



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

RON GETTELFINGER, *PRESIDENT*

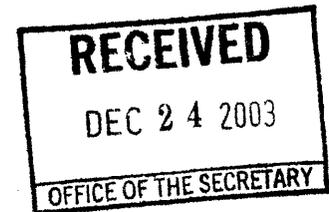
ELIZABETH BUNN, *SECRETARY-TREASURER*

VICE-PRESIDENTS: GERALD D. BANTOM • NATE GOODEN • BOB KING • CAL RAPSON • RICHARD SHOEMAKER

723

December 15, 2003

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609



Re: File No. S7-19-03

Dear Mr. Katz:

On behalf of the International Union, UAW, our union's membership, and the participants in our pension plans, I am writing to support the Security and Exchange Commission's proposal S7-19-03. The reforms will provide long-term shareholders a more meaningful voice on corporate boards.

The Commission is commended for proposing rules that will simultaneously serve the best interests of today's investors while, at the same time, fostering sound corporate governance. We appreciate the Commission's thoughtful approach in attempting to craft a compromise that appropriately balances competing shareholder and corporate interests, respectively addressing owners' needs for greater access to the proxy in order to nominate director candidates, with corporate concerns.

Safeguards designed to ensure businesses that there will not be corporate raids, nor frivolous nominees, are welcome. While we embrace these concepts, including significant ownership, holding period requirements, and limitations on the number of investor candidates for board member positions, we believe the proposed rules should be modified. The rules as proposed perpetuate the notion that shareholder-owners should have to overcome very significant obstacles before they can exercise their rights to elect directors to oversee companies on their behalf. Some of the hurdles contained in the proposed rules would make the access mechanism difficult to achieve for even the largest of investors, and not attainable in a timely manner.

Given the high ownership threshold required for shareholders or shareholder groups to nominate directors, the triggering requirements are unnecessary. While we support the proposed rule requirement for significant

ownership to gain access to the proxy, we are of the opinion that the 5 percent threshold should be lowered to a maximum of 3 percent in order to achieve a more fair balance between shareholder and corporate interests. Moreover, the proposed triggers create a delay, which is an untenable impediment. In addition, the proposed 1 percent ownership threshold to submit a triggering proposal is too steep. It would require an investor at an average S&P 500 company to own shares worth over \$180 million.

We offer our strong support for reforms that will truly give responsible long-term shareholders timely and effective access to the proxy. Thank you for providing us this opportunity to comment. We encourage the Commission to adopt final rules that are responsive to our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Bunn".

Elizabeth Bunn
Secretary-Treasurer

EB:MCH:ks
opeiu494 afl-cio
Enclosure

cc: William H. Donaldson, SEC Chairman
Ron Gettelfinger