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

**Re: Concept Release on the U.S. Proxy System, File No. S7-14-10  
Proxy Advisory Firms**

Dear Ms. Murphy:

Thank you for the opportunity to comment on Release No. 34-62495 (*Concept Release on the U.S. Proxy System*, File No. S7-14-10, Jul. 14, 2010) (the “Concept Release”). This letter is in response to several questions in the Concept Release regarding the influence of proxy advisory firms. Specifically, on pages 125 and 126 of the Concept Release, the Commission asks:

*How do institutional investors use the voting recommendations provided by proxy advisory firms? What empirical data exists regarding how, and to what extent, institutional investors vote consistently, or inconsistently, with such recommendations?*

and

*[I]s there empirical evidence that demonstrates [that proxy advisory firms] control or significant influence [shareholder voting]?*

In researching our answers to these questions, we enlisted the assistance of our third-party proxy solicitation firm.

The following table illustrates the increase in volume of shares being voted immediately after Institutional Shareholder Services<sup>1</sup> (“ISS”) published its voting recommendations for our Annual Meeting in each of past three years, as well as the percentage of those shares voted immediately after the ISS recommendations that were voted in accordance with ISS voting recommendations:

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<sup>1</sup> Formerly known as RiskMetrics Group. We use ISS as an example for purposes of this letter only because ISS has the largest market share in the proxy advisory industry. Thus, the impact of ISS’s voting recommendations is most apparent relative to other proxy advisory firms.

**Johnson & Johnson**

| <b>Date of Annual Meeting</b> | <b>Date of publication of ISS report for Annual Meeting</b> | <b>Average number of shares voted per day during 5 business days before ISS report published</b> | <b>Number of shares voted within 1 business day after ISS report published</b> | <b>Percent of shares voted within 1 business day after ISS report published that were voted in accordance with ISS recommendations</b> | <b>Percentage of shares beneficially owned by largest known shareholder (based on Sch. 13G filings)</b> |
|-------------------------------|---|--|--|--|---|
| April 22, 2010                | April 1, 2010   | 93 million   | 388 million  | 13.40%   | 5.34%   |
| April 23, 2009                | April 3, 2009   | 88 million   | 332 million  | 15.04%   | 5.20%   |
| April 24, 2008                | April 9, 2008   | 87 million   | 396 million  | 17.90%   | 3.75%   |

We believe this is a reliable indicator of the direct influence that ISS has on how shares are voted at our Annual Meeting and that these percentages represent the floor of such level of influence.

We hope this information is useful to the Commission when analyzing the influence of proxy advisory firms on how votes are cast by institutional investors for annual meetings of U.S. public companies. If you have any questions, please contact me by phone at (732) 524-3292 or e-mail at [dchia@its.jnj.com](mailto:dchia@its.jnj.com).

Respectfully submitted,



Douglas K. Chia