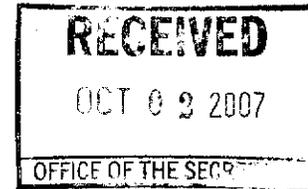




October 1, 2007

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Eaton Corporation
Eaton Center
1111 Superior Avenue
Cleveland, Ohio 44114-2584
tel: 216 523-5000
fax: 216 523-4787

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090



RE: File Number S7-17-07
Release No. 34-56161 ("Release")

Dear Ms. Morris:

Eaton Corporation ("Eaton") is pleased to provide its comments on the proposed interpretation of the rules of the Securities and Exchange Commission ("Commission") governing shareholder proposals that relate to the election of directors. (By separate correspondence, Eaton is providing its comments to the proposed rule changes under Release No. 34-56160.) Eaton is a diversified industrial manufacturer with 2006 sales of \$12.4 billion. Eaton has 62,000 employees and sells products to customers in more than 125 countries.

The interpretation proposed by the Release is intended to clarify the meaning of the exclusion contained in Rule 14a-8(i)(8). Rule 14a-8 provides a shareholder with a method for placing proposals in a company's proxy materials for a vote at shareholder meetings. Rule 14a-8(i) states that a company may exclude from its proxy materials any shareholder proposal that "relates to an election for membership on the company's board of directors or analogous governing body." The proposed interpretation of Rule 14a-8(i)(8) is intended to confirm the Commission's long-held position that shareholder proposals that could result in an election contest may be excluded from the company's proxy statement. The Commission is also asking for comments as to whether or not the Rule should be amended to further clarify its application.

These actions by the Commission are in response to a decision by the U.S. Court of Appeals for the Second Circuit in American Federation of State, County & Municipal Employees, Employees Pension Plan v. American International Group, Inc. 462 F. 3d 121 (2d Cir. 2006). The Second Circuit Court of Appeals ruled in that case that the exclusion of Rule 14a-8(i)(8) did not apply with respect to a shareholder proposal seeking to amend a company's bylaws to allow shareholder nominees to be included in the company's proxy statement.

Eaton supports the proposed interpretation to the effect that 14a-8(i)(8) not only applies to actual election contests, but in addition applies to any proposal relating to a process for shareholders to conduct an election contest in the future. The proposed interpretation is based on the principle that proposals relating to the election, disqualification or removal of directors are subject to the proxy solicitation requirements for contested elections which mandate specific disclosures to all shareholders, and are not the proper subject for Rule 14a-8. The staff of the Commission should resume granting no-action relief to companies which permits them to exclude access by-law proposals under Rule 14a-8(i)(8). Eaton also supports the clarifying amendments to Rule 14a-8(i)(8), as proposed, which would more clearly set out the Commission's position and provide needed guidance to shareholders, companies and the Commission's staff.

We appreciate the opportunity to comment on the proposals set forth in the Release, which we strongly support.

Sincerely,

Mark M. McGuire
Vice President and General Counsel

MMM:dja