



Via Email

October 5, 2011

Ms. Elizabeth Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number 4-624, "Petition for Rulemaking under Section 13 of the Securities Exchange Act of 1934"

Dear Ms. Murphy:

I am writing on behalf of the Policies Committee of the Council of Institutional Investors (Council), a nonprofit association of public, union and corporate pension funds with combined assets in excess of \$3 trillion.¹ Council members are large, long-term shareowners responsible for safeguarding the retirement savings of millions of American workers. The purpose of this letter is to communicate the general perspectives expressed by the Council's Policies Committee (Committee), which over the course of the last several months reviewed the petition submitted by Wachtell, Lipton, Rosen & Katz and the broader issue of beneficial ownership reporting requirements under Section 13(d) of the Securities Exchange Act.

The Committee believes that the reissuance and implementation of Rule 14a-11 on proxy access and the implementation of the mandatory rulemaking provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) should receive higher priority than a potential reopening of Section 13(d) reporting requirements. The Committee understands that the Commission is under staffing and funding constraints that make it appropriate to focus on areas of greatest consequence and importance to investors. The Council's number one rulemaking priority is the reissuance of Rule 14a-11.

If the Commission decides to move forward with exploring Section 13(d) reform, a review should involve a broad and methodical consideration of potential ways to improve the system as opposed to being a response to the proposals contained in the above-referenced rulemaking petition. For example, the Commission may wish to explore the efficacy of a two-tiered reporting system that differentiates between investors seeking to establish a small minority stake and those seeking to achieve majority control, the latter group being the originally intended target of the Williams Act.

¹ For more information about the Council and its members, please visit our Web site at <http://www.cii.org>.

Any amendments of Section 13(d) would ideally strike a balance between the competing objectives of providing market transparency and giving active investors an incentive to pursue turnaround situations at public companies. An unreasonably short disclosure requirement could have a chilling effect on active investors' willingness to get involved in such campaigns, resulting in lost opportunities of value creation for both companies and their shareowners.

If you have any questions or need any additional information, please feel free to contact Council staffer Glenn Davis at (202) 261-7097 or glenn@cii.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Smith". The signature is fluid and cursive, with the first name "Gregory" being more prominent than the last name "Smith".

Gregory Smith
Policies Committee Chair, Council of Institutional Investors
General Counsel and COO, Public Employees' Retirement Association of Colorado