UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Douglas J. McCarron

General President

September 15, 2009

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

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

Dear Ms. Murphy:

This letter, submitted on behalf of the United Brotherhood of Carpenters ("Carpenters"), responds to the Securities and Exchange Commission's ("Commission") solicitation of comments on the above-referenced proposed rule-making. The Carpenters commend the members of the Commission and the Commission staff for their work in preparing and presenting a range of timely and important reforms for public consideration and comment. The Commission's focus on improving transparency on important executive compensation and governance issues will enable shareholders to more effectively monitor, evaluate, and engage boards of directors during these challenging times.

Enhanced Compensation Disclosure: Compensation Discussion and Analysis Disclosure

We strongly support an amendment to the Compensation Discussion and Analysis ("CD&A") disclosure requirements that would require discussion and disclosure of a company's overall compensation practices for employees generally when the risks associated with or arising from those compensation policies may have a material effect on the company's performance or its financial soundness. The proposed CD&A disclosure, when required, would help shareholders make an assessment of whether compensation plan incentives may be creating imprudent levels of enterprise risk. The proposed new risk management and assessment disclosure should not be limited to financial services companies given that the disclosure requirement is contingent on a determination that the compensation practices in question may have a material

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effect on a company's performance. In the event that a company determines that its broad-based compensation policies do not pose risk exposure that would have a material effect on the performance or financial integrity of the company, we believe that the compensation committee should be required to report in the CD&A that it has made such a determination and the basis for the determination. The proposed new disclosure should apply to all listed companies regardless of their size and current CD&A disclosure requirements.

Enhanced Compensation Disclosure: Revisions to the Summary Compensation Table

The proposed amendment to the Summary Compensation Table ("SCT") disclosure of the value of equity awards granted named executive officers is a very positive and constructive change. The proposed requirement to disclose the aggregate grant date fair value of equity awards calculated in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), instead of the dollar amount recognized for financial statement reporting purposes, is important for two reasons. The grant date fair value of equity awards will provide shareholders with better information to evaluate the compensation value granted an NEO in a given year, and it will help shareholders better assess the decisions and performance of the compensation committee. The proposed SCT reporting of equity awards will help inform investment decisions, as well as important investor voting decisions regarding executive compensation and director performance.

With regard to related changes to the Grants of Plan-Based Awards Table disclosure, we urge that the Commission not immediately rescind the requirement to report the full grant date fair value of each individual equity award in the Grants Table, but rather consider a phase-out of the individual grant reporting over a several-year transition period. We support the amendment of Instruction 2 to the salary and bonus columns of the SCT eliminating the requirement to report forgone salary and bonus amounts when non-cash awards received instead are reported in the appropriate column on the SCT.

The potential impact of the change to grant date fair value disclosure of equity awards on the utilization of performance-vested stock awards is a very important issue that should be closely monitored. Our review of numerous compensation plans in recent years has revealed an encouraging increase in the use of performance-vested equity award plans by many companies. A full grant date fair value reporting requirement for awards that are contingent on the achievement of performance requirements could unfortunately discourage companies from using performance-vested equity awards. Given the importance of the proposed value disclosure, we suggest that companies using performance-vested equity awards be instructed to provide footnote disclosure indicating the contingent nature of that portion of the aggregate full grant date fair value amount related to any performance-vested award. This supplementary disclosure will

present a more accurate picture to investors as they assess the value of equity awards and the pay-for-performance features of the long-term equity component of the executive compensation plan.

As regards the timing of equity grant disclosure, we believe that the Commission should maintain the current grant-year disclosure approach to reporting equity grants. However, compensation committees should be required to provide CD&A disclosure of the range of factors, including features of performance-vested awards, that determine the size of annual NEO equity grants.

We support the suggested transition requirement that would have companies present recomputed disclosure in the Stock Awards and Option Awards columns, as well as in the Total Compensation column, for the previous two fiscal years. This disclosure will provide for a clear year-to-year comparison of the full grant date fair value associated with NEO equity awards.

Enhanced Director and Nominee Disclosure

Companies and shareholders alike should embrace and support the proposed proxy statement disclosure of the experiences, qualifications, and skills that qualify an individual to serve on a corporate board and its key committees. At present, the information on a director's or nominee's professional background provides only a limited measure of information about his or her capabilities to serve. Annual proxy statement disclosure of director qualifications and skills as proposed would help shareholders assess an individual nominee or director's skills and capabilities relative to board responsibilities, while providing a company an opportunity to illustrate the competencies and strengths of its boards and individual directors. Further, we support director qualification disclosure focused on membership on the key board committees, namely the audit, compensation, and nominating/governance committees.

We urge the Commission to consider a complementary disclosure requirement to the proposal to require disclosure of the experiences and qualifications of individual nominees or directors. Specifically, we recommend adoption of a requirement that a company include a brief description of the distinct blend of director skills, capabilities, and backgrounds represented on its board and how that mix of director attributes best enables the company to accomplish its long-term corporate performance goals. This overview of overall board skill-set would enable shareholders to better assess the collective capabilities of a board's members and its ability to successfully accomplish stated long-term performance goals. Further, it would help shareholders evaluate an individual nominee's or director's potential contribution to the success of the enterprise. Corporations opposed to the creation of a shareholder proxy access right to advance alternative board nominees in "short-slate" proxy contests often argue that shareholders do not fully appreciate the complex blend of director talents and

backgrounds present on their boards and the importance of this distinctive blend of talent to corporate success. The argument would be more compelling if companies provided annual proxy statement disclosure of the complementary skills and experiences represented on their board and how that distinctive blend of talent relates to long-term corporate value growth.

With regards to the additional areas of director disclosure proposed, we support the proposal to require disclosure of any directorships held by each director and nominee at any time during the past five years at public companies. We also support lengthening the time during which disclosure of legal proceedings is required from five to 10 years. Further, if Item 401 is amended as proposed, the disclosure currently required by Item 407(c)(2)(v) of Regulation S-K regarding disclosure of any minimum qualifications that a nominating committee believes must be met by someone nominated by the committee for a position on the board should be eliminated. Additionally, it would be appropriate for the Commission to require disclosure about whether or not a board and its key committees (audit, compensation and nominating/governance) periodically conduct an evaluation of the performance of the board as a whole, the key committees, and each individual director.

New Disclosure about Company Leadership Structure and the Board's Role in the Risk Management Process

Carpenter pension funds presently hold equities in approximately 3,600 different U.S. public corporations. As investors with broad portfolios of companies, we do not believe that there should be mandated uniformity in the governance structure of these companies. A corporate board has a responsibility is to design and implement the governance structure that it believes best fits the needs of the company and advances its long-term value creation goals. However, in the absence of governance structure mandates, a company must provide a clear description of its leadership structure and a full explanation of the board's rationale for the chosen structure. The proposed leadership structure disclosure reforms effectively address these important shareholder information needs.

The proposed requirement that the board explain its approach to the separation of the board chair and chief executive officer positions complements the leadership structure reform and will provide shareholders insight into the board's rationale for the chosen governance structure. It will also help inform the ongoing and often contentious debate on the issue of the separation of the chair and chief executive officer positions. Lead director disclosure, including a description of the lead director's specific leadership roles, is a strong additional disclosure reform. The set of proposed leadership structure disclosure obligations will compel a board to proactively advocate for the governance structure it deems best-suited to accomplish the company's long-term performance goals. The improved corporate governance structure disclosure will also empower informed shareholders to more effectively exercise their advocacy and voting rights to

advance governance structure reforms that they deem necessary. Shareholders and corporations will be well served by the proposed set of leadership structure disclosure reforms and the governance structure discussions and debates they will stimulate.

New Disclosure Regarding Compensation Consultants

We strongly support the proposed new disclosure regarding compensation consultant fees and the range of services provided at companies where the consultant plays a role in determining and recommending the amount or form of executive and director compensation. The proposed disclosure requirement strikes a good balance and focuses on information relevant to the question of consultant independence. As with the proxy statement disclosure of auditor fees and non-audit fees mandated in 2002, we believe that clear disclosure concerning the range of services provided by the compensation consultant, the fees received for services provided, and management's and/or the board's role in retention of the consultant for the respective services will enable shareholders to better assess the independence of the compensation consultant. As with the early model of auditor fee disclosure requirements, CD&A disclosure of fees for compensation consulting services should be required along with an aggregate fee total for the range of other services rendered. The proposed disclosure of compensation consultant fee and services information will equip shareholders to monitor compensation consultant independence and to challenge those companies at which consultant independence may be compromised.

Reporting of Voting Results on Form 8-K

The proposed new requirement to disclose shareholder vote results on a Form 8-K within four business days after the end of a shareholder meeting is a simple, but important, reform. The broad adoption of a majority vote standard for director elections has injected greater accountability and uncertainty into uncontested director elections, making it increasingly important that these election outcomes be reported in a timely manner to shareholders. Likewise, vote results on important governance reforms advanced by both shareholder and management-sponsored proposals should be promptly reported. While a growing number of companies provide shareholders prompt vote results, the outlined reform will ensure comprehensive reporting of vote results.

Other Requests for Comments

The proposed rulemaking requests comment on the question of whether the CD&A section of the proxy statement should be considered to be a "filed" document rather than a "furnished" document. The primary responsibility of a company's compensation committee is to design and implement an executive compensation plan that incentivizes and rewards executives that produce long-term and sustainable corporate value. The compensation committee has the

additional obligation to provide clear and concise disclosure so that shareholders are able to evaluate the performance of both the plan and the compensation committee. For these reasons, the CD&A should be considered part of the compensation committee's report which should be a "filed" document.

Additional Comments for Commission Consideration

In recent years, a growing number of publicly-traded companies have adopted a majority vote standard for uncontested director elections. Many, but not all, of the companies that have adopted the majority vote standard provide shareholders an opportunity to vote "FOR" or "AGAINST" individual director nominees on their proxy statements, or to abstain from voting. However, a number of companies with a majority vote standard continue to use a "WITHHOLD" designation as the vote option for casting a vote against the candidacy of a nominee. We recommend that the Commission re-examine Instruction 2 to Rule 14a-4(b) to clarify that when a majority vote standard is used and the shareholders' votes have a legal effect, the "WITHHOLD" vote designation should not be used. Additionally, when a plurality vote standard is used in uncontested elections, companies should be required to clearly explain in their proxy materials the meaning of a so-called "WITHHOLD" vote, and the impact of those "votes" on election outcomes.

We would again like to express our appreciation to the members of the Commission and its staff for their work on the important set of reforms contained in the proposed rulemaking. The reforms will help enable shareholders to effectively monitor board and management performance and make informed investing and voting decisions on important executive compensation and governance matters.

Sincerely,

Edward J. Durkin
Director, Corporate Affairs Department
United Brotherhood of Carpenters