

The Honorable Mary L. Schapiro  
Chairman, Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

August 19, 2010

Dear Ms. Schapiro,

My name is Paul Stecko, and I am an independent director on the Board of Tenneco Inc., a Fortune 500 automotive components company based in Illinois. I wanted to share with you my position regarding Proxy Access. I am reaching out to you and your fellow commissioners on this important issue because I believe your final decision will have significant, and potentially unintended, consequences for all publically-traded companies.

I believe proxy access will actually weaken, not strengthen, the interest of long-term shareholders. A proxy access rule will only further encourage short-term focus (something that was widely considered to be a contributing factor to the financial crisis), as the prospect of frequent election contests could emphasize the importance of the near-term stock price rather than the creation of long-term shareholder value. Proxy access also threatens a company's bottom-line as frequent and time-consuming proxy contests will clearly create significant compliance costs and energy, siphoning off valuable resources while distracting management and board attention away from creating long-term shareholder value.

The impact of these "unintended consequences" in the near-term would threaten what many already consider to be a fragile economic recovery. Longer-term, it may discourage the kind of qualified people we want to serve as corporate directors as they will not want to engage in political campaigns.

Should the Commission, nevertheless, move forward to implement proxy access, I urge you to adopt a workable process that serves the interest of all investors, not just special interests. In this regard, the best solution would be for the Commission to adopt a 5% ownership threshold and two year net long holding requirement versus a 3% or less ownership threshold with no long holding requirement. Setting a 3% or lower 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 Tenneco, a 5% threshold and the two-year holding requirement would assure that a more mainstream investor, such as a mutual fund, is part of the shareholder group nominating a director. It only makes sense that 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.

In closing, I join Tenneco's Chairman and CEO Gregg Sherrill in urging you and your fellow commissioners to carefully consider the concerns expressed by those of us who will be directly impacted by this action and, more importantly, come to a decision that truly best serves the interest of long-term stakeholders.

Regards,

A handwritten signature in black ink, appearing to read "P. T. Stecko". The signature is written in a cursive style with a large, sweeping initial "P".

Paul T. Stecko