each director has a fiduciary duty to represent all shareowners. Security holder nominees may feel obligated to pursue the financial, political or social agenda of the nominating security holder(s). In addition to the potential conflict of interest with a director's fiduciary duty, the election of security holder nominees with narrow special interests could lead to divisive boards that have difficulty functioning as a team.
2. The thresholds set forth in the Proposed Rules for triggering a security holder nomination are too low and, as a result, even companies that are performing well could face annual election contests. Such contests would be distracting and costly and could dissuade qualified directors from serving as corporate directors.
 - While the Proposed Rules require a 5% interest to be held for at least two years in order for a security holder to place a nominee on a company's ballot, they require only a 1% interest to be held for at least one year in order for a security holder to set the process in motion by submitting a proposal to allow shareholder access to a company's proxy materials ("Access Proposals").
 - It is not likely that director "withhold" votes or voting results on Access Proposals would be accurate indicia of shareowner dissatisfaction with a specific company where such company has a large institutional shareholder base. Voting decisions by institutional investors are generally based upon application of internal voting policies or the outsourcing of voting analysis to a third party proxy advisory service. Instead of encouraging boards to be responsive to broad-based shareowner concerns, the Proposed Rules could concentrate a disproportionate amount of power and influence in a small number of proxy advisory services.
 3. A board of directors must be able to represent the long-term interests of a company and its shareowners. By making the occurrence of triggering events possible on an annual basis, the Proposed Rules could wind up indirectly encouraging directors to focus on the achievement of short-term objectives over long-term strategic considerations.
 4. Companies should have a reasonable amount of time to anticipate and prepare for actions and events that may ultimately qualify as a triggering event for shareholder access under the Proposed Rules. As the definition of triggering events were not finalized prior to the 2004 proxy season, voting results at this year's annual meetings should not constitute triggering events.
 5. The Proposed Rules would significantly impact voting mechanics. Using a company's proxy materials to present all nominees will be confusing to shareholders. Thought needs to be given to guidance on issues as basic as the manner in which company and security holder nominees could be distinguished

from each other on proxy cards and the applicability of broker discretionary voting authority under NYSE Rule 452.

6. The Proposed Rules would apply unevenly to companies based on, and would be vulnerable to legal challenge because of their interaction with, the laws of a company's state of incorporation.

The corporate governance reforms enacted to date by the SEC and the stock exchanges regarding director nominees have assigned responsibility to the nominating committee for the identification of qualified candidates and definition of the criteria against which such candidates are evaluated. Expanded proxy disclosure rules provide enhanced visibility to shareowners to such process. To enact further change before there is an opportunity to gauge the impact of rules already adopted seems premature at best and could be counterproductive.

Thank you in advance for your thoughtful consideration of the foregoing.

Sincerely,

Thomas F. Larkins
Vice President, Corporate Secretary
and Deputy General Counsel