

August 17, 2009

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

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

Dear Ms. Murphy:

The Securities and Exchange Commission (the “SEC”) recently published proposed rules that would require companies to include in their proxy materials shareholder nominees for election as corporate directors. The proposed rules also would amend the SEC’s rules regarding shareholder proposals to permit shareholder proposals related to director nominations. This letter is provided in response to the SEC’s request for comments in the release.

Weyerhaeuser strongly opposes the SEC’s current proposal on proxy access. We believe a federal proxy access right is unnecessary given the significant reforms and corporate governance changes of recent years and that it would be an unwise preemption of shareholder rights and state corporate authority. We also believe the SEC’s current proposal would have serious adverse consequences for U.S. companies and would seriously strain the corporate voting system, which already suffers from a lack of integrity. If the SEC nevertheless proceeds with adopting its proposed rule regarding proxy access, we believe significant modifications to the current proposal would be required.

Introduction to Weyerhaeuser

Weyerhaeuser Company is one of the world’s largest forest products companies. It was incorporated in 1900. In 2008, sales were \$8 billion. It has offices or operations in 10 countries and almost 20,000 employees, with customers worldwide. Weyerhaeuser is principally engaged in the growing and harvesting of timber; the manufacture, distribution and sale of forest products; and real estate construction and development.

Weyerhaeuser has a commitment to good corporate governance upheld by an independent board of directors. Weyerhaeuser’s board follows New York Stock Exchange corporate governance rules and

requirements. Of the 12 directors serving on the board, all except the CEO are independent directors under the standards of the New York Stock Exchange. These directors are or have recently been leaders of major companies and institutions and possess a wide range of experience and skills. The board also has implemented many other governance provisions considered best practices. For example, since the beginning of 2008, it has appointed an independent director to serve as Chairman of the Board; and asked the corporate governance committee to take responsibility for oversight of the Company's political activities, including fundraising. In 2007, the board amended the Company's Bylaws to implement majority election of directors. The board has actively guided the Company's strategic plans through several years of restructuring and downsizing and is increasingly involved in overseeing the Company's business activities. The Company's independent directors have met separately in executive session as part of every board meeting for a number of years. Membership on the audit, compensation and corporate governance committees is limited to independent directors and the compensation committee retains its own consultant. Weyerhaeuser also has enhanced its communication with its shareholders, holding regular meetings with major shareholders, inviting shareholder comment and questions through its website and ethics hot line, and increasing transparency through its periodic reports. Shareholders have been able to recommend nominees for director positions for many years and the corporate governance committee considers such candidates seriously, applying the same qualification criteria for these nominees as for Board nominees. As a result of the Company's and the board's commitment, Weyerhaeuser has earned recognition for its practices in the areas of ethics, safety, the environment, citizenship, diversity and financial disclosure.

Federal Proxy Access Right is Unnecessary

The corporate governance reforms that have been instituted by Weyerhaeuser are consistent with the types of reforms implemented by many U.S. companies and by numerous states in the last few years. The Spencer Stuart Board Index indicates that as of the end of 2008 approximately 40% of S&P 500 companies have separated the roles of Chairman and CEO, approximately 95% of their boards have a lead or presiding director and over 80% of their directors are independent. The number of Board and committee meetings and the length of those meetings have increased as Directors take more responsibility for oversight. Financial expertise on Boards and audit committees has improved, the independence of directors has increased and shareholders receive enhanced disclosure regarding executive pay and corporate decision making. More than 60% of S&P 500 companies already elect all directors annually and, as the proposing release notes, majority voting for directors in uncontested elections has been implemented by nearly 70%. These changes have been recent and far reaching in corporate America. In light of these changes, we see no need for a federal proxy access right. At minimum, the changes should be tested and the implications of the changes should be allowed to emerge before further changes are mandated.

Substantive corporate law has always been the province of the states. There is no compelling reason to preempt state law and the ability of companies to work with their own shareholders to determine what corporate features are meaningful and workable for them. The proposal would substitute the SEC's judgment for that of shareholder, boards and state legislatures, which have already begun to take action on the issue of access. The SEC's "one size fits all" approach is inconsistent with the SEC's mandate and objectives, will unnecessarily burden small and mid-sized companies and deprives companies and shareholders of flexibility to design corporate features appropriate to the specific company.

Federal Proxy Access Right Would be Unwise

A federal proxy access right would have serious adverse consequences for publicly-traded companies. It would promote a focus on short-term results, which is widely agreed to be one of the causes of the current recession, rather than encouraging a focus on the long-term view needed to help companies survive the recession and begin to move the country back to profitability. Elections could easily degenerate into costly, annual proxy contests and certainly will become more like election campaigns for public office, distracting boards from their important task of guiding companies back to profitability for all shareholders. Proxy access as proposed would significantly increase the possibility of special interest directors who do not represent all the company's shareholders. It would make it more difficult to ensure compliance with exchange rules, legal requirements and the board's own determination of its skill requirements. It would likely discourage the capable leaders that companies need and shareholders want from serving as directors.

The proposed proxy access provision certainly would increase the influence of the proxy advisory firms, who already hold significant influence. The top 70 of Weyerhaeuser's institutional shareholders hold more than 70% of the Company's shares. Of these, the holders of approximately 30% regularly follow the recommendations of RiskMetrics or Glass Lewis and the holders of over 13% rarely vary from those recommendations. A number of these shareholders are not willing to speak or meet with us or don't have staff resources to do so. This pattern is particularly concerning given the conflict of interest that can result from firms selling corporate governance rating on companies to which they also offer additional consulting services. A recent Stanford study found that the governance ratings have no value in identifying potential governance failures, predicting corporate performance or measuring shareholder value. The SEC should not take a position that would further increase the influence of these firms.

Proxy Voting Issues Need to be Addressed First

Before acting on proxy access, the SEC should consider ways to fix the proxy voting system. The system, which was created long before proxy contests, was not designed for precise vote counts or close election contests. Regulators, transfer agents, investor relations professionals and corporate secretaries have long understood that undercounting, over counting and double counting is a common and increasing feature of voting by institutional investors and vote compilations by tabulation companies. As an increasing number of shares are registered for shareholders through brokerage houses rather than in the shareholders' names, this issue and the ability to determine how individual shareholders have actually voted has gotten worse.

In addition, shareholders holding in "street name" are assumed to be objecting beneficial owners ("OBOs") whose identities and contact information cannot be disclosed to the companies that issued the shares. According to a poll by the New York Stock Exchange several years ago, most retail holders have no idea how the proxy system works or that the company is not allowed to contact them unless they affirmatively direct the broker to disclose their identities. The SEC has now approved amendments to New York Stock Exchange Rule 452 to eliminate broker discretionary voting in director elections, which will make it critical for companies to understand who their shareholders are and educate them about the proxy process, yet the OBO status of huge numbers of shareholders will make that difficult.

The issue of undercounting, over counting and double counting has been further exacerbated by trends such as the "borrowing" of shares, the sale of derivative interests in shares, short sales of shares and other forms of "empty voting." By divorcing voting power from economic interest, empty voting potentially

disrupts the presumed tendency of shareholders to vote in a manner that reflects their ownership interests in the company. It certainly would tend to encourage voting of shares in a manner that is inconsistent with the best interests of the company or the true economic owners of the company.

This issue has become more important with the increasing number of “vote no” campaigns being waged against corporate directors. The implementation of proxy voting will certainly increase the number of proxy contests, with even closer votes likely for director candidates. The corporate voting infrastructure needs to be reformed or increased litigation over votes will become the norm.

SEC’s Current Proposal on Proxy Access is Seriously Flawed

If the SEC were to proceed to implement a federal right of proxy access, significant modifications must be made to the current proposal. As stated above, we believe the SEC rules should not preempt state law or the ability of boards and shareholders to determine the governance features most appropriate for a company. In addition, the proposed rules should require a triggering action that indicates a need for greater director accountability before proxy access would be imposed. Such a trigger might be the failure of a director to resign when he or she has not received a majority of votes cast in an election.

The proposal also should be revised to restrict the individual shareholders who are able to nominate a director to those who truly are “holders of a significant, long-term interest.” That threshold should be a minimum ownership of 5% of the company’s outstanding securities and the shareholder should have held a net long position in those securities for a minimum of two years. Weyerhaeuser has three individual shareholders who each own more than 5% of the company’s outstanding stock and 20 individual shareholders who each own 1% or more. That level and length of ownership would ensure that other shareholders would know the identity of shareholders who might be able to nominate directors because the shareholder and its share ownership would have been disclosed in prior proxy statements. We believe that shareholders should not be able to aggregate shares to reach the proposed ownership threshold, but if aggregation would be allowed, the aggregate ownership should be a minimum of 10% of the company’s outstanding shares. The proposal also should contain restrictions on the ability of a shareholder to nominate candidates, and for the nominee to seek a seat on the Board, in subsequent years if the nominee fails to receive significant support in an election.

The Weyerhaeuser board has adopted qualification standards for directors that apply to any candidate considered by the board. It also carefully considers the types of skills and experiences that it needs from time to time to ensure that the board is able to provide quality oversight of the company and comply with legal requirements and the rules of the stock exchange. These qualifications and considerations should apply to any candidate proposed by a shareholder as well as to those proposed by the board. The proposal also should be revised to include other meaningful eligibility requirements for nominees. For example, the nominee should be completely independent of the nominating shareholder.

The SEC proposal also should be revised to limit to one candidate the number of shareholder nominees who would have to be added to the Company’s proxy statement. One change in board membership would have the potential to be disruptive to the board. More than one could lead to a fragmented board that is not able to function effectively and could result in an effective change in control of the company. In addition, the proposal should be revised to provide that in the event there are multiple nominations, the shareholder who would be permitted to nominate a candidate would be the shareholder with the largest number of shares held for the longest period of time.

The timelines in the SEC proposal are not workable. Weyerhaeuser typically mails its proxy statement to shareholders 40 to 45 days before the annual meeting and typically files and prints the proxy as much as 10 days earlier. If we were required to notify the SEC and the nominee that we intended to exclude the nominee from the proxy statement at least 80 days before the proxy statement is filed, we would have to receive notice of a proposed nomination more than 130 days prior to the meeting. In addition, the board would have to be given sufficient time to evaluate the nominee, resolve eligibility issues through the SEC's no-action process and determine its recommendation to company shareholders. Clearly, the final date for being able to submit a nomination should be closer to 150 or 160 days before the typical mailing date.

We believe the SEC proposal is deeply flawed in ways beyond those addressed in this letter and we strenuously oppose the proposal. In addition, the SEC has significantly underestimated the costs that the proposal would impose on companies, shareholders and the SEC itself. We strongly urge the SEC to take a thoughtful, realistic approach to proxy issues. The current proposal is unnecessary and unwise and would have significant adverse consequences for U.S. publicly-traded companies.

Very truly yours,
Weyerhaeuser Company

/s/ Daniel S. Fulton

Daniel S. Fulton
President and Chief Executive Officer