



STATE OF WASHINGTON  
STATE INVESTMENT BOARD

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January 14, 2010

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

RE: Facilitating Director Nominations (File No. S7-10-09)

Dear Ms. Murphy:

The Washington State Investment Board (WSIB) welcomes the opportunity to again state its unequivocal support for the Securities and Exchange Commission's proposed rule on *Facilitating Shareholder Director Nominations*. The WSIB is a long-term investor managing investments for 14 separate retirement funds for public employees, teachers, school employees, law enforcement officers, firefighters and judges. We also manage investments for 19 other funds that support or benefit industrial insurance, colleges and universities, developmental disabilities, and wildlife protection. Total assets under management as of September 30, 2009, were \$70.5 billion.

Rarely has the need for the type of regulatory reform proposed by the SEC been more urgent or apparent. As the financial markets continue to rebound from the devastating losses of last year, we see corporate executives blithely returning to the "me first" mentality that was largely responsible for the financial meltdown.

In our previous comment letter, the WSIB endorsed some of the specifics of the proposed rule, such as the proposed shareowner eligibility criteria, the nominee eligibility criteria, and the nomination limits.

The WSIB also stated its opposition to the "first-in" approach for determining which nominees should be included in the company's proxy materials. We continue to encourage the SEC to revise its proposal to give the shareowner or shareowner group with the largest beneficial ownership the right to nominate the maximum number of directors allowed under the rule.

We would further oppose any provision for a private ordering solution in which companies or shareowners would decide what access structure, if any, is appropriate. Any system other than a uniform, federalized approach to proxy access would undermine the governance gains this proposal seeks to incorporate.



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Companies most in need of corporate governance improvements are those most likely to opt-out of a proxy access rule. A rule that provides for a proxy access opt-out would simply provide corporate boards the means to continue denying shareowners the fundamental right to nominate and elect director.

Shareholder access to the proxy ballot is a complex and contentious issue and I applaud the judicious approach the Commission is taking. Investors have worked too hard and waited too long to see this critical issue receive anything less than a thorough, thoughtful review.

I appreciate the renewed opportunity to express the WSIB's views on this issue and again want to thank the SEC for its leadership as a shareowner advocate.

Sincerely,



Theresa J. Whitmarsh  
Executive Director