



The Pension Boards  
United Church of Christ

475 Riverside Drive  
Room 1020  
New York, NY 10115-0059

September 28, 2007

Ms. Nancy Morris, Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Re: Comment on Release No. 34-56160; IC-27913; File No. S7-16-07 and Release No. 34-56161; IC-27914; File No. S7-17-07**

Dear Secretary Morris:

The Pension Boards-United Church of Christ, Inc. ("The Pension Boards") appreciates the opportunity to comment on the Securities and Exchange Commission's proposed changes to Rule 14a-8 as outlined in Release No. 34-56160 and Release No. 34-56161.

The Pension Boards invests nearly \$3 billion of the assets of United Church of Christ ("UCC"), UCC clergy and non-clergy workers of UCC-affiliated entities. We have used the current shareholder process to actively engage companies to make improvements on their environmental, social and governance policies and practices. In this way, we attempt to improve the value of our investments.

The proposed rules would not strengthen shareholders' ability to positively influence the companies in which they invest. Therefore, The Pension Boards opposes File No. S7-16-07 and File No. S7-17-07.

### **Proxy Access**

As proxy access would allow shareholders clear and deserved recourse for an unresponsive or underperforming Board of Directors, we can support neither the Commission's proposal that seeks to eliminate proxy access nor the proposal that seeks to grant access to only those investors with a 5 percent or greater stake in the company, which we believe is a prohibitive restriction on proxy access.

### **Advisory Resolutions**

The Pension Boards believes that non-binding shareholder proposals have been an integral tool for communicating with company management. We support any action the

Commission may take to reinforce shareholders' rights to file non-binding resolutions, and we oppose companies being allowed to "opt out" of advisory resolutions.

We oppose raising the thresholds for resubmitting shareholder resolutions. The current levels are sufficient for screening out the shareholder proposals that do not garner enough investor support. Raising the year-over-year thresholds could prevent important issues from reaching company owners and may deprive management of the ability to gauge changes in owners' judgments.

More rigorous disclosure requirements for those submitting shareholder resolutions will not improve a filer's ability to muster support for a proposal. There is no apparent benefit of increased disclosure to a company's management either. Moreover, this has the potential to tax the Commission's resources unnecessarily. The Pension Boards does not support this proposed measure.

While The Pension Boards acknowledges that the current minimum ownership threshold for filing a shareholder resolution (\$2,000) may not have kept pace with inflation, we oppose any effort to adopt a percentage of ownership standard. Over the last few decades, countless improvements in companies' operations and policies would not have happened if small investors had not been allowed "a seat at the table."

### **Electronic Shareholder Forums**

The Pension Boards does not support substituting the shareholder resolution process as it exists with an electronic format. Investors are often apprised of situations within a company when they vote their shareholder ballot. The shareholder ballot is a crucial means of communication amongst shareholders. The shareholder ballot is also a platform that is a guaranteed way to communicate with company management and the board of directors.

In keeping with technological advances, The Pension Boards recognizes that an electronic forum could be a worthy companion tool to the shareholder resolution process, however, we oppose an either/or approach.

Thank you again for the opportunity to comment on the Commission's proposed rules.

Sincerely,

A handwritten signature in cursive script that reads "James T. Herod".

James T. Herod, J.D., LL.M. (Tax), CEBS  
General Counsel & Corporate Secretary