



October 1, 2007

Chairman Christopher Cox
Secretary Nancy Morris
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 Commissioner Cox and Secretary Morris:

I am writing on behalf of the Unitarian Universalist Service Committee (UUSC) to strongly oppose proposals before the Securities and Exchange Commission (SEC) that would either eliminate the shareholder resolution process or make it more difficult to sponsor resolutions. We also oppose any step to make it more difficult for investors to help nominate directors.

We and our 47,000 members and supporters take seriously our rights and our responsibility to be engaged and informed as shareowners of companies. As a human rights organization for over sixty years, UUSC has sponsored or co-sponsored many shareowner proposals. We have voted proxies or advised institutions or individuals who vote on such proxy measures. All of us actively participate in corporate ownership. We consider shareholder advocacy to be vitally important in communicating with corporate boards, management, and other investors on key issues such as climate change, governance reforms, employee diversity, executive compensation, and human rights in overseas factories.

Shareholder advocacy works to make American corporations stronger. There is a long history of positive reforms and policies resulting from shareholder resolutions with companies. The rising number of votes in support of resolutions, across a range of environmental, social, and governance topics, indicate that a broad spectrum of investors increasingly understand, and take seriously, shareholder resolutions as a means by which to stimulate changes in companies.

Contrary to the view of the parties pushing for these proposals, companies are not overburdened by shareholder resolutions. In 2007, there have been fewer than 1,400

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resolutions, and fewer than 1,000 companies received resolutions of any kind. This is less than one out of five major publicly traded companies. The market is hardly "burdened" by the resolution process. Finally, in any given year, one-quarter to one-third of the resolutions are withdrawn in light of agreements between investors and the company.

The SEC has issued three specific proposals that we believe would eliminate or cripple the resolution process. We cannot support the following proposals: (1) the "opt-out" option that would allow the most unresponsive companies – those with the worst records when it comes to good corporate conduct and governance – to drop out of the shareholder resolution process and isolate themselves further; (2) the unilateral substitution of the electronic petition model or "chat room" for the vibrant and public 14a-8 shareholder resolution process; and (3) the raising of shareholder resolution resubmission levels from the current 3, 6, and 10 percent vote levels to 10, 15, and 20 percent, respectively, which would effectively kill many important shareholder resolutions.

We also support the right of investors to nominate board members using the proxy process and urge the SEC to require a reasonable level of shares necessary for the nomination process. Under one approach under SEC consideration, such shareholder involvement would be barred outright, whereas another approach outlined by the Commission is so onerous as to make such involvement all but impossible.

UUSC's mission is to advance human rights and social justice around the world. Shareholder advocacy is a vital tool used to carry out our mission. We urge you to protect our rights to be active owners of corporate America.

Sincerely,

A handwritten signature in purple ink, appearing to read 'McPeak', written in a cursive style.

Mark McPeak
Executive Director
Unitarian Universalist Service Committee