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December 18, 2015

BY ELECTRONIC MAIL TO SHAREHOLDERPROPOSALS@SEC.GOV

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: ITT Corporation - Shareholder Proposal Submitted by Jonathan Kalodimos

Ladies and Gentlemen:

This letter and the enclosed materials are submitted by ITT Corporation, an Indiana corporation (the "*Company*"), to request confirmation from the staff of the Division of Corporation Finance (the "*Staff*") that it will not recommend enforcement action to the U.S. Securities and Exchange Commission (the "*Commission*") if the Company excludes the shareholder proposal described herein (the "*Proposal*") submitted by Jonathan Kalodimos, Ph.D. (the "*Proponent*"), from the proxy materials for its 2016 Annual Meeting of Shareholders. For the reasons set forth below, the Company intends to exclude the Proposal from its proxy materials in reliance on Rules 14a-8(i)(7), 14a-8(i)(13), 14a-8(i)(1), and 14a-8(i)(3) under the Securities Exchange Act of 1934. A copy of the Proposal, which requests that the Company adopt and issue a general payout policy that gives preference to share repurchases relative to cash dividends, and the cover letter to the Proposal are attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j) we are simultaneously sending a copy of this letter and its attachment to the Proponent as notice of the Company's intent to omit the Proposal from its 2016 proxy materials. Likewise, we take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be provided concurrently to the undersigned.

THE PROPOSAL

The Proposal provides in pertinent part:

Resolved: Shareholders of ITT Corporation ask the board of directors to adopt and issue a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders. If a general payout policy currently exists, we ask that it be amended appropriately.

BACKGROUND

The Proposal relates to the manner in which the Company returns capital to its shareholders through dividends and share repurchases. The Company's board of directors currently declares dividends that are payable on April 1, July 1, October 1 and December 31 of each year. As disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, the amount and timing of dividends are determined in the sole discretion of the Company's board of directors based on its evaluation of a number of factors relating to the Company's financial performance, liquidity and capital plans. *See* ITT Corporation, Annual Report on Form 10-K for the Year Ended December 31, 2014 (Feb. 20, 2015) at 25. The Company also regularly repurchases shares under its 2006 Share Repurchase Program. *See id.* The Company's strategy for cash flow utilization is "to invest in our business, execute strategic acquisitions, pay dividends and repurchase common stock." *Id.*

BASES FOR EXCLUSION

The Company respectfully requests that the Staff concur in its view that the Proposal may be excluded from the Company's 2016 proxy materials pursuant to Rules 14a-8(i)(7), 14a-8(i)(13), 14a-8(i)(1), and 14a-8(i)(3) under the Securities Exchange Act of 1934.

ANALYSIS

I. The Proposal may be excluded under 14a-8(i)(7) because the Proposal relates to the ordinary business operations of the Company.

Rule 14a-8(i)(7) permits a company to exclude shareholder proposals which concern the ordinary business operations of the company. The policy underlying this 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." *Amendments to Rules on Shareholder Proposals*, SEC Release No. 34-40018 (May 21, 1998). In this release, the Commission noted that this exclusion is determined by assessing two "central considerations." These considerations are (i) whether the proposal concerns "tasks [which] are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight," and (ii) "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 . . . would not be in a position to make an informed judgment." The Proposal implicates both of these considerations.

A determination of the manner and amount of capital to be returned to shareholders, whether through share repurchases or dividends, is inherently fact-specific and rooted in the day-to-day business of a company. These determinations are based on consideration of, among other factors, current and expected levels of financial performance and liquidity, the trading prices and volatility of a company's shares, current and expected interest rates, the availability of alternative sources of capital and potential competing uses of capital, including reinvestment in current lines of business, research and development, funding expansion or pursuing acquisitions, the ability to legally repurchase shares under applicable insider trading and market manipulation laws and other factors the board of directors deems relevant. In turn, each potential competing use of capital requires an analysis of the business environment, competitive conditions, economic trends, tax consequences and regulatory developments, among other factors. These decisions require careful review of the projected benefits and risks of potential courses of action and consultation among directors, executives and employees and with financial, legal, accounting and other advisors. If adopted, the Proposal would short-circuit this deliberative process by substituting a general directive for the judgment and analysis of the Company's board of directors and management.

Granting the Company's request to exclude the Proposal would be consistent with the Staff's application of Rule 14a-8(i)(7) to proposals that seek to restrict the methods by which a company returns capital to its shareholders through dividends. In *Pfizer* (Feb. 4, 2005), the Staff granted a request to exclude a proposal which would have required the company to issue dividends rather than begin a share repurchase program. Similarly, in *M&F Worldwide* (Mar. 29, 2000) the Staff granted a request to exclude a proposal to establish a special committee to consider and implement actions designed to enhance shareholder value, including but not limited to repurchasing shares and paying cash dividends, even though the proposal did not specify the actions that the special committee or board of directors would be required to take. Additionally, in *Pfizer* (Feb. 7, 2003), the Staff granted a request to exclude under Rule 14a-8(i)(7) a proposal which would have limited share repurchases to either the previous year's net income or common stock dividend. The Staff has also permitted the exclusion of a proposal which would have required the chief financial officer, chief executive officer and board of directors to meet quarterly to set parameters governing potential share repurchases. *Apple Computer, Inc.* (Mar. 3, 2003).

By contrast to proposals that advocate specific determinations regarding dividends, shareholder proposals that address dividends generally are not excludable. *See Adoption of Amendments Relating to Proposals by Security Holders*, SEC Release No. 34-12999 (Nov. 12, 1976). However, because the Proposal, if implemented, would require the Company to adjust the method and procedure that it currently utilizes to make dividend payments, it is distinguishable from instances where the Staff has denied requests to exclude proposals that address dividends generally. For example, in *General Electric Company* (Jan. 10, 2012) and *Exxon Mobil* (Mar. 19, 2007) the Staff denied requests to exclude proposals that requested that the board of directors consider general changes to their dividend practices. In both cases, the proposals did not require the board of directors to take any specific actions in changing their actual distribution of capital. By contrast, the Proposal, if implemented, would require the Company's board of directors to prioritize the repurchase of shares over the payment of dividends. As described below, the practical application of this prioritization would require the Company to institute a prescribed policy for effecting share repurchases, make adjustments to the method or procedure of carrying out its established practice of paying regular dividends, or both.[1]

Although the Proposal is silent with respect to the frequency with which compliance with such a policy would be evaluated, faithful application of the Proposal would require a quarterly evaluation in light of the Company's established dividend practice. This, in turn, would require that the Company conduct share repurchases on a quarterly basis regardless of market conditions or other factors that the Company normally would consider in determining the timing and amount of shares to be repurchased.[2] Further, the Company's practice of making dividend payments on April 1, July 1, October 1 and December 31 would skew application of the policy by imposing share repurchase quotas at the beginning of the second, third and fourth quarter, with no repurchase obligation in the first quarter and a doubled repurchase obligation in the fourth quarter.[3] The Staff has a longstanding and consistent record of permitting the exclusion of proposals under Rule 14a-8(i)(7) that would similarly prescribe the amount, timing, manner and other mechanics of share repurchase programs. In addition to relating to the ordinary business operations of the company, the Proposal and many of these precedents prescribe policies or procedures that would have the effect of micromanaging corporate share repurchase programs. *See* Citigroup Inc. (Jan. 24., 2014) (permitting exclusion of a proposal relating to the implementation and particular terms of a share repurchase program); *Inland American Real Estate Trust, Inc.* (Sept. 3, 2013) (permitting exclusion of a proposal relating to the implementation and particular terms of a share repurchase program); *Fauquier Bankshares, Inc.* (Feb. 21, 2012) (permitting exclusion of a proposal requesting annual share repurchases commensurate to shares issued to company insiders); *Vishay Intertechnology* (Mar. 23, 2009) (permitting exclusion of a proposal requiring repurchase of a class of shares in exchange for common stock); *Ryerson Inc*. (Apr. 6, 2007) (permitting exclusion of a proposal which would require a vote on whether to implement a repurchase under certain market circumstances); *Medstone Intl. Inc.* (May 1, 2003) (permitting exclusion of a proposal which would require the repurchase of 1 million common shares under certain circumstances); *Lucent Technologies* (Nov. 16, 2000) (permitting exclusion of a proposal which would require a share repurchase); *see also LTV Corp* (Feb. 7, 2000); *Ford Motor Company (Adamian)* (Mar. 28, 2000); *Ford Motor*

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[1] The Proposal does not request that the Company eliminate its current dividend. If the proposal made such a request, the Proposal would be excludable under Rule 14a-8(i)(13) as specifying a dividend amount, *i.e.*, zero. *See Ford Motor Company* (Jan. 24, 2001).

[2] If the policy requested by the Proposal is not read to require that share repurchases exceed dividends on a quarterly basis, it is not clear what exactly it would require. The Company believes that such an alternative reading of the Proposal would result in a construction that is inherently vague to the extent that the Proposal would be excludable under Rule 14a8-(i)(3). *See* Section IV, *infra.*

[3] In 2015, such quotas would have been approximately $11.0 million, $10.6 million and $21.2 million in the second, third and fourth quarters, respectively.

Company (Mar. 26, 1999); *Food Lion, Inc.* (Feb. 22, 1996); *American Recreation Centers, Inc*. (Dec. 18, 1996); *Clothestime Inc.* (Mar. 13, 1991); *Research-Cottrell, Inc.* (Dec. 31, 1986). As these precedents illustrate, shareholders are particularly ill-suited to make informed judgments regarding share repurchase programs. In this regard, proper execution of a share repurchase program requires not only consideration of the factors referenced above, but also consideration of and compliance with securities regulations designed to prevent insider trading and market manipulation.

It may be possible for the Company to adjust its dividend practices in order to ameliorate some of the effects of the share repurchases that the Proposal would require, such as paying dividends on the last date of each quarter or paying dividends annually on the last day of the fiscal year. However, changes to this effect would require the Company to adjust the method and procedure for paying dividends, which the Staff has indicated would make a proposal subject to exclusion under Rule 14a-8(i)(7). *See, e.g.*, *General Electric Company* (Jan. 10, 2012) (noting that a proposal relating to dividends generally was not subject to exclusion because it did not concern the form, method, procedure or amount of dividends). Accordingly, the Company believes that evaluation of the Proposal's requirements with respect to the share repurchase mechanics should not assume changes to the Company's dividend program that potentially could reduce the burdens imposed by the Proposal. To the extent that such a construction is necessary to prevent the Proposal from being excludable under Rule 14a-8(i)(7), the resulting changes would represent a further intrusion into the ordinary business operations of the Company. In this regard, the Proposal would seek to micromanage not only the Company's share repurchase program, but also the application of its current practices regarding the method and procedure for paying dividends in a manner that would permit the Proposal to be excluded under Rule 14a-8(i)(7).

II. The Proposal may be excluded under Rule 14a-8(i)(13) because the proposal relates to the specific amount of a dividend.

Rule 14a-8(i)(13) permits a company to exclude a proposal which sets a specific amount or method of calculation for a dividend. The Staff has concurred in the view that Rule 14a-8(i)(13) may be used to exclude proposals which set dividends to the amount spent on share repurchases. *International Business Machines Corp* (Jan. 4, 2011) (permitting exclusion of a proposal which would require a quarterly special dividend equal to the amount spent on repurchases in the same quarter); *see also HomeTrust Bancshares, Inc.* (Aug. 31, 2015) (permitting exclusion of a proposal which would require the company to pay 50% of after-tax profits out in a dividend for five years); *General Electric Company* (Dec. 21, 2010) (permitting exclusion of a proposal which would require a special dividend near the amount previously authorized for repurchases in lieu of repurchases, and an increase in dividends commensurate with increases in earnings).

By requiring that repurchases be given "preference" relative to dividends, the Proposal would accomplish indirectly what the *International Business Machines Corp.* proposal sought to do directly, namely, require a specific level of dividends relative to share repurchases. Here, the specific amount of dividends requested is the amount, that when accumulated for a specific period, is less than the Company's aggregate share repurchases for the corresponding period.

The Staff has permitted the exclusion of similar proposals under Rule 14a-8(i)(13). *See Merck & Co., Inc.* (Jan. 30, 2014) (permitting exclusion of a proposal requesting the issuance of a new security that would not receive any dividends); *Ford Motor Company* (Jan. 24, 2001) (permitting exclusion of a proposal that would have required that "the company buyback its shares with excess earnings rather than payout dividends to shareholders, effectively setting the amount of dividends paid at zero"); *see also Eastman Chemical Company* (Mar. 8, 2000) (permitting exclusion under Rule 14a-8(i)(13) of a proposal which would require the company to issue stock dividends instead of cash dividends); *National Mine Service Co.* (Sept. 3, 1981) (permitting exclusion under Rule 14a-8(i)(13) of a proposal which would require that the company not issue any dividends for the fiscal year).

Thus, the Staff has previously agreed with the application of Rule 14a-8(i)(13) to exclude proposals that would mechanically link the payment of dividends to the amount of share repurchases or eliminate dividend payments altogether in favor of share repurchases. Explicit equations for determining dividends - including those that tie dividends to share repurchases, or eliminate them altogether - have been and should continue to be excludable under Rule 14a-8(i)(13). Because the Proposal would establish a de facto equation for determining future dividend payments by effectively requiring that the Company's aggregate share repurchases exceed cumulative dividends in order to be faithful to the proposed payout policy, the Proposal should be excludable under Rule 14a-8(i)(13).

III. The Proposal may be excluded under Rule 14a-8(i)(1) because it is on a matter which is not a proper subject for action by shareholders.

Rule 14a-8(i)(1) permits the exclusion of a shareholder proposal that "is not a proper subject for action by shareholders under the jurisdiction of the company's organization." A proposal is not a proper subject within the meaning of Rule 14a-8(i)(1) "to the extent that they would intrude on the board's exclusive discretionary authority under the applicable state law to make decisions on dividends." *Adoption of Amendments Relating to Proposals by Security Holders*, SEC Release No. 34-12999 (Nov. 12, 1976).

Section 23-1-33-1(b) of the Indiana Business Corporation Law specifically provides that "[a]ll corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, its board of directors, subject to any limitation set forth in the articles of incorporation." The Company's articles of incorporation contain no such limitation and Section 2.1 of the Company's bylaws provide that the "business and affairs of the Corporation shall be managed by or under the direction of the Board." The Indiana Business Corporation Law further provides that the "board of directors may authorize and the corporation may make distributions to its shareholders . . . ." Ind. Code § 23-1-28-1. There is no other provision of the Indiana Business Corporation Law or the Company's articles of incorporation or bylaws that would provide shareholders with the authority to implement a policy overriding the board's judgment with respect to whether or the manner in which capital is to be returned to shareholders through share repurchases or dividends or, subject to the satisfaction of statutory solvency requirements, circumscribing the authority of the board of directors to declare dividends.

The Staff has typically concurred in the view that proposals that would direct or mandate an action by a company's board of directors, including with respect to dividends and capital structure, is generally inconsistent with the discretionary authority reserved to boards of directors under state corporate law and therefore subject to exclusion under Rule 14a-8(i)(1). *See MGM Mirage* (Feb. 6, 2008) (permitting exclusion under Rule 14a-8(i)(1) of a proposal which would require that the board study and issue dividends); *Cisco Systems, Inc.* (July 29, 2005) (permitting exclusion of a proposal mandating that the board commence paying dividends); *Drexler Technology Corporation* (Aug. 23, 2001) (permitting exclusion of a proposal regarding the policy of paying dividends); *see also The First Bancorp, Inc.* (Feb. 25, 2010) (permitting exclusion under Rule 14a-8(i)(1) of a proposal which would reduce the total number of shares the board can issue). If adopted, the Proposal would require the Company to adopt a policy giving preference to share repurchases over dividends. Such a policy would interfere with determinations that Indiana corporate law and the Company's organizational documents leave to the board of directors, specifically the ability to make decisions with respect to whether and the manner in which to return capital to shareholders through share repurchases, and restricting dividends to the extent they do not exceed share repurchases for a particular period.

On the basis of the authority set forth above, it is my opinion that the Proposal is a mandate that the Company's board of directors take a specific action and, therefore, is not a proper subject for shareholder action under Indiana law. Accordingly, the Proposal may be excluded pursuant to Rule 14a-8(i)(1). This paragraph of this letter shall serve as the supporting opinion of counsel pursuant to Rule 14a-8(j)(2)(iii). In reaching this opinion, it should be noted that although I am familiar with the corporate law of the State of Indiana, I am not admitted to practice law in that State.

IV. The Proposal may be excluded under Rule 14a-8(i)(3) because the proposal contains misleading statements such that inclusion of the proposal would violate Rule 14a-9.

A company is not permitted, under Rule 14a-9, to include in a proxy statement any solicitation which is so inherently vague or indefinite that neither the shareholders voting on the proposal, nor the issuer in implementing the proposal, would be able to determine with any reasonable certainty what actions or measures the proposal requires.

This Proposal is vague and indefinite insofar as it sustains two distinct readings. The first reading, which would mean a faithful application of the "preference" for share repurchases and therefore that the company must conduct share repurchases in a specified manner and that any dividend would be capped to the amount of the share repurchase, is excludable under the rules described above. Such a proposal would intrude into the Company's ordinary business operations and the authority of the board of directors with respect to the timing, manner and mechanics under which capital may be returned to shareholders.

Alternatively, if the Proposal is not read to impose requirements on the mechanics of share repurchases and the method, procedure and amount of dividends, it is unclear what exactly the Proposal requires. Other than the interpretation discussed above, the Company does not understand, and it seems improbable that its shareholder would understand, what "preference" for repurchases would mean practically in application. In *Citigroup* (Mar. 12, 2013), the Staff permitted exclusion under Rule 14a-8(i)(3) of a shareholder proposal which would require that a committee be appointed to explore extraordinary transactions which could enhance shareholder value, noting that "in applying this particular proposal to Citigroup, neither shareholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Similarly, if this Proposal does not restrict the board's discretion by establishing a de facto quota for share repurchases, which should result in the exclusion of the Proposal under Rule 14a-8(i)(7), and dividend cap, which should result in the exclusion of the Proposal under either Rule 14a-8(i)(13) or 14a-8(i)(1) as outlined above, the Proposal is inscrutable as to what it seeks to accomplish.

Furthermore, it is unclear as to how the board should analyze the Company's share repurchases and dividends for purposes of giving effect to the policy. The Proposal does not provide a timeframe in which to compare the relative amounts spent on share repurchases and dividends. Shareholders voting on the Proposal will not know whether it allows the board to implement a share repurchase plan in one year and then issue dividends within some subsequent years, or whether it will require the board to perform this analysis periodically, such that the board could never issue a dividend unless it implemented a corresponding, larger share repurchase in the same quarter. Although the Company believes a faithful reading of the Proposal in light of its current dividend practices would require that this analysis to be conducted on a quarterly basis, its shareholders could reasonably have another view.

As a result of the confusion engendered by the Proposal's imprecision, if the Staff does not permit the exclusion of the Proposal under one of the bases of exclusion referenced above, the Company should be permitted to exclude the Proposal under Rule 14a-8(i)(3).

CONCLUSION

For the reasons set forth above, we respectfully request that the Staff confirm that it will not recommend enforcement action to the Commission if the Company excludes the Proposal and the supporting statement from the proxy materials for its 2016 Annual Meeting of Shareholders in reliance on Rules 14a-8(i)(7), 14a-8(i)(13), 14a-8(i)(1) and 14a-8(i)(3). Please note that the Company expects to submit its proxy materials for printing no later than March 27, 2016; consequently the Company respectfully requests a response from the Staff prior to such date.

If you have any questions regarding this request or desire additional information, please contact the undersigned.

Very truly yours,

Lori Marino

Lori B. Marino

Enclosure

cc: Jonathan Kalodimos

David B.H. Martin, Covington & Burling LLP
Matthew C. Franker, Covington & Burling LLP

Exhibit A

Cover Letter and Proposal

10/23/2015

Corporate Secretary
ITT Corporation
1133 Westchester Avenue
White Plains, NY 10604

Corporate Secretary-

I am submitting a shareholder proposal in accordance with Rule 14a-8 to be voted upon at the next annual meeting of shareholders. As part of this submission I have included the proposal to appear in the next definitive proxy statement as well as a letter of ownership from TD Ameritrade confirming that I have continuously held a sufficient number of shares for more than one year to qualify for a proposal to be placed on the definitive proxy statement. I also hereby give notice that I intend to hold the aforementioned shares until after the date of the next annual meeting of shareholders and intend to have the proposal properly presented at the meeting.

If for any reason you need further information from me or would like to discuss my proposal, please contact me using the following information.

Jonathan Kalodimos, PhD

*** FISMA & OMB Memorandum M-07-16 ***

Sincerely,

Jonathan Kalodimos, PhD

Resolved: Shareholders of ITT Corporation ask the board of directors to adopt and issue a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders. If a general payout policy currently exists, we ask that it be amended appropriately.

Supporting statement: Share repurchases as a method to return capital to shareholders have distinct advantages relative to dividends. Share repurchases should be preferred for the following reasons:

1) Financial flexibility. Four professors from Duke University and Cornell University studied executives' decisions to pay dividends or make repurchases by surveying hundreds of executives of public companies. They found that "maintaining the dividend level is on par with investment decisions, while repurchases are made out of the residual cash flow after investment spending."[1] Further, in follow up interviews as part of the study, executives "state[d] that they would pass up some positive net present value (NPV) investment projects before cutting dividends." The creation of long-term value is of paramount importance; I believe that repurchases have the distinct advantage that they do not create an incentive to forgo long-term value enhancing projects in order to preserve a historic dividend level.
2) Tax efficiency. Share repurchases have been described in the Wall Street Journal[2] as "akin to dividends, but without the tax bite for shareholders." The distribution of a dividend may automatically trigger a tax liability for some shareholders. The repurchase of shares does not necessarily trigger that automatic tax liability and therefore gives a shareholder the flexibility to choose when the tax liability is incurred. Shareholders who desire cash flow can choose to sell shares and pay taxes as appropriate. (This proposal does not constitute tax advice.)
3) Market acceptance. Some may believe that slowing the growth rate or reducing the level of dividends would result in a negative stock market reaction. However, a study published in the Journal of Finance finds that the market response to cutting dividends by companies that were also share repurchasers was not statistically distinguishable from zero.[3] I believe this study provides evidence that there is market acceptance that repurchases are valid substitutes for dividends.

Some may worry that share repurchases could be used to prop up metrics that factor into the compensation of executives. I believe that any such concern should not interfere with the choice of optimal payout mechanism because compensation packages can be designed such that metrics are adjusted to account for share repurchases.

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[1]http://www.sciencedirect.com/science/article/pii/S0304405X05000528
[2]http://www.wsj.com/articles/companies-stock-buybacks-help-buoy-the-market-1410823441
[3]http://www.afajof.org/details/journalArticle/2893861/Dividends-Share-Repurchases-and-the-Substitution-Hypothesis.html

In summary, I strongly believe that adopting a general payout policy that gives preference to share repurchases would enhance long-term value creation. I urge shareholders to vote FOR this proposal.