



October 20, 2010

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

Colorado Public Employees' Retirement Association
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**RE: File No. S7-14-10
Concept Release on the U.S. Proxy System**

Dear Ms. Murphy:

I am writing on behalf of The Colorado Public Employees' Retirement Association ("COPERA"), a pension fund with approximately \$36.8 billion in assets and a duty to protect the retirement security of over 465,000 plan participants and beneficiaries. On behalf of COPERA's plan participants and beneficiaries, I welcome the opportunity to provide comments on the Securities and Exchange Commission's (SEC) concept release concerning the U.S. Proxy System.

The fiduciary duty to vote proxies is a matter that COPERA and its Board of Trustees take very seriously. Overseeing proxy voting at COPERA is the Shareholder Responsibility Committee, a Board Committee established by the Board of Trustees in 1979. One of the first responsibilities of the Committee was to establish a proxy voting policy which reflected corporate governance policies COPERA supported as essential to good corporate health. The Committee periodically reviews the proxy voting policy and recommends revisions based on current corporate governance trends and changes in the marketplace. Since 1979 the Committee has reviewed and adjusted COPERA's Proxy Voting Policy thirteen times. The most recent update proposed by the Committee was approved by the Board of Trustees on June 17, 2010. In addition to the proxy voting policy, the Committee has established a Policy and Charter. COPERA's Proxy Voting Policy and the Committee's Policy and Charter can be viewed at COPERA's website utilizing the following link: <http://www.copera.org/pera/about/mediaroom.htm>

In addition to developing and maintaining a proxy voting policy COPERA has taken an active role in the evolution of the proxy voting process. In the past staff has served on steering committees at ADP (now Broadridge) and Institutional Shareholder Services (ISS). COPERA staff worked with peers and industry personnel in developing systems and processes that would best serve the proxy voting needs of shareholders.

Because of the importance placed on proxy voting, all proxies are voted in-house by COPERA staff. In 2009 staff voted 21,477 director nominees and 8,154 various proposals submitted by management and shareholders at 2,738 annual, special, and contested meetings. Due to limited resources, it is essential that a proxy voting system is in place that utilizes the latest technologies that allows for the greatest possible efficiencies. Without such a system it would be difficult at best for COPERA to ensure that all proxies are voted in a manner that best reflects COPERA's proxy voting philosophies and policies. To that end COPERA would like to comment on three topics addressed in your Concept Release on the U.S. Proxy System.

III. Accuracy, Transparency, and Efficiency of the Voting Process

B. Vote Confirmation

Regardless of all the due diligence devoted to voting proxies by shareholders, a lingering doubt will remain about the validity of the vote if there is not end confirmation verifying the receipt of the vote. Because the proxy vote reflects the shareholder's voice it is essential that the shareholder know that their vote was correctly tabulated and counted. Anything less compromises the validity of the proxy voting system.

As noted in the SEC's release, the inability to confirm voting is caused in part because no one individual in the voting process possesses all of the information necessary to confirm whether a particular beneficial owner's vote has been timely received and accurately recorded. Further complicating the issue is the lack of regulatory requirements that compel the entities to share information in order to allow for vote confirmation.

While the issue is complex, COPERA supports the SEC's suggested regulatory responses. Requiring all participants in the voting chain to grant access to issuers, or their transfer agents or vote tabulators, to certain information relating to voting records will help facilitate vote confirmation. For beneficial owners who are concerned about anonymity, the suggested unique identifying number would provide such anonymity.

COPERA sincerely hopes the SEC gives its full consideration to establishing regulations that will provide shareholders with a vote confirmation. While there may be legal complexities that would have to be addressed, when weighed against the time, effort, and expense required of shareholders to vote proxies this is an issue that is deserving of a solution.

C. Proxy Voting by Institutional Securities Lenders

COPERA, along with many other institutional investors, uses securities lending as a means to provide additional income to the fund. While the ability to add income via share lending is a positive, the loss of proxy voting rights as a result of share lending is a negative. Far too often a shareholder discovers too late that a proxy vote can't be cast on a proposal of material importance because shares were on loan as of the record date.

Monitoring companies in an attempt to determine what record date might be set so shares could be recalled is virtually impossible in light of the volume of companies, the number of issues and the late disclosure. Add to that mix the rapidly changing landscape as to what issues are material as to any particular company and it becomes clear that currently there is no viable way to determine if shares should be recalled for proxy voting purposes.

COPERA supports the Council of Institutional Investors (CII) Corporate Governance Policies which include two key principles concerning share lending and proxy voting: 1) Shareowner meeting record dates should be disclosed as far in advance as possible and 2) Proxy statements should be disclosed before the record date passes whenever possible. COPERA would support regulations that incorporated these principles.

V. Relationship Between Voting Power and Economic Interest

A. Proxy Advisory Firms

As stated previously, COPERA votes all proxies in-house. To effectively vote those proxies it is essential to utilize products provided by various proxy vendors, including the products provided by proxy advisory firms. It would be impossible for staff to research every director nominee and evaluate the myriad of proposals that are presented for consideration. That said, it is important to note that analysis provided by a proxy advisory firm is but one piece of the puzzle when determining how to vote a proxy.

Over the past years concerns have been raised regarding proxy advisory firms and their purported influence on proxy vote decisions, conflicts of interest, and transparency concerning methodologies used for determining vote recommendations. These are concerns that can't be taken lightly and merit discussion.

As each proposal is unique there can be no one-size-fits all approach to proxy voting. In determining a proxy vote, COPERA first refers to our proxy voting policy. If a proposal is not a matter of controversy or a matter identified by policy or staff for specific attention, staff will generally vote as recommended by our proxy advisory consultant. When utilizing analysis from a proxy advisory firm, COPERA has a high level of confidence that unbiased analysis is being provided. Throughout the years investors, such as COPERA, CalPERS and CalSTRS, have contributed to the development of governance policies that are used by proxy advisors. As such, it's not uncommon to find in-house policies that are similar to the policies of proxy advisors. Proxy voting policies are not static documents. They are constantly evolving documents that have proven to be flexible over the years and are updated as times change – as indicated by COPERA's thirteen revisions to our proxy voting policy since 1979. The guides should not be considered an indicator of power or influence in the proxy voting process, rather the guides are indicative of acknowledged corporate governance standards that serve the interest of long term investors.

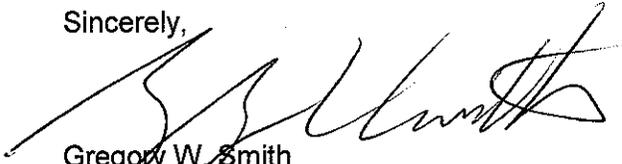
COPERA firmly believes that all recommendations provided by proxy advisors should be conflict free. Any relationship between the proxy advisor and a publicly traded company should be disclosed to the end user.

Vote recommendations provided by proxy advisory firms should not be confused with or viewed as providing investment recommendations. While proxy advisory firms are not currently required to register but voluntarily do so, COPERA does support the continued registration of proxy advisory firms. COPERA does not see any need for regulatory intervention concerning the methodologies used by proxy advisory firms at this time.

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In conclusion COPERA would like to thank the SEC for reviewing the many important aspects of the proxy voting processes. We sincerely hope that as the SEC considers new rules there is a clear distinction between updating and improving the proxy voting system and advocating for corporate governance change. It might be tempting to portray the issues raised in the concept release as another attempt by shareholders to gain control of corporate board rooms. Nothing could be further from the truth. What shareholders hope for is a proxy voting system that allows for timely and informed voting at reasonable costs and confirmation that the fiduciary responsibility of voting proxies was met by providing an end-vote confirmation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory W. Smith', written over a horizontal line.

Gregory W. Smith
General Counsel / Chief Operating Officer

GWS/da