

# Office DEPOT

August 17, 2010

Commissioner Luis A. Aguilar  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Proxy Access

Dear Commissioner Aguilar:

This letter is submitted on behalf of Office Depot, Inc., a company that provides office products and related services to its customers through 1,598 worldwide retail stores, a dedicated sales force, catalogs and a \$4.1 billion e-commerce operation. Office Depot has annual sales of approximately \$12 billion, employs about 41,000 associates around the world, and currently sells office products and business solutions to customers directly or through affiliates in 53 countries. We appreciate the opportunity to comment on The Commission's proposed rule to require companies to include shareholder nominees for director in company proxy materials.

Proxy access will promote the short-term focus that is widely considered to be a contributing factor to the financial crisis. Management and Boards need to agree on long-term strategies for the Company. Change and revolving directors lead to strategic inconsistency, which will result in chaos and short-termism. The increased number of proxy contests that will 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.

If the Commission nevertheless decides to move forward to implement proxy access, it must ensure that long-term (not special interest) investors are served. We urge that the Commission adopt a 5% ownership threshold and a two year net long holding requirement.

Shareholders should be eligible to nominate directors only if they hold a significant percentage of a company's shares for a significant period of time. A 3% ownership threshold would result in Office Depot having six individual shareholders that could nominate directors under the proposed rules. We strongly urge a 5% ownership threshold.

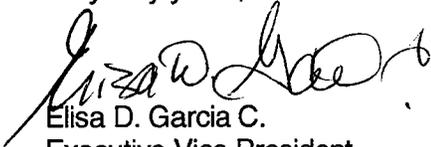
Only shareholders that have a long-term economic interest in the company should be able to nominate directors under a proxy access regime. It is very important that shareholders not be allowed to cheaply borrow shares to meet the eligibility thresholds to nominate candidates. It is important that any new rule adopted ensure that this is prohibited.

The Commission should also consider limiting the number of proxy access directors to one director per year to support some Board stability and, in the case of multiple nominating shareholders, the shareholder that owns the largest number of shares, followed by the longest

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time held should have access, as opposed to the first one to give the company notice as the Commission has proposed in the past.

Very truly yours,



Elisa D. Garcia C.  
Executive Vice President  
& General Counsel

Bcc: Steve Odland  
Alexander Cutler—Eaton Corporation