Keith U. Landenberger
Sr. Vice President &
Associate General Counsel

October 20, 2010

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

By electronic and regular mail

Re: File No. S7-14-10

Dear Chairman Schapiro:

We appreciate the U.S. Securities and Exchange Commission's work reflected in its concept release and the invitation to comment on various challenges with and potential changes to the proxy system. Given the other recent and proposed changes impacting the proxy process, this inquiry is timely and many of the proposed changes are important and could improve the efficiency of the proxy process and communication with and participation by our shareholders. We offer the following comments and observations in connection with several of the matters addressed in the concept release.

1. The voting and tabulation process - Over-voting and under-voting

Under the current system, the potential separation of voting rights from the economic interests in company shares can lead to either double voting of shares or the failure to vote those positions at all. Although we have no specific evidence that this potential vote distortion has adversely impacted any of our shareholder votes, accuracy in counting votes is becoming more and more important given changes in broker discretionary vote, the potential for majority voting for directors, etc. There are no rules requiring brokers to reconcile their positions as of the proxy record date, creating the potential for borrowers and lenders to vote the same positions. Moreover, there is no consistency in how brokers address the reconciliation of voting rights and no ability for us, as the issuer, to assure such proper reconciliation.

To address this situation, we believe that the SEC should require brokers and other financial intermediaries to produce an eligible voters list as of the record date for each shareholder meeting. We also believe that brokers should be required to disclose to retail investors the effect of share lending on the ability of the investor to vote those shares. In many cases we believe that investors are not aware of the implications of securities lending.

2230 E. Imperial Hwy El Segundo, CA 90245 **Phone:** 310-964-0725 **Fax:** 310-964-0843 keith.landenberger@directv.com

In addition, to assure accuracy and efficiency, it is important that any reconciliation methodology be standardized. Reconciliation should occur before an intermediary transmits record-date beneficial owner information to the data aggregator and before proxy forms are mailed. This will eliminate duplicate voting and erroneous voter instruction forms from being distributed.

2. Advance notice of meeting agenda.

We do not believe that the lack of notice in advance of the record date of the agenda for annual shareholders' meetings is a significant issue. There are a number of concerns with trying to accommodate such an advance notice requirement which are accurately described in the concept release. As an issuer, we would be concerned about publishing an agenda outside the context of the full disclosure contained in the proxy materials.

3. Proxy distribution fees.

We are concerned about the lack of competition in connection with the distribution of proxy materials to the street side. The prices for proxy distribution and communication services should be established by open competition among a number of service providers that could handle these functions and not through a fee schedule established under NYSE rules. Distribution methods have changed dramatically over the past few years with electronic distribution, householding and notice and access, yet the NYSE-regulated fees have not been reduced to reflect these lower costs of production. In addition, while notice and access has permitted substantial cost savings to issuers, the near-monopoly enjoyed by the current provider precludes issuers from realizing substantial additional savings.

Given the inattention to the fee schedule over a number of years, reliance on this alternative to assure that fees are competitive and take into account rule and technology changes, is ill-advised. Instead, issuers should have a choice of agents in a competitive environment; choice would reduce costs by eliminating redundant processing and result in fees set by market forces. We believe that there are a number of providers that would quickly enter the market providing adequate competition which, in turn, will foster higher levels of service and product innovation.

The current functions of (a) beneficial owner data aggregation, and (b) proxy communications distribution should be separated, providing a public company with the opportunity to select a distribution provider of its own choosing in a fair market environment. The establishment of a central data aggregator (e.g., DTCC) would allow for open competition for the distribution and tabulation services. Having a not-for-profit utility processing records at a nominal cost would encourage issuers to further engage their shareholders and increase proxy voting participation.

4. Issuer communications with shareholders.

For the reasons noted in the concept release, it is more important than ever that issuers have a direct line of communication with all shareholders and that we not be required to rely on indirect

communication with beneficial owners. We believe that the inability to directly communicate with shareholders has resulted in decreased voter participation.

We also question the ongoing need for NOBO and OBO designations and the process by which such designations are made. We are concerned about the impediments to communication and the associated costs imposed by these designations. Every shareholder should be allowed to vote using a company-specific proxy card and not generic voter instruction forms. A proxy card, with the company's logo, a larger font and a plain English description of the agenda items being voted on is more likely to attract the attention and engage the participation of our shareholders.

The SEC should eliminate the outdated NOBO/OBO classifications which will enable transparency of share ownership and direct communications between issuers and their investors. To the extent deemed necessary, shareholders can still have the option to remain anonymous through the use of a custodial or nominee account.

5. Retail investor participation and education

We agree with the observation that investor education is an important factor in increased participation and believe that the most effective means to achieve greater shareholder education and participation is to facilitate direct access by issuers to all of their shareholders.

Permitting the inclusion of a proxy card with the notice and access mailing makes voting more convenient and immediate and will improve retail investor participation. So long as full proxy materials are available to shareholders, they should be permitted to vote their shares without artificially attempting to require that proxy materials be accessed or reviewed.

As noted earlier, shareholder participation also can be improved by requiring that shareholders, whether street or registered, be provided with company-specific proxy cards to vote rather than permitting the use of generic voter instruction forms.

6. Notice and access process.

The notice and access process has been one of the most successful reforms in the proxy process. It had resulted in substantial savings and has aligned the process with current technology and investor behavior. Other than facilitating application of the process to the street side, we do not believe that further changes are warranted at this time, including requiring any sort of use on a stratified basis. Instead, issuers should be permitted to determine whether such an approach will improve participation. It is certainly the goal of every issuer to increase shareholder participation, and each issuer will be incentivized to adapt the notice and access process to maximize participation without additional regulation.

7. Interactive data format

We believe that there is no need for any proxy information to be put into an interactive format or, at a minimum, that any decision regarding such a need is premature. XBLR has only recently be required in connection with corporate financial statements and there has not been sufficient time to assess the benefit of that requirement or whether it would make sense to impose it in connection with the type of information included in proxy statements. In fact, anecdotal information that we have received, indicates that investors are not making use of the XBLR capabilities as anticipated and that it is generally considered as having little or no value to the investment community. At a minimum, the SEC should take time to assess the benefits and value to the investment community and other constituents of such interactive data formats before suggesting that they be rolled out to other required disclosures.

8. Proxy advisory firms

We believe that proxy advisory firms serve a useful function and can help shareholders, particularly institutional investors, assess the quality of company disclosures and governance and determine positions on matters put to shareholder vote. Like others, however, we are concerned regarding the potential conflict where proxy advisory firms provide other services, like governance assessments to issuers. We are also concerned that such advisors may apply formulaic or cookie-cutter approaches to governance matters without taking into account the specifics regarding a company which may explain or inform that particular company's governance approach. Also, it appears that many investors accept and act on such recommendations without any independent assessment of the issues and without discussing the matter with company representatives, even when such discussions are requested by the issuer. We are also concerned that the rationale for certain positions asserted by policy advisory firms is not evident and often the reasoning for positions is not articulated. This makes it difficult for issuers to assess the position and determine if a change is appropriate. While we are not persuaded that additional regulation would efficaciously address these concerns, we are hopeful that the interest in this area and the potential concerns expressed in the concept release will promote further dialogue among issuers, investors and proxy advisor firms that can help to address and alleviate these concerns.

We appreciate the work of the SEC in connection with this concept release and the opportunity to provide these comments. We look forward to further consideration of these issues.

Very truly yours,