



April 16, 2007

Nancy Morris, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

(via electronic submission)

Re: File Number S7-03-07, Release Number 34-55147:
Universal Internet Availability of Proxy Materials

Dear Ms. Morris,

Computershare and Georgeson appreciate the opportunity to comment on the SEC's proposal to require companies to post proxy materials on the Internet and notify shareholders of the online availability.

Computershare is a global leader in transfer agency, employee equity plans, proxy solicitation and other specialized financial communications. We provide services to 14,000 corporations and 100 million shareholders and employee accounts in 17 countries. Georgeson Inc., a Computershare company, is the world's leading provider of strategic proxy and corporate governance consulting services to corporations and shareholder groups working to influence corporate strategy. In collaboration with Georgeson, Computershare mails over 400 million shareholder packages annually around the globe, 200 million in the United States, a significant portion of which are proxy materials. As a major entity in the proxy services business, we fully support changes that will eliminate unnecessary costs, create more efficient high quality end-to-end proxy processing, create a competitive market and increase the transparency of share ownership. The Internet Availability of Proxy Material rules – both voluntary and mandatory – are significant steps toward these objectives.

As stated in our February 13, 2006 comment letter on the Internet Availability of Proxy Materials (S7-10-05), we view the notice and access model as a significant opportunity for cutting the high costs of the proxy solicitation process and enhancing the use of the Internet to make the distribution of proxy materials, the voting process, and shareholder communication more effective and efficient.

Over the past year we have worked with the SEC staff to refine the notice and access rules by providing detailed information regarding the operational impact of implementing the voluntary

Internet Availability of Proxy Materials rule. We support a progressive move to a mandatory framework, which would be uniformly implemented, thus easier for the market to administer and easier for investors to understand. On balance however, we believe that a January 1, 2008 timetable is too aggressive.

As a result of discussions with our clients and our analysis of the operational impact of the notice and access model, we have several recommendations that we believe will maximize the effectiveness of this progressive model.

Effective Date for the Universal Availability of Proxy Materials

We encourage the SEC to postpone the adoption of a Universal Internet Availability of Proxy Materials rule until the industry has had the opportunity to experience a full proxy year under the voluntary model.

Allowing a full year of experience would provide the following benefits.

- Information on actual first-year fulfillment requests, future preference settings, costs and savings from companies choosing to use the voluntary notice and access rule
- Additional time to educate issuers and shareholders on the notice and access process
- A better understanding of the impact on voting participation rates
- New NYSE fees for notice and access can be further reviewed in light of operational experience
- More in-depth analysis of the costs and benefits for companies, including issuers with small shareholder bases that do not currently provide documents on the Internet or online voting
- Further clarity will be gained on the efficiency and effectiveness of the detailed requirements in the voluntary rule

The opportunity to analyze this information will allow the SEC to optimize the structure under a mandatory model.

In addition to this experience in the US, the UK and Australian markets are implementing similar frameworks in the 2007-2008 timeframe. Feedback from these markets may also provide useful reference points.

We recommend an effective date of January 1, 2009 with consideration of a phased implementation timeline, as noted in the proposed mandatory rule.

Timing Requirements for Mailing of Proxy Materials

The 40-day advance mailing requirement has raised concerns among issuers. We understand the intent of this timeframe is to allow ample time for shareholders to request, receive and review materials, but believe that it will limit the ability of many issuers to comply. This will suppress the print and mail savings opportunity that is one of the primary tenants of both the voluntary and proposed mandatory rule. Currently, many companies mail their proxy materials 28 to 35 days (4 to 5 weeks) in advance of their meeting. This is based on a finely tuned process and timeline that is dependent on state law, corporate by-laws, enhanced corporate

governance requirements, time needed to: compile financial information, file the 10K, finalize the proxy statement and annual report content, obtain the necessary board and SEC approvals, print materials and deliver them to mail service providers who then enclose materials for mailing. In addition to these key tasks, notice and access requires issuers to prepare searchable and downloadable Internet-ready materials, post them, test website performance, and have processes and materials ready for fulfillment, all by 40 days prior to the meeting. The additional time required in order to be in compliance with the notice and access rule will be difficult for many companies.

We recommend the SEC reduce the mailing requirement to a timeframe closer to the current mailings (e.g. 30-35 days) to enable maximum issuer participation and savings.

Make the Fulfillment Turnaround Requirements Equitable

We recommend that an equitable turnaround time be used for fulfillment of materials for registered and beneficial holders. It is our understanding from discussions with the SEC staff that the voluntary rule assumes that “issuer equals transfer agent”, meaning that all registered shareholder requests must be mailed in 3 business days with no allowance for the transfer agent (or mail vendor for an issuer-agent) to obtain materials from the issuer. Conversely, the beneficial process allows for 9 business days -- 3 days for Broadridge (former ADP Brokerage Services) to mail to shareholders *after* allowing 3 days for copies to be obtained from the intermediary and 3 days for the intermediary to obtain copies from the issuer. In most every case, Broadridge acts as a direct outsource agent for the intermediaries and receives materials directly from the issuer or their printer thus the intermediaries would not have any role in the paper fulfillment process.

We recommend the requirement be modified to reflect a standardized fulfillment requirement of 6 business days for all parties which, in our view, would still allow shareholders sufficient time to request and receive materials.

Additional Issues Limiting the Effectiveness of Notice and Access

We have undergone a thorough examination of the voluntary notice and access rule (which is also the basis for the proposed mandate) in preparation for the July 1, 2007 effective date. Following is a list of issues that will limit the success of the notice and access model, unless modified. We believe the changes we are recommending will maximize the operational effectiveness of the voluntary and mandatory notice and access rules.

1. **Eliminate the requirement to provide “email copies” in the form of attachments as a fulfillment option.** The existing e-delivery rule allows issuers or their agents to send shareholders a link to the documents. We understand that the intent, under notice and access, is that shareholders would receive the annual meeting documents as attachments to an email. Our analysis reveals that the size of the attachments (proxy statement and annual report) will be extremely problematic. There are two significant areas where performance issues could erupt under the notice and access rule – corporate systems impact resulting from sending blast emails with large attachments and shareholder impact of attempting to receive and download large attachments.

Corporate impact: It is a general matter of corporate Internet policy to prohibit the sending of blast emails with large attachments. The impact on operating systems can be very disruptive.

Shareholder impact: We are especially concerned that shareholders will not understand the potential negative impact of receiving large documents attached to an email message. The size of these files is problematic and even perhaps prohibitive as many email systems limit the size of files coming in. If large enough, it could take an inordinate amount of time to download which may freeze the shareholder's email application or worse yet their computer via a timeout function. We have completed an initial round of focus group testing of the notice document with the legend which requires the "email copy" language. These participants, who are experienced computer users and understand the proxy process, found the language confusing and were not sure what they would be receiving or why they were given the option since the URL appears on the notice with the instruction.

Listed below are examples of the approximate sizes of the annual report and proxy statement documents currently available on issuer websites in downloadable PDF format. This is a sample of widely-held and popular stocks. The size of many of these files will clearly result in performance problems for issuers, agents and shareholders.

Exxon-Mobil	23.2 MB
McDonald's	18.8 MB
The Walt Disney Company	15.0 MB
General Motors	9.5 MB
The Coca-Cola Company	9.4 MB
Cisco	9.2 MB
IBM	7.3 MB
Verizon	6.6 MB
Microsoft	4.9 MB
Pfizer	4.2 MB
Johnson & Johnson	3.5 MB
AT&T	3.1 MB
Intel	2.6 MB
Wal-Mart	2.6 MB

We recommend that receiving "email copies" of the proxy materials be removed from the rule. Alternatively, the SEC could modify the rule such that issuers or agents could send an email with a link to the documents, consistent with the e-delivery consent rule.

- 2. Eliminate, or make optional, the requirement to provide an "email address" on the notice for shareholders to request copies.** Under this option, a shareholder would send a "free-form" email message to request a copy of the materials. This is a very inefficient mechanism. There is no secure way to capture the shareholder account number to validate the shareholder. Free-form emails would require a manually

intensive, multi-step process whereby issuers or agents would need to research the shareholder information to verify their eligibility to vote then manually fulfill or input the data into a fulfillment system for processing. While there are other processes through which this can be accomplished in a secure electronic manner, they would also be multi-step in nature and incompatible with the short turnaround time required.

We recommend the email request function be removed or made optional under all notice and access rules.

- 3. Allow the telephone voting number on the stand-alone notice.** We understand that the SEC is trying to insure that shareholders have access to the materials before they are allowed to vote. We recommend that the rule be modified to allow the notice to include the telephone voting number (which could also be used for fulfillment requests) and require that the issuer or agent provide a mechanism in the phone voting system which would prompt and require the shareholder to attest to their ability to access and view the proxy materials. Under the current rule, issuers and agents will most likely to incur additional costs to develop and maintain separate phone numbers and interactive voice response systems for voting and for fulfillment to comply with the rule. This may also cause shareholder confusion. The placement of the telephone voting number on the notice would also alleviate issuer concerns about the potential negative impact on voting participation without the cost of second mailing including the proxy card.

We recommend the rule be modified to allow the telephone voting number on the notice and with a process by which the shareholder has the responsibility to confirm access to the materials through the telephone voting system.

- 4. Allow preference solicitation and capture of registered and NOBO shareholders by the vendor of the issuer's choice.** Under the current rules, the issuer does not have a choice with regard to who collects preference data for various segments of their shareholder base. Currently Broadridge had the ability provide registered proxy services to issuers, including the solicitation and capture of shareholder preferences and fulfillment of material requests, but issuers, or their transfer agents, are not allowed to provide the same services to the NOBO portion of the beneficial base. This creates an unfair competitive advantage to one service provider and limits efficiencies that could be taken advantage of under a more competitive model.

We recommend the rules address the capture, retention and transfer of preference data by and between service agents and allow issuers to select the vendor of their choice without the risk of undue costs being incurred to move the data between vendors.

- 5. Provide consistent material delivery rules related to mailing to "lost" shareholders.** There are currently two sets of rules for mailing to "lost" shareholders. The rule for mailings such as statements and dividend checks - Rule 17Ad-17(b)(2) - is not consistent with the rule for mailing of proxy materials - Rule 14a-3(e)(2). It would be more efficient to have one set of rules for all shareholder mailings.

See details below:

Rule 14a-3(e)(2) under the Securities Exchange Act of 1934 provides:

(2) Notwithstanding paragraphs (a) and (b) of this section, unless state law requires otherwise, a registrant is not required to send an annual report or proxy statement to a security holder if:

(i) An annual report and a proxy statement for two consecutive annual meetings; or

(ii) All, and at least two, payments (if sent by first class mail) of dividends or interest on securities, or dividend reinvestment confirmations, during a twelve month period, have been mailed to such security holder's address and have been returned as undeliverable. If any such security holder delivers or causes to be delivered to the registrant written notice setting forth his then current address for securityholder communications purposes, the registrant's obligation to deliver an annual report or a proxy statement under this section is reinstated.

However, the rule applicable to transfer agents for designating a securityholder account as lost sets forth different criteria.

Rule 17Ad-17(b)(2) under the Securities Exchange Act of 1934 provides:

(2) Lost securityholder means a security holder:

(i) To whom an item of correspondence that was sent to the securityholder at the address contained in the transfer agent's master securityholder file has been returned as undeliverable; provided, however that if such item is re-sent within one month to the lost securityholder, the transfer agent may deem the securityholder to be a lost securityholder as of the day the resent item is returned as undeliverable; and

(ii) For whom the transfer agent has not received information regarding the securityholder's new address.

As we code securityholder accounts as "lost" pursuant to the transfer agent Rule 17Ad-17, we do not track the items returned as undeliverable as set forth in Rule 14a-3(e)(2). As a result, issuers cannot avail themselves of the relief provided in Rule 14a-3(e)(2) to suppress proxy materials/annual report for those accounts coded "lost" on our transfer agent recordkeeping system.

We recommend the SEC amend Rule 14a-3(e)(2) to add a new subsection (iii) stating: "(iii) if a security holder is deemed a lost securityholder as defined in Rule 17Ad-17(b)(2) of the Securities Exchange Act of 1934."

- 6. Eliminate the post-meeting fulfillment turnaround requirement.** Given the intent of the rule is to provide proxy materials and voting access for a specific shareholder meeting, we believe that requiring issuers or their agents to track turnaround time for post-meeting requests is unwarranted and burdensome. Many companies currently fulfill a relatively small number of requests for copies of annual reports from a supply kept in their offices or at their agent and would continue that function. To require them to track the turnaround time for post-meeting requests may steer them away from adopting notice and access. An additional concern is that the requirement to track fulfillment for one year after the annual meeting will complicate the fulfillment process as the next

year's meeting approaches. There will be a 30-40 day window in which the focus will be on fulfilling material requests for the upcoming meeting while the obligation will still exist to fulfill material requests for the prior year's meeting.

We recommend the post-meeting turnaround time requirement be eliminated.

Conclusion

In summary, we believe a successful model for Universal Internet Availability of Proxy Materials is achievable and will have a favorable impact for many issuers and shareholders. We recommend the adoption of our proposed refinements to the current and proposed mandatory Internet Availability of Proxy Materials rules, as summarized below, to increase the effectiveness and efficiency for all participants in the proxy process.

- Delay the implementation timeline for one year – to commence January 1, 2009
- Make the fulfillment turnaround requirement 6 business days for all parties
- Reduce the 40-day mailing requirement for issuers
- Modify the rules to improve operational efficiencies as detailed in this letter and summarized below:
 - > Eliminate the requirement to provide attachments to an email as a fulfillment choice
 - > Eliminate or make optional the sending of an email to request copies
 - > Allow the telephone voting number on the notice
 - > Allow preference solicitation for all shareholders by the vendor of the issuer's choice
 - > Make rules regarding delivery of materials to "lost" shareholders consistent
 - > Eliminate the post-meeting fulfillment turnaround requirement

Our responses to your requests for comment are attached. Please do not hesitate to contact us at 212 805 7000 for further information.

Sincerely,



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