August 17, 2009

Securities and Exchange Commission

100F Street, N.E.

Washington, D.C. 20549

Attn: Elizabeth M. Murphy, Secretary

Via e-mail: rule-comments@sec.gov

RE: Facilitating Shareholder Director Nominations- Release Nos. 33-9046; 34-60089; IC-28765; file No. S7-10-09 (June 10, 2009)

Ladies and Gentlemen:

Best Buy Co., Inc. ("Best Buy") appreciates the opportunity to respond to the request for comments made by the Securities and Exchange Commission (the "Commission") in its proposed rule entitled "Facilitating Shareholder Director Nominations" (the "Proposed Rules").

Best Buy, a Minnesota corporation, began over forty years ago with a single store in St. Paul, Minnesota. Today, we are a multinational retailer of technology and entertainment products and services with operations in the United States, Canada, China, Europe and Mexico. The Best Buy family of brands and partnerships collectively generated annual revenues exceeding $45 billion in our fiscal 2009. Approximately 155,000 employees apply their talents to help bring the benefits of our brands to life for customers through retail locations, multiple call centers and Web sites, in-home solutions, product delivery and activities in our communities. Community partnership is central to the way we do business at Best Buy and we appreciate the opportunity to engage with our stakeholders in a productive, interactive manner. This culture has been reflected in our engagement with shareholders, with whom we have sought a strong and productive dialogue to address and resolve issues of broad shareholder concern.

We recognize the shareholder right under state law to nominate for consideration and elect directors to oversee the management of the corporation. We also appreciate the Commission's detailed consideration of the shareholder director nomination process in a company's proxy statement. After review of the Proposed Rules and consideration of the concept of a federal rule mandating a process for shareholder nominations and solicitation of directors using a company proxy statement, we believe strongly that the Proposed Rules are not necessary to protect shareholder rights and are not an effective or practical means of shareholder empowerment. In fact, we believe that the interests of shareholders could be undermined by a process likely to focus Board members on ensuring short-term returns rather than pursuing long-term investments in strategic initiatives. We would support the proposal to amend

Rule 14a-8(i)(8) to remove the restrictions on allowing shareholder to propose matters that related to the process for election of directors, subject to state law. By amending Rule 14a-8(i)(8), shareholders and issuers could work collaboratively to reach more effective and appropriate solutions regarding proxy access. Such "private ordering" would be preferable to a mandatory "one size fits all" uniform federal Rule 14a-11 approach fraught with practical workability issues.

Current Status of Governance Reforms

The Proposed Rules establish a singular approach for shareholder access to company proxy materials that is inconsistent with each company's unique facts and circumstances. Adopting a "one size fits all" system through federal rulemaking denies shareholders and companies alike the opportunity to develop and implement a director nominating process that is adequate to meet the need of each individual company and interferes with an area of corporate law which has historically been under the purview of state law. Best Buy is proud of its status as a Minnesota corporation and the success it has been able to deliver by reflecting the unique values and culture as a corporate citizen of our home state. We believe that shareholders can and will be best served by allowing Best Buy and other public companies to continue to benefit from the diversity of corporate cultures our federal system currently allows. This is no less true in the area of proxy access, where states have already begun to implement different approaches for shareholders to look toward in making investment decisions. For example, this year, Delaware adopted new laws to enable shareholders to adopt proxy access bylaws for director nominations. The state of North Dakota has implemented, inter alia, similar revisions to its state laws that allow for greater proxy access. Undoubtedly, other states will follow suit in adopting similar measures to the extent these measures prove beneficial in attracting investors and creating long-term growth.

We also believe that existing means for shareholders to influence and effectuate change have proven extremely effective. Recent years have seen dramatic shifts in practices regarding majority voting requirements, corporate social responsibility reporting, the number of independent directors, as well as other significant changes. In general, companies have implemented many changes voluntarily as a direct result of shareholder influence and dialogue. At Best Buy specifically, we have in the past two years pursuant to dialogue with shareholders amended our articles to provide for majority voting in the election of directors and to decrease the shareholder approval required to closer mirror current state law in six areas of our Articles of Incorporation. Given the significant and effective results shareholders have been able to effectuate through such dialogue, dramatically altering the current shareholder dialogue through the adoption of the Proposed Rules appears overreaching at this juncture.

Issues regarding Proposed Rule 14a-11

The Proposed Rules concerning Rule 14a-11 raise numerous practical issues and unintended consequences. . A prime example of some of the practical issues in proposed Rule 14a-11 is the fact that the while the rule addresses objective independence considerations under the national securities exchange listing rules, there are a number of other legal requirements and potential conflicts of interest that could preclude a potential director from being an active and engaged board member. For example,

Best Buy competes with companies in many sectors, such as internet retailers, mass big box retailers, service providers and many others. Part of the process to determine whether a candidate is an eligible director involves a questionnaire, gathering of data regarding potential relationships , conflicts and other analysis. The process for vetting a candidate for independence and lack of conflicts can take weeks to months. If there were other factors such as anti-trust or other regulatory thresholds, the process could take longer. In order to allow for appropriate review and to avoid potential legal violations, every company should be allowed to individually craft timing, disclosure and certification requirements in collaboration with interested shareholders that meet the considerations applicable to the company and its board.

There are also a number of issues that 14a-11 does not address including:

- Disclosure of economic interests sufficient to understand the proponent's total position in company stock.
- Director eligibility standards beyond the bare minimum national securities exchange rules including subjective independence issues which could potentially result in a situation where insufficient independent directors would be available to staff committees requiring independence.
- Director qualifications to ensure an appropriate mix of expertise and experience for the Board which, as recognized by the Commission, is critical to protecting shareholder interests.
- Governance and confidentiality policies.
- Changes in the nominee or withdrawal of a nominee.
- Situations involving the removal of a financial expert or other required expertise from a board composition through an access nominee.

As proposed, Rule 14a-11 would require for large accelerated filers, a minimum ownership level of one percent of the company's outstanding shares held for one year for a nominating shareholder or aggregating group of shareholders. We do not believe that the proposed threshold is appropriate given the ability to aggregate and the anticipated disruption and resources required to address proxy access candidates. Therefore, we believe that the appropriate minimum thresholds should be set at a level that ensures that the nominating shareholder or group has a substantial interest in the company. The level should be established by allowing each company to working with its shareholders to determine an appropriate eligibility threshold based upon the total mix of information applicable to the company, not exclusive of market capitalization and shareholder makeup. In this regard, we believe for large accelerated filers a 5% of outstanding shares threshold would seem appropriate for individuals and 10% of outstanding shares threshold would be appropriate for aggregating groups.

We are concerned about giving shareholders the right to nominate up to one quarter of the company's board members. We believe that there is research indicating that short slate director lists are very effective at effectuating change and that the incremental benefit beyond one externally nominated

director is nominal. Therefore, we posit that the number of candidates should be limited to one per board per annual meeting.

We are also concerned that the Commission's Proposed Rules allow the earliest nominations to prevail. This seems to encourage a nomination race that unfairly leans towards the 'swift of pen' rather than those with a truly vested economic interest in the long-term viability of the company. The nomination rights should vest in the largest submitting shareholder if the Rule 14a-8(i)(8) process is not available.

Amendments to Rule 14a-8 (i)(8)

We support the proposed amendment to Rule 14a-8(i)(8) to allow proxy access shareholder proposal instead of implementing proposed Rule 14a-11. Amending Rule 14a-8(i)(8) would allow shareholders to propose amendments to a company's governing documents to permit access provided that it is expressly allowed under applicable state law. Shareholders should be allowed to vote on whether and how proxy access occurs in the companies in which they hold a stake, particularly because any form of proxy access will cause meaningful additional costs to be borne by the company and therefore all shareholders.

Amending Rule 14a-8(i)(8) would create a very simple and effective regime by which shareholders could propose appropriate proxy access rules. The structure and processes of Rule 14a-8 are already well understood by corporations and shareholders, thereby reducing the changes of confusion for participants. Although the Commission would need to increase staffing to address new found concerns and issues with the change to the rule and attendant proposals, there would be no need to create an entirely new regime focused on new rule 14a-11.

In amending Rule 14a-8(i)(8), we believe it would also be appropriate to revisit and provide clear guidance on the application of the "substantially implemented" standard in Rule 14a-8(i)(10). Shareholders should be able to affirmatively vote on proxy access standards, but once those standards are approved by a majority of the shareholder, other shareholder proposals regarding proxy access should be precluded for a period of three years and the "substantially implemented" standard should apply after the three years to assist in appropriately ensure that only material amendments to the company's current procedure would be included in a proxy statement.

We also believe that the commission should specifically exclude any shareholder proposals under Rule 14a-8(i)(8) that would result in a proxy access procedure that could result in the election of shareholder nominees to greater than the 25% of the company's board of directors. If the goal of the rules is to ensure representation, but not allow a change in control, then a standard similar to the proposed 14a-11 requirements appears appropriate.

Finally, we believe that the Proposed Rules governing Rule 14a-8(i)(8) would have a substantial impact on a company's long-term operations. Given the substantial impact, we believe the current $2,000 ownership threshold is inadequate compared to the significant impacts of such a proposal. Accordingly, we believe that the ownership standard for proxy access proposals should be at least 3% of the company's voting stock for a proposal. While this threshold is higher than for other proposals, given the

potential impact on the company, we believe 3% is an appropriately measured threshold to ensure adequate interest in the company's long-term finances and welfare.

Other issues to be addressed in proposed Rule 14a-11

While we strongly maintain that Rule 14a-11 should not be adopted under the construct contained in the Proposed Rules, if the Commission determines to adopt the substantive provisions of Rule 14a-11, we believe that numerous issues must be addressed to make implementation of any such rule feasible. These issues have been highlighted by other groups such as the Society of Corporate Secretaries and Governance Professionals Securities Law Committee in their August 13, 2009, letter to the Commission and the letter written and co-signed by multiple companies submitted on August 17, 2009. Rather than repeat the detailed summary of revisions that Rule 14a-11 would need to present a workable rulemaking item, we will simply state that we agree with the sentiments contained in the two referenced comment letters.

In summary, we strongly advocate for the "private ordering" approach to proxy access and would encourage the Commission to allow companies and their shareholder to work collaboratively to address this issue. We urge the Commission to refrain from adopting proposed Rule 14a-11 in favor of collaborative development of workable solutions tailored to individual companies with differing shareholder bases. Encouraging a robust dialogue is in the best interest of all participants and has been shown to be both effective and positively innovative.

We appreciate the opportunity to comment on these important proposals.

Sincerely,

Todd G. Hartman

VP, Associate General Counsel, Chief Compliance Officer and Assistant Secretary