



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-3010

December 21, 2007

Margaret M. Foran  
Senior Vice President-Corporate Governance,  
Associate General Counsel & Corporate Secretary  
Legal Division  
Pfizer Inc.  
235 East 42nd Street  
New York, NY 10017-5755

Re: Pfizer Inc.  
Incoming letter dated December 3, 2007

Dear Ms. Foran:

This is in response to your letter dated December 3, 2007 concerning the shareholder proposal submitted to Pfizer by the Minnesota State Board of Investment. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Jonathan A. Ingram  
Deputy Chief Counsel

Enclosures

cc: Howard J. Bicker  
Executive Director  
Minnesota State Board of Investment  
60 Empire Drive  
Suite 355  
St. Paul, MN 55103

December 21, 2007

**Response of the Office of Chief Counsel  
Division of Corporation Finance**

Re: Pfizer Inc.  
Incoming letter dated December 3, 2007

The proposal requests the board to prepare a report on “the effects on the long-term economic stability of the company and on the risks of liability to legal claims” resulting from the company’s policy of limiting the availability of the company’s products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents.

There appears to be some basis for your view that Pfizer may exclude the proposal under rule 14a-8(i)(7), as relating to Pfizer’s ordinary business operations (i.e., evaluation of risk). Accordingly, we will not recommend enforcement action to the Commission if Pfizer omits the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

William A. Hines  
Special Counsel



December 3, 2007

**Margaret M. Foran**  
Senior Vice President-Corporate Governance,  
Associate General Counsel & Corporate Secretary

**VIA HAND DELIVERY**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Shareholder Proposal of the Minnesota State Board of Investment  
Exchange Act of 1934—Rule 14a-8*

RECEIVED  
2007 DEC -4 AM 11:41  
OFFICE OF CHIEF COUNSEL  
CORPORATION FINANCE

Dear Ladies and Gentlemen:

This letter is to inform you that Pfizer Inc. ("Pfizer") intends to omit from its proxy statement and form of proxy for its 2008 Annual Meeting of Shareholders (collectively, the "2008 Proxy Materials") a shareholder proposal and statements in support thereof (the "Proposal") received from the Minnesota State Board of Investment (the "Proponent").

Pursuant to Rule 14a-8(j), we have:

- enclosed herewith six (6) copies of this letter and its attachments;
- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before Pfizer intends to file its definitive 2008 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) provides that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of Pfizer pursuant to Rule 14a-8(k).

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2008 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal pertains to Pfizer's ordinary business operations.

## THE PROPOSAL

The Proposal states:

Resolved: Shareholders request the Board of Directors to prepare a report on the effects on the long-term economic stability of the company and on the risks of liability to legal claims that arise from the company's policy of limiting the availability of the company's products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents. The report should be prepared at reasonable cost and omitting proprietary information, by September 30, 2008.

A copy of the Proposal, as well as related correspondence from the Proponent, is attached to this letter as Exhibit A. We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2008 Proxy Materials on the basis described below.

## ANALYSIS

### **I. The Proposal May Be Excluded under Rule 14a-8(i)(7) Because the Proposal Pertains to Pfizer's Ordinary Business Operations.**

The Proposal is properly excludable pursuant to Rule 14a-8(i)(7) because the Proposal pertains to matters of Pfizer's ordinary business operations. In particular, this conclusion is supported by the Staff's concurrences earlier this year and in 2006 that proposals *identical* to the Proposal were excludable under Rule 14a-8(i)(7) on the basis that they pertained to the "evaluation of risk." See *Pfizer Inc.* (avail. Jan. 29, 2007); *Pfizer Inc.* (avail. Jan. 13, 2006); see also *Eli Lilly & Co.* (avail. Jan. 29, 2007); *Merck & Co., Inc.* (avail. Dec. 11, 2006); *Eli Lilly & Co.* (avail. Jan. 11, 2006); *Merck & Co., Inc.* (avail. Jan. 11, 2006) (concurring with the exclusion of proposals essentially identical to the Proposal pursuant to Rule 14a-8(i)(7) because such proposals related to the "evaluation of risk").

According to the Commission's Release accompanying the 1998 amendments to Rule 14a-8, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion. The

first was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not . . . be subject to direct shareholder oversight.” The second consideration related to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

In Staff Legal Bulletin No. 14C (June 28, 2005) (“SLB 14C”), the Staff stated with respect to analyzing proposals that address environmental or public health issues under Rule 14a-8(i)(7), “In determining whether the focus of these proposals is a significant social policy issue [as opposed to ordinary business matters], we consider both the proposal and the supporting statement as a whole.” Moreover, the Staff has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the substance of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983).

Based on this history of Rule 14a-8(i)(7) and for the reasons discussed below, Pfizer believes that the Proposal is excludable under Rule 14a-8(i)(7) because it seeks a report on the risk to Pfizer’s financial stability and business operations of limiting the availability of Pfizer’s products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents. In this regard, Pfizer strongly opposes the importation of foreign prescription drugs on legal and patient safety grounds. Therefore, Pfizer implemented a policy in which it restricts the supply of its products to Canada in order to reduce the illegal importation of prescription drugs to the United States. Such a restriction assists in the distribution of an adequate supply of Pfizer’s products to patients in both Canada and the United States. The Proposal does not request that Pfizer change this policy. Rather, the Proposal seeks a report evaluating “the long-term economic stability of [Pfizer] and . . . the risks of liability to legal claims that arise” from the policy. Thus, the Proposal seeks an assessment of the financial risks arising from Pfizer’s ordinary business operations.

It is well-established that shareholder proposals seeking detailed information on a company’s assessment of the financial implications of aspects of its business operations do not raise significant policy issues and instead delve into the minutiae and details of the ordinary conduct of a company’s business. *See Pfizer Inc.* (avail. Jan. 29, 2007); *Eli Lilly & Co.* (avail. Jan. 29, 2007); *Merck & Co., Inc.* (avail. Dec. 11, 2006) (concurring with the exclusion of proposals essentially identical to the Proposal because such proposals related to the evaluation of risk). These letters are consistent with Staff precedent regarding proposals seeking similar risk evaluations with respect to other issues. In *The Dow Chemical Co.* (avail. Feb. 23, 2005), the Staff concurred that the company could exclude a proposal requesting that the company’s management prepare a report on the risk to “the company, its reputation, its finances and its expansion” from various litigation issues, where the company argued that an assessment of financial risks and operations implicated the company’s ordinary business operations. In its response, the Staff concurred that the proposal was excludable under Rule 14a-8(i)(7) on the

basis that it pertained to the “evaluation of risks and liabilities.” Similarly, in *Newmont Mining Corp.* (avail. Feb. 4, 2004), the Staff concurred that the company could exclude a proposal requesting that the company’s board of directors publish a report on the risk to the company’s “operations, profitability and reputation” arising from its social and environmental liabilities, where the company argued that an assessment of the financial risks of its operations implicated its ordinary business operations. In its response, the Staff noted that the proposal was excludable under Rule 14a-8(i)(7) on the basis that it pertained to the “evaluation of risk.”

Further, in *Pfizer Inc.* (avail. Jan. 24, 2006), the Staff concurred that Pfizer could exclude a proposal that requested the board of directors to report on “the economic effects of HIV/AIDS, Tuberculosis and Malaria pandemics on [the] [c]ompany’s business strategy,” because it called for an evaluation of risks and benefits. See also *The Dow Chemical Co.* (avail. Feb. 13, 2004) (concurring that the company could exclude under Rule 14a-8(i)(7) a proposal requesting a report related to certain toxic substances, including “the reasonable range of projected costs of remediation or liability,” because it related to an “evaluation of risks and liabilities”); *Xcel Energy Inc.* (avail. Apr. 1, 2003) (concurring with the exclusion of a proposal requesting a report disclosing “the economic risks associated with the [c]ompany’s past, present, and future emissions” of several greenhouse gases and “the economic benefits of committing to a substantial reduction of those emissions related to its current business activities,” because it related to an evaluation of risks and benefits); *Cinergy Corp.* (avail. Feb. 5, 2003) (same); *Willamette Industries, Inc.* (avail. Mar. 20, 2001) (permitting the exclusion of a proposal requesting a report on environmental problems, “including an estimate of worst case financial exposure due to environmental issues for the next ten years,” because it related to an evaluation of risk); *The Mead Corp.* (avail. Jan. 31, 2001) (allowing the exclusion of a proposal requesting an economic or financial report on the company’s environmental risks).

The Staff confirmed its position on proposals seeking an assessment of risk in SLB 14C. There, the Staff stated that “[t]o the extent that a proposal and supporting statement focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations . . . we concur with the company’s view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7) as relating to an evaluation of risk.” Although SLB 14C specifically addressed shareholder proposals that reference “environmental or public health issues,” we believe that the same analysis is applicable with respect to the Proposal. Specifically, the Proposal focuses on an assessment of the economic stability (*i.e.*, financial risk) that Pfizer faces as a result of marketing decisions relating to the distribution of its products in Canada.

While at times the Staff has not concurred with companies seeking to exclude shareholder proposals requesting information about business activities that have the potential to be costly, violate future regulations and laws, and/or prompt litigation, those proposals are clearly distinguishable from the Proposal. Two such proposals addressing health care issues have been released since January 29, 2007, when the Staff issued its response to Pfizer regarding

the last identical proposal that the Proponent submitted, but, unlike the Proposal, neither of those proposals sought an explicit evaluation of risk.

In *Ford Motor Co.* (avail. Mar. 1, 2007), shareholders sought to include in the company's proxy materials a proposal requesting a report on the effects of the rising cost of health care on the company. That shareholder proposal, unlike the Proposal, did not specifically request an evaluation of risk, but instead sought only to request that Ford "report on the implications of rising health care expenses and how it [was] positioning itself to address this public policy issue without compromising the health and productivity of its workforce." Similarly, in *Newmont Mining Corp.* (avail. Feb. 5, 2007), the shareholder proposal at issue requested that the company "review and report to shareholders on the potential environmental and public health damage resulting from the company's mining and waste disposal operations in Indonesia." Again, unlike the Proposal, the proposal in *Newmont Mining Corp.* did not specifically request an evaluation of the risk of such activity. Accordingly, the Staff, in both *Ford Motor Co.* and *Newmont Mining Corp.*, did not concur that either proposal could be excluded from the companies' proxy materials.

In summary, the Staff consistently has concurred that shareholder proposals that relate to the evaluation of the economic risks of particular company actions are properly excludable under Rule 14a-8(i)(7). The Proposal does not raise a significant policy issue, but calls for a report on the financial risk of Pfizer's marketing decisions. Therefore, we believe that the Proposal properly may be excluded from the 2008 Proxy Materials under Rule 14a-8(i)(7), and we request that the Staff concur in our conclusion.

## II. Request for Future No-Action Relief

As discussed above, the Proposal represents the latest in a series of three identical proposals that the Proponent has submitted to Pfizer over the past three years. The *only* difference among these proposals has been the deadline for the requested report. The Staff has concurred that each of the prior proposals was excludable under Rule 14a-8(i)(7) on the basis that the proposals pertained to the "evaluation of risk." See *Pfizer Inc.* (avail. Jan. 29, 2007); *Pfizer Inc.* (avail. Jan. 13, 2006). We believe that the continued submission of these proposals is an abuse of the shareholder proposal process and request that the Staff state that the requested no-action relief shall apply to any future submission to Pfizer of the same or similar proposal by the Proponent. Such future relief would be analogous to other situations in which the Staff has been willing to grant future no-action relief.

For many years, the Staff has permitted a company to apply a no-action response to any future submissions of the same or a similar proposal by a proponent in situations where the company can show that a proponent has a history of submitting similar proposals to a company and that history is indicative of a personal claim or grievance within the meaning of Rule 14a-8(i)(4). See, e.g., Staff Legal Bulletin No. 14 (July 13, 2001) ("In rare circumstances,

we may grant forward-looking relief if a company satisfies its burden of demonstrating that the shareholder is abusing rule 14a-8 by continually submitting similar proposals that relate to a particular personal claim or grievance.”). *See also General Electric Co.* (avail. Jan. 12, 2007); *Cabot Corp.* (avail. Nov. 4, 1994); *Texaco, Inc.* (avail. Feb. 15, 1994); *General Electric Co.* (avail. Jan. 25, 1994). In this regard, the Commission has stated that Rule 14a-8(i)(4) was designed to “insure that the security holder proposal process would not be abused by proponents attempting to achieve personal ends that are not necessarily in the common interest of the issuers [sic] shareholders generally,” Exchange Act Release No. 20091 (Aug. 16, 1983), and that the cost and time involved in dealing with a proposal that violates Rule 14a-8(i)(4) is “a disservice to the interests of the issuer and its security holders at large.” Exchange Act Release No. 19135 (Oct. 14, 1982).

While the Staff guidance regarding future no-action relief thus far has been limited to proposals that are excludable under Rule 14a-8(i)(4), we believe that it also should apply in other situations where the Rule 14a-8 process is being abused. In the instant case, the Proponent has submitted identical proposals three years in a row even though the Staff permitted exclusion of the Proposal in each of the first two years. Each time, Pfizer has had to respond to the proposal, requiring an allocation of Pfizer’s resources that is both costly and a disservice to Pfizer and its shareholders. Similarly, the Commission’s Staff has had to expend time and resources responding to these requests for exclusion.

In light of the Proponent’s repeated abuse of the shareholder proposal process, Pfizer respectfully requests the concurrence of the Staff that this letter will be deemed to satisfy Pfizer’s future obligations under Rule 14a-8 with respect to the same or similar proposals submitted by the Proponent and that it will not recommend enforcement action if Pfizer excludes such proposals from all future proxy materials. Obviously, such future no-action relief would not apply in a situation where the Commission or its Staff has announced a change in its position applicable to the Proposal.

### CONCLUSION

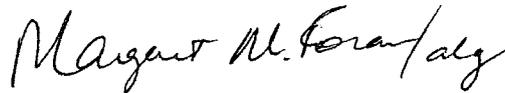
Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Pfizer excludes the Proposal from its 2008 Proxy Materials as well as identical or similar proposals from all future proxy materials. We would be happy to provide you with any additional information and answer any questions that you may have regarding this

Office of the Chief Counsel  
Division of Corporation Finance  
December 3, 2007  
Page 7

subject. Moreover, Pfizer agrees to promptly forward to the Proponent any response from the Staff to this no-action request that the Staff transmits by facsimile to Pfizer only.

If we can be of any further assistance in this matter, please do not hesitate to call me at (212) 733-4802.

Sincerely,



Margaret M. Foran

MMF/ph  
Enclosures

cc: Howard J. Bicker, Executive Director, Minnesota State Board of Investment

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**EXHIBIT A**

MINNESOTA  
STATE  
BOARD OF  
INVESTMENT



Board Members:

Governor  
Tim Pawlenty

State Auditor  
Rebecca Otto

Secretary of State  
Mark Ritchie

Attorney General  
Lori Swanson

Executive Director:

Howard J. Bicker

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An Equal Opportunity  
Employer



October 19, 2007

Ms. Margaret M. Foran  
Sr. Vice President-Corporate Governance,  
Associate General Counsel and Corporate Secretary  
Pfizer, Inc.  
235 East 42<sup>nd</sup> St.  
New York, NY 10017-5755

Dear Ms. Foran:

The Minnesota State Board of Investment (MSBI) has asked me to notify you of our intention to sponsor the enclosed proposal for consideration and approval of stockholders at the next annual meeting. I submit it to you in accordance with the general rules and regulations under Rule 14a-8 of the Securities Exchange Act of 1934 and ask that our name be included in your proxy statements.

The enclosed letter from State Street Bank and Trust Company of Boston asserts the Board's ownership, for more than a year, of your outstanding shares.

Under current policies affecting MSBI portfolio, the MSBI will continue to hold shares in your company through the date of the 2008 Annual Meeting.

Sincerely,

A handwritten signature in cursive script that reads "Howard J. Bicker".

Howard J. Bicker  
Executive Director

HJB:dfg

WHEREAS, current business practices of the company have resulted in a pricing structure that charges United States customers significantly higher prices for the same prescription medicines made available at significantly lower prices in Canada, other developed countries and world markets; and

WHEREAS, governmental agencies and individuals in the United States are demanding affordable drug prices and are taking actions to access lower priced products from Canada and other world markets; and

WHEREAS, according to published reports, the company has cut supplies of its medicines to Canadian wholesalers and companies that it claims allowed its product to be sold to Americans seeking lower prices available in the Canadian market; and

WHEREAS, according to published reports, the company's actions have resulted in lawsuits and threatened lawsuits; and

WHEREAS, the company's actions to limit supply of medicines in Canada may violate local, national and international laws and could result in large settlements, large awards of damages and potential punitive damages which would negatively impact the economic stability of the company and the value of its shares.

Resolved:

Shareholders request the Board of Directors to prepare a report on the effects on the long-term economic stability of the company and on the risks of liability to legal claims that arise from the company's policy of limiting the availability of the company's products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents. The report should be prepared at reasonable cost and omitting proprietary information, by September 30, 2008.

#### **SUPPORTING STATEMENT**

We urge shareholders to vote **FOR** this proposal.

258 words



**STATE STREET.**  
*Serving Institutional Investors Worldwide*

P.O. Box 351  
Boston, Massachusetts 02101

October 19, 2007

RE: Minnesota State Board of Investment

To Whom It May Concern:

This letter is to advise you that the above-referenced account has held a minimum of 8,362,496 shares of Pfizer Inc., continuously over a year, in the nominee name of Cede & Company.

Sincerely,

Catherine Fong  
Assistant Vice President  
State Street Corporation  
IIS-Public Funds FIS Division