

Tri-State Coalition

for Responsible Investment

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Securities and Exchange Commission

Dear Sir or Madam:

The Tri-State Coalition for Responsible Investment is a membership organization of 42 institutional investors. For more than 30 years we have used the shareholder resolution process to raise legitimate concerns of the corporations where we invest. We take seriously our rights and our responsibility to be engaged and informed as shareowners of companies. We strongly oppose proposals at the Securities and Exchange Commission (SEC) to 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.

Some of us sponsor or co-sponsor shareowner proposals. Others in our ranks vote proxies or advise 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 support votes for 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.

Companies are not overburdened by shareholder resolutions. In 2007, there have been fewer than 1,400 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.



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Finally, in any given year, one-quarter to one-third of the resolutions are withdrawn in light of agreements between investors and the company.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 which 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% vote levels to 10%, 15% and 20% levels, thus effectively killing many important shareholder resolutions.

In the early 1990s we sponsored the first resolutions raising questions about energy use and global warming. If the % to keep a resolution on the proxy was the proposed 10% for the 1st year, it is conceivable that U.S. companies would be even further behind in anticipating global warming and their liability even greater. This would no doubt reflect on their long-term profitability; information that should be available to investors.

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

We are institutions and financial professionals who take pride in our shareholder advocacy. We are united in our resolve to protect our rights to be active owners of corporate America.

Sincerely,

Patricia A. Daly, OP
Executive Director