September 17, 2007

**File Number: S7-16-07**

Rule-comments@sec.gov
http://www.sec.gov/rules/proposed.shtml

Christopher Cox, Chair
Commissioners
Securities and Exchange Commission
100 F Street, NE
Washington D.C. 20549-1090

Dear Commissioner Cox:

On behalf of Catholic Healthcare West (CHW), I write in support of the fundamental right of security holders guaranteed them under state corporate law, i.e., “to appear at the annual meeting; to make a proposal; to speak on that proposal at appropriate length; and to have [his] proposal voted on.” (p. 7, SEC, 17 CFR Part 240, Release No. 34-56160; IC-27913; File No. S7-16—07)

Catholic Healthcare West, a nonprofit integrated health care delivery system serving communities in the Western United States, oversees an investment program with assets of $4.5 billion. CHW’s investment program is professionally managed according to guidelines that seek to steward financial resources in a manner that promotes social responsibility and recognizes the need for prudent risk/return in order to support the organization’s health ministry. The integration of social responsibility with fiscal objectives is an essential part of CHW’s investment process. CHW regularly engages management of selected portfolio companies in dialogue on issues of serious social, environmental and business concern.

**SUPPORT FOR PRECATORY RESOLUTION**

CHW finds that the nonbinding shareholder proposal process under Rule 14 a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934 functions smoothly. Despite modifications to the regulations that have restricted investor rights over the years, shareholders retain the prerogative to raise questions and concerns about the social, environmental, governance and economic impacts of the companies they own.

More than 95% of the shareowner resolutions filed in the last 35 years have been “advisory.” When a corporation challenges the subject matter or right of the investor to file the resolution, the SEC Division of Corporation Finance has staff and processes in place to examine and rule on the logic. Over the years, investors have argued their cases
and often, although not always, been able to prove that an issue – a corporate impact – has grown into a major public concern, e.g. the building of nuclear power plants, equal employment opportunity/affirmative action, political contributions.

As an institutional investor, CHW strives to invest responsibly and to hold corporate managements accountable for the impact of corporate actions. Some examples of our corporate dialogues include work with Washington Mutual on policies and practices to guard against predatory practices in sub prime lending, Bank of America on the securitization of sub prime loans, General Electric on the business opportunities and challenges associated with climate change and global warming. The precatory resolutions on these issues and resulting dialogues have had an identifiable impact on decision-making in corporate boardrooms. Managements and Boards of Directors have listened, talked with investors and voluntarily changed policies and practices. It was not necessary to legislate or petition governmental agencies for regulatory changes.

SUPPORT FOR CURRENT OWNERSHIP REQUIREMENTS
CHW supports the current regulation that an investor must have owned $2000 worth of shares for a year. The value of the shares as well as the length of time of ownership before filing are reasonable and support the right of small investors, guaranteed under state corporate law, to sponsor resolutions.

SUPPORT FOR CURRENT VOTING THRESHOLD
CHW supports maintaining the current voting threshold for resubmitting resolutions. A significant number of independent investors must vote in favor of a resolution to attain resubmission: 3% for the first year, 6% for the second and 10% for the third. The numbers of shares held by faith-based institutions, SRI individuals and funds, individuals and other independent investors are far exceeded by the numbers of shares held by insurance companies, banks and other financial/corporate shareholders – shareholders who typically vote in favor of management’s recommendations. Additionally, if the SEC sets higher thresholds for resubmissions, new issues (which often take more than one year to gain support) will be difficult to bring to management’s attention. It often takes two or three years for managements and Boards to recognize and acknowledge the business impact of issues of social responsibility such as transparency on corporate political contributions, the impact of HIV/AIDS on the workforce and company operations, or the importance of managing fresh water resources.

REPORTING THE VOTE
CHW believes the current procedures should be maintained. Votes are disclosed as a percentage of votes cast, with a preliminary vote reported at the annual meeting and a final vote listed in the 10Q filing.

ELECTRON FORUM
The proposed electronic forum does not meet investor or management needs. An electronic forum as an alternative to the current precatory proposal system is not an appropriate vehicle for investor/management communication.
In conclusion, Catholic Healthcare West believes it is our fiduciary duty as an investor to raise questions when a company’s governance or social record is putting shareholder value in jeopardy. Clearly the sponsorship of an advisory resolution is a sound, respectful way to address an issue. The 14a-8 system for advisory resolutions established by the SEC is important and central to the US system of corporate governance. To abolish the precatory resolution process to allow corporations or states to determine individual rather than universal mechanisms will disenfranchise investors. Managements and Boards of Directors are operating in a global environment. These individuals cannot possibly know all the issues and all the impacts of their decisions and company operations. Knowledgeable and vocal investors serve an important and sound business function.

Thank you for your attention.

Sincerely,

Sr. Susan Vickers, RSM

Sr. Susan Vickers
VP Community Health