STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

January 9, 2017

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: SEC Release No. 34-79164
　　Universal Proxy – File Number S7-24-16

Dear Mr. Fields:

I am writing as Trustee of the New York State Common Retirement Fund (Fund or the CRF) and administrative head of the New York State and Local Retirement System (the System) to express support for the proposed amendments to the federal proxy rules published by the Securities and Exchange Commission (SEC) in its Release No. 34-79164 pertaining to universal proxies (Release). The Release presents a thorough and thoughtful analysis of the issue of shareholder franchise and I appreciate the opportunity to provide comments.

The Fund holds the System's assets, valued at approximately $178.1 billion as of March 31, 2016, and I have a fiduciary duty to invest those assets prudently and for the exclusive benefit of the System's more than one million members, retirees and beneficiaries. As a long-term investor, the Fund maintains diversified investments across multiple asset classes; its largest allocation is to domestic equities, including approximately three thousand publicly traded companies.

The CRF is a member of and has served in leadership roles at the Council of Institutional Investors (CII). I concur fully in the comments submitted to you by that organization on December 28, 2016. In addition, I note that my fiduciary duty to manage the System's assets prudently extends to proxy voting, a responsibility that is a core component of my stewardship of the Fund. The CRF's Bureau of Corporate Governance annually votes the Fund's proxies in accordance with proxy voting guidelines that I have approved and that are carefully reviewed with professional staff on a biennial basis. Voting by proxy, instead of attending annual general meetings in person, is necessary given the scope of the Fund's investments.

Under current proxy rules, however, shareholders voting by proxy find themselves disadvantaged when voting for directors in a contested election. They may select only one proxy card containing a slate of director candidates – either that advanced by the company, which typically names only company selected nominees, or that advanced by dissident shareholders, which typically names only shareholder nominees. Because they cannot pick and choose from nominees on both proxy cards, shareholders voting by proxy are prevented from voting for a full slate of nominees of their choice, unless their chosen nominees all appear on the same proxy card. Indeed, in certain contested elections, the CRF has been in that position; that is, it has not been able to vote for all its chosen nominees. By comparison, shareholders attending a meeting in person cast a ballot that includes the names of all duly nominated candidates, regardless of whether that candidate is a company nominee or a shareholder dissident nominee, and may select from any of them.

The Release recognizes that the primary means by which shareholders vote on the election of directors is through the proxy process. It further recognizes the concept that the proxy voting process should mirror to the greatest extent possible the vote that a shareholder could achieve by attending the shareholders' meeting and voting in person.

Because proxy voting is one of the primary means by which shareholders act to manage and preserve their investments, I believe as a fiduciary that there should be no distinction between the franchise of a shareholder attending a meeting in person and that of a shareholder voting by proxy. I greatly appreciate the SEC's efforts to eliminate this anomaly. For that reason, and for all of the reasons set forth in the CII letter, I support proposed new Rule 14a-19 and the amendments to Rules 14a-2, 14a-3, 14a-4, 14a-5, 14a-6 and 14a-101 under the Exchange Act as set forth in the Release.

Sincerely,

Thomas P. DiNapoli
State Comptroller