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BorgWarner

September 15, 2009

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
Attention: Elizabeth M. Murphy, Secretary
Via e-mail: rule-comments@sec.gov

Re: File No. S7-13-09 (Proxy Disclosure and Solicitation Enhancements)

Dear Ms. Murphy:

BorgWarner Inc., a Delaware Corporation, is a product leader in the design and manufacture of highly engineered components and systems for vehicle powertrain applications, with sales of approximately $5.3 billion in 2008. We operate manufacturing and technical facilities in 60 locations in 18 countries. Our stock is publically traded on the New York Stock Exchange. Our market capitalization is approximately $3.8 billion. BorgWarner appreciates the opportunity to respond to the Securities and Exchange Commission's (the "Commission") request for comments on its proposed rule, "Proxy Disclosure and Solicitation Enhancements" (the "Proposed Rules").

We support, and believe we have implemented, good corporate governance practices, including robust and transparent disclosures concerning director qualifications and experience, board structure and executive compensation. We note that the Proposed Rules will increase the length and complexity of the proxy statement and therefore request the Commission to consider modifications to the Proposed Rules to better accomplish the key objective: providing information that is meaningful and material to stockholders as they decide how to vote as to each director nominee. In particular, as to some information the Commission should permit reference to other documents filed by the Company, and other information should be allowed to be posted on the Company's website, as discussed below.

I. Enhanced Compensation Disclosure.

A. We do not believe that it is appropriate to expand the CD&A beyond

the named executive officers to include disclosure of the company's broader compensation policies and overall compensation practices for employees generally, which would represent a fundamental shift in the approach to the CD&A. We believe that if a company's compensation policies or practices give rise to risks that may have a material effect on the company, the company is already required to disclose those risks in its Forms 10-K and 10-Q filings, including in its risk factor disclosure. If the purpose of the Proposed Rules is to encourage disclosure of these risks, a more appropriate approach would be for the Commission to remind issuers of their obligation to disclose material risks in their risk factor disclosure or in the MD&A, rather than seeking an expansion of the required compensation disclosure. For companies outside the financial sector, risk management is not the key mandate of the Compensation Committee. We further note that certain risks may only be determined to constitute "excessive" risk-taking in hindsight and that compensation policies that incent risk-taking behavior are readily avoided in most industries.

If the Commission nevertheless elects to adopt the proposed amendment, we believe that the Commission should replace the words "may have a material effect" with "is likely to have a material effect" and references to disclosures in other filings should be permitted.

B. We support the proposed amendment to the Summary Compensation Table and Director Compensation Table to report stock and option awards at their aggregate grant date fair value.

(i) The Summary Compensation Table and Director Compensation Table should be further amended to enable companies to report stock and option awards granted for services with respect to the relevant fiscal year, even if the awards were granted after fiscal year-end. This information is more relevant to stockholders as it will provide the best picture of an executive's total compensation for services in a fiscal year, and we believe that this approach is consistent with the way our compensation committee views and analyzes information when making compensation decisions. We recommend that this approach be limited to awards granted prior to the date that is 3 months after the applicable fiscal year-end and with respect to services performed in the applicable fiscal year (and not to any awards related to more than one year of service prior to grant).

(ii) The staff's Compliance & Disclosure Interpretations Question 120.05 (May 29, 2009) provides that the grant date fair value reportable in the Grants of Plan-Based Awards Table for an incentive performance award that will pay out at different levels depending upon the actual performance results over the relevant performance period should be based on maximum performance, so that investors can see the maximum grant date fair value numbers that were authorized in granting the award. We believe that this interpretation is

inconsistent with the requirement that the grant date fair value be computed in accordance with FAS 123R, which requires that if a company determines that target performance (not maximum performance) is most probable, then the company must use target performance to determine the grant date fair value of the award. We believe that the Commission should clarify what is required in its final rule.

(iii) With respect to transition reporting, we believe companies should have the option of determining whether to re-compute the compensation for prior years in the Summary Compensation Table and Director Compensation Table or, alternatively, provide additional disclosure. Companies should be permitted to determine which presentation would be most meaningful and beneficial to their stockholders.

II. Enhanced Director and Nominee Disclosures

A. We do not oppose expanding the disclosure requirements regarding past directorships held by directors and nominees and the time frame for disclosure of legal proceedings involving directors, nominees and executive officers.

B. We support expanded disclosure regarding a director's or nominee's business experience and education, but suggest it should be allowed to be posted on our website. Some directors have extensive employment histories, which will otherwise appreciably lengthen the proxy statement.

(i) We question whether it is appropriate to require disclosure of qualifications, attributes and skills on a person-by-person basis. A well-assembled board consists of a diverse collection of individuals who bring a variety of complementary skills. Disclosure should address how directors with diverse backgrounds and business experience complement each other to form an effective board.

(ii) We do not believe that it is appropriate to require disclosure of specific experience, qualifications or skills that qualify a person to serve as a committee member. Other than with respect to making sure that a least one member of the board satisfies the financial expertise requirements for the audit committee, we do not recruit individuals to serve on specific committees. We recruit individuals capable of serving on any committee and rotate directors among committee positions during their tenure on the board so that they gain a full perspective on the company.

C. We believe that companies should only be required to disclose the requested information in our proxy statement when the director is first nominated.

III. Leadership Structure and the Risk Management Process Disclosures

A. We already disclose our leadership structure and have no objection to explaining why it is believed to be the best structure for our company.

B. We support additional disclosure about the board's role in our risk management process, but believe the Commission should provide in its final rule that if the required disclosure is in another filed document, reference to that document may be made in lieu of repeating the information in the proxy statement.

IV. Proposed Disclosure Regarding Compensation Consultants

Proposed amendments requiring disclosure of fees paid to compensation consultants and their affiliates should not apply to compensation consultants whose sole service to the company is supply of survey data. We also recommend that a threshold for reporting be established based on the amount of fees paid to the compensation consultant for non-executive compensation services, such that fees below the threshold would not be required to be reported.

V. Reporting of Stockholder Voting Results on Form 8-K

We recommend that the results of stockholder votes be reported via the company's web site within four business days of the stockholder meeting and be confirmed in the next Form 10-Q, rather than requiring the filing of yet another Form 8-K. In addition, for any matter that is too close to call within four days of the meeting date, an exception should allow that preliminary results may be posted on our website, with final results to be posted within four business days of the results becoming final.

VI. Proxy Solicitation

A. Rule 14a-2(b) provides an exemption from the proxy rules for any solicitation by any person who does not, at any time during such solicitation, seek the power to act as proxy for a security holder and does not furnish or otherwise request, or act on behalf of a person who furnishes or requests, a form of revocation, abstention, consent or authorization. The proposed amendment to Rule 14a-2(b) provides that a person who provides a stockholder with a blank, unmarked copy of a management proxy card and requests the stockholder to return the proxy card directly to management does not, by doing so, lose the exemption from the proxy rules under Rule 14a-2(b) for solicitations. The Commission's proposed amendment is inconsistent with the Second Circuit's

decision in MONY Group, Inc. v. Highfields Capital Mgmt. L.P., 368 F.3d 138 (2d Circuit, May 13, 2004). In MONY, the Second Circuit recognized that providing a blank copy of management's proxy was a potentially abusive practice and held that in the case of a proxy vote to authorize a proposed merger under Delaware law, a duplicate of management's proxy card, when included in a mailing opposing a proposed merger, was a form of revocation under the rule. Allowing persons to provide a form of revocation to stockholders without providing those stockholders with the information required under the federal securities laws deprives those stockholders of information they may find important in deciding whether to revoke their proxy. That information may include the identity and economic interests of the person providing a copy of management's proxy and information about the effect of executing a subsequent proxy.

B. The proposed amendments to Rule 14a-4(d) would codify an existing no-action position that a soliciting person can round out its short slate with nominees named in a non-management proxy statement in the same manner as already permitted by the rule for a soliciting person to round out its short slate with nominees named in management's proxy statement. The Commission should not permit a stockholder to "round out" its short-slate with directors nominated pursuant to proposed Rule 14a-11 (if adopted) or pursuant to a proxy access by-law provision.

VII. Additional Comments

Proxy disclosures are becoming lengthy and threaten to become more than investors will be willing to digest. The Commission should take special care to assure that additional required disclosures will provide information that is meaningful to investors in assisting them in making voting decisions, and do not represent a reflexive attack on the problem-of-the-day. We offer the following comments with that principal in mind.

- Requiring the Compensation Committee Report to be "filed" rather than "furnished" would not be meaningful for stockholders in deciding whether to vote for directors, as the company's certifying officers already certify the contents of the CD&A;
- Expanding the CD&A to cover all executive officers (not just the named executive officers) would not add much information likely to be meaningful for stockholders in deciding whether to vote for directors;
- Requiring disclosure of performance targets regardless of the potential competitive effect on a company may result in adverse consequences to a company that would outweigh any increase in information meaningful to stockholders in deciding how to vote for directors;
- Requiring disclosure regarding whether a member of the compensation committee has expertise in compensation matters could have the

unintended consequence of creating an implication that a director that lacked such "expertise" was not qualified to serve on the compensation committee. A member of a compensation committee who lacks such "expertise" may nevertheless add tremendous value and judgment regarding compensation matters; and

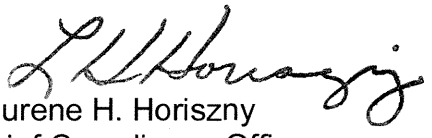
- Requiring disclosure of whether the amounts of executive compensation reflect any considerations of internal pay equity would not be meaningful to stockholders' decisions on how to vote for directors, as this disclosure is just one small element of the compensation analysis. Companies and our compensation committees are already required to address the material elements of our compensation program and the material factors underlying our compensation policies and decisions, which could include internal pay equity.

Conclusion

We appreciate the opportunity to comment on these important proposals which will affect the governance of BorgWarner. We would be happy to provide you with any further information you request.

Respectfully submitted,

BorgWarner Inc.



Laurene H. Horiszny
Chief Compliance Officer