



MICHAEL W. LAPHEN

Chairman, President and Chief Executive Officer

August 23, 2010

Commissioner Troy A. Paredes
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: **Proxy Access Rulemaking Initiative**

Dear Commissioner Paredes:

Computer Sciences Corporation (“CSC”) appreciates the opportunity to comment in connection with the Commission’s proxy access rulemaking initiative under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”).

CSC is headquartered in Falls Church, Virginia and ranks as a global leader in providing technology-enabled solutions and services in more than 90 countries. The Company has annual revenue in excess of \$16 billion and approximately 95,000 employees. CSC’s common stock is listed on the New York Stock Exchange under the symbol CSC.

CSC has a long history of strong corporate governance practices. Our board is composed primarily of independent directors (8 of 9), and we have adopted many corporate governance “best practices,” including majority voting, annual election of directors and appointment of an independent lead director.

Section 971 of the Act amends section 14(a) of the Securities Exchange Act of 1934 to authorize, but not require, the Commission to issue rules permitting shareholders to use company proxy solicitation materials for the purpose of nominating directors. We respectfully submit the following comments for the Commission’s consideration in connection with its rulemaking in this area.

It is our view that proxy access is not in the interest of long-term shareholders and may well contribute to the disruption of the fragile economic recovery.

Proxy Access Encourages a Short-Term Focus. A proxy access rule will exacerbate the short-term focus that is widely considered to be a contributing factor to the financial crisis. The prospect of frequent election contests could emphasize the

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importance of the short-term stock price rather than the creation of long-term shareholder value. Repudiation of the trend toward a focus on the short term is a cornerstone of *The Aspen Principles*, a set of corporate governance principles adopted by Business Roundtable, institutional investors, business organizations and labor unions.

Frequent and Time-Consuming Proxy Contests Will Divert Company Resources. The increased number of proxy contests that will inevitably result from a federal proxy access right will create significant costs to companies and distract management and board attention from the creation of long-term shareholder value. We believe that the Commission has significantly underestimated the costs and resources necessary for companies to implement a proxy access regime. Moreover, it could well discourage the kind of qualified people we want to serve as corporate directors as they will not want to engage in campaigns for those positions.

If the Commission nevertheless moves forward to implement proxy access, it must be a workable process that serves the interest of mainstream investors, not just special interests. In this regard, we urge the Commission to adopt at least a 5% ownership threshold and two year holding requirement:

Ownership Eligibility Should Be Meaningful. Setting a low (3% or less) ownership threshold would allow special interest groups to aggregate their shares to pursue their own narrow agendas, rather than the creation of long-term shareholder value. At CSC, a 5% threshold makes it more likely that a mainstream investor, such as a mutual fund, is part of the shareholder group nominating a director.

Critics of a 5% threshold ignore the concentration of ownership at the largest companies in the United States. For example, we understand that at the fifty largest companies, the top ten shareholders hold, on average, 27% of the outstanding shares. At CSC, the top ten shareholders hold 37% of the outstanding shares.

Shareholders Should Have a Long Term Interest. Only shareholders that have a long-term economic interest in the company should be able to nominate directors under a proxy access regime. In this regard, shareholders should not be allowed to cheaply borrow shares to meet the eligibility threshold to nominate candidates. The Commission has articulated that one of the principles behind proxy access is that shareholders should be able “to meaningfully exercise their rights to vote for and nominate directors of the companies *in which they invest.*” It would undermine this principle to allow persons who do not have an economic investment in the company to hijack the nominations process.

Finally, we believe that proxy access should be flexible enough to accommodate the many variations in corporate governance structures and the issues that will



inevitably arise in connection with implementing proxy access. In this regard, a “one size fits all” proxy access rule cannot be individually tailored to meet the governance needs and structures of the thousands of companies to which it applies. Therefore, we urge the Commission to adopt an “opt-out” provision in any proxy access rule allowing companies and their stockholders to determine the proxy access regime suitable for them under applicable state law.

Thank you for your consideration and for the opportunity to contribute to this important dialogue.

Very truly yours,

A handwritten signature in black ink, appearing to read "M. Laphen", written in a cursive style.

Michael W. Laphen

cc: Larry Burton, Business Roundtable
William L. Deckelman, Jr.