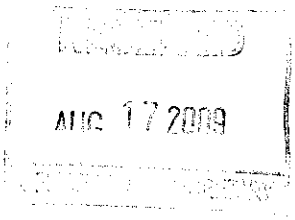
240
Letter Type A

August 3, 2009



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

Re: File No. S7-10-09
Release No. 34-60089 Facilitating Shareholder Director Nominations

Dear Ms. Murphy:

I am August A. Busch III, former Chairman of the Board and Chief Executive Officer of Anheuser-Busch Companies, Inc, a global brewer. I retired in 2006 and currently serve on the boards of AT&T and Emerson Electric Company.

I am writing this letter in my capacity as a director of AT&T Inc. to express my concerns about the SEC's proposal to mandate inclusion in the proxy materials of large cap companies the nominees for director of any individual or group holding 1% of the outstanding shares of that company for a period of one year or more. Such nominees would be included in the company's proxy materials on a first-come basis up to 25% of the total Board.

There are at least three serious problems that should lead you to reconsider this proposal.

First, I am concerned that the proposed new rules – with their low ownership threshold and short holding period – will encourage hedge funds and other short-term speculators to attempt to exercise undue influence over corporate policy in favor of short-term profits rather than long-term shareholder value and the best interests of the company. This is exactly the wrong direction to take corporate policy and is contrary to one of the stated goals of the SEC to encourage Boards to manage for the long-term well-being of the company.

Second, I believe your proposed rules – by politicizing Board elections – will cause significant disruption and divert both corporate and Board resources away from urgent issues of day-to-day governance. At the very least, such disruption should not be incurred absent a higher ownership threshold of at least 10% and a holding period of at least two years to ensure that the process is not being held hostage by speculators and others with an agenda separate from the long-term interests of the company. Moreover, holders of 10% or more of the stock have demonstrated the ability to garner meaningful support for their nominee.

Finally, I note that proxy access rules set forth in corporate bylaws and other governing instruments are themselves subject to majority vote of the shareholders, consistent with the requirements of state corporate law. It is fundamentally inconsistent with the principle of majority shareholder rule, and the corporation law of the individual states, for the federal government to mandate proxy access rules that cannot be changed by a majority vote of the shareholders themselves. Whether the majority of shareholders wish to establish stricter or more liberal proxy access rules, they should be free to do so consistent with their own views of the best interests of the company. It is intellectually incoherent to rely on a majority vote of shareholders to elect directors and yet to countermand that majority vote in establishing the bylaws governing such election. If shareholders are competent for the former – and I strongly believe they are – then they are competent for the latter as well.

I appreciate your consideration and hope you will take these views into account.

Yours Sincerely,