September 28, 2007

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

Re: File Number S7-16-07 and S7-17-07

Dear Ms. Morris:

As the Executive Director of the Washington State Investment Board (WSIB), which manages state retirement and other public fund assets totaling almost $83 billion, I appreciate the opportunity to comment on the proposed rules before the SEC dealing with shareholder access to the proxy ballot.

While I respect the time and energy on the part of SEC staff and the Commission that went into drafting these two proposed amendments, the WSIB cannot support either proposal.

The first proposed rule, which would allow companies to exclude shareholder proposals involving the nomination of candidates, is unacceptable. As an institutional investor responsible for managing the retirement funds for public employees, teachers, school employees, law enforcement officers, firefighters and judges, we strongly believe that unhampered access to the proxy ballot is necessary to ensure that we are carrying out our duty to protect and enhance shareholder value for our beneficiaries.

The second proposed rule, which requires five percent stock ownership in a company for at least one year before a shareholder is eligible to submit a proposal, provides little more than illusory access to the proxy ballot. This proposed rule establishes a threshold that would, in effect, be impossible for institutional investors to reach. According to research by the Council of Institutional Investors, even if the 10 largest public pension funds were to combine their holdings in a single public company, they would likely be unable to reach the five percent ownership mark.
This second proposal also imposes lengthy and unreasonable disclosure requirements on shareholders as an additional hurdle to overcome in gaining proxy access. Again, it appears that the Commission has gone to extreme lengths to design access standards that are virtually impossible to achieve.

Although I find nearly all aspects of this proposal disappointing and unworkable for the most part, there is one element which I enthusiastically support — the use of electronic shareholder forums. This portion of the proposed rule reflects and acknowledges the reality of the Internet-dependent world in which we all live. Unlike the majority of the proposed rule, the use of electronic shareholder forums reflects reality and makes it easier for shareholders to participate in the proxy process.

While I look forward to seeing this innovative measure for electronic shareholder forums included in what I hope will be the Commission’s next version of a proposed rule, I also hope to see significant changes that will truly provide shareholders access to the proxy ballot.

Thank you for the opportunity to express my views on this issue. I would be happy to answer any questions or discuss this further.

Sincerely,

Joseph A. Dear
Executive Director