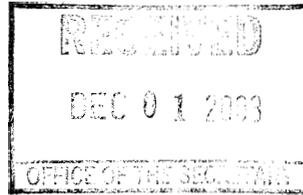




**Cummins Inc.**

500 Jackson Street  
Columbus, Indiana 47201  
U.S.A.



November 25, 2003

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Mr. Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington, D.C. 20549-0609

**Re: Proposed Rule: Security Holder Director Nominations  
(File No. S7-19-03)**

Dear Mr. Katz:

I am a member of the Board of Directors of Cummins Inc., a public company incorporated in Indiana and listed on the New York Stock Exchange. Cummins is a global power leader that designs, manufactures, distributes and services diesel and natural gas engines, electric power generation systems and engine-related products, including filtration and emissions solutions, fuel systems, controls and air handling systems. Cummins reported sales of \$5.9 billion in 2002.

Cummins and its Board of Directors have strongly supported the enactment of the Sarbanes-Oxley Act of 2002, and applaud the Commission's efforts to implement the Act. I believe that the Commission's efforts, and the related actions of the NYSE, the NASDAQ Stock Market, Inc. and other exchanges to propose and finalize amendments to their listing standards, have created a new framework that balances the various legitimate corporate interests and constituencies as it continues a trend towards more transparent business practices and increased sensitivity and responsiveness on the part of directors and managers to shareholder input.

However, I believe the Commission is now considering a course of action with potentially significant negative ramifications on corporations and their directors and shareholders. The above-referenced proposal to allow direct shareholder access to company proxy statements would be a major change from the existing governance framework with potentially unintended consequences and should not be implemented without careful analysis of all possible consequences.

Boards of directors operate within a set of legal constraints and duties that clearly recognizes their advisory role. They have a fiduciary duty under state law to act in the best interest of the Company and all its shareholders. One of the responsibilities of directors under state law is the nomination of director candidates. This responsibility is based

upon the understanding that the board is best positioned to assess the qualifications of nominees. In considering who the nominees should be, a nominating committee must consider many factors, such as the need to have at least a majority of independent board members, the need to insure that the board has at least one independent financial expert who is qualified to serve on its audit committee, the need to have sufficient international expertise on the board if a company has international issues, and the need to have a variety of strengths and expertise that will result in a well-rounded board of qualified individuals who will act in the best interest of the Company and its shareholders as a whole. While boards may consider shareholder nominees, the board has the ultimate responsibility for the nominees included in a company's proxy materials.

In contrast to the duties imposed on directors, the shareholders of a large public corporation are allowed to act purely in their self-interests. They have no fiduciary duties to the company or other shareholders and corporate constituencies. They may nominate director candidates for any number of purposes, regardless of whether those purposes are self-interested or designed to promote other agendas. Direct shareholder access to company proxy statements would undercut the role of the board and its nominating committee in the important process of nominating director candidates. Moreover, bypassing the nominating committee, which must be composed solely of independent directors under the new NYSE listing standards, would diminish board accountability to shareholders.

If the nomination and election of directors would cause the company to violate federal law or fail to comply with SEC, NYSE or NASDAQ requirements, directors have the fiduciary duty to engage in an election contest, the result being an unfortunate disruption and diversion of company resources. The new requirements regarding director qualifications would make it even more likely that the fiduciary duty of a board member will be triggered, thus setting up the potential for annual election contests. For example, shareholders could nominate and elect a director who may not be independent, which could make it difficult for a company to comply with the NYSE or NASDAQ listing standards that require companies to have a majority of independent directors and prohibit non-independent directors from serving on certain board committees. Shareholders could nominate and elect a director who may be replacing a financial expert. If the new director does not qualify as a financial expert, the company's audit committee may no longer comply with the listing standards. In these situations, since directors cannot escape their obligation to consider nominees in the best interest of the corporation and its shareholders as a whole, providing shareholders direct access to company proxy material has the

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potential to turn every director election into a divisive proxy contest. The contentious and public nature of such proxy contests could substantially disrupt corporate affairs, result in significant costs to the company, and dissuade from board service well-qualified individuals who do not want to routinely stand for election in a contested situation.

I thank the Commission for the opportunity to submit these comments, and encourage the Commission to weigh the potential ramifications of the proposal on corporations, their directors and shareholders, as well as its potential costs and disruptions, against what I perceive to be an absence of clear benefits to corporate governance and to reject adoption of the proposed rule.

Sincerely,

/sh



J. Lawrence Wilson  
Director