



Christiana Wood, CFA
Senior Investment Officer, Global Equity
P.O. Box 2749
Sacramento, CA 95812-2749
Telecommunications Device for the Deaf - (916) 326-3240
(916) 795-3400

November 22, 2005

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

RE: SEC Guidance Regarding Client Commission Practices, File No. S7-09-05

Dear Mr. Katz

I am writing to you on behalf of the Board of Administration, California Public Employees' Retirement System (CalPERS). CalPERS is the largest public pension system in the U.S., with approximately \$196 billion in assets.

CalPERS supports all efforts by the Commission to clarify and define rules as they relate to client commission practices under Section 28(e) of the Securities Exchange Act of 1934. As we understand the proposed clarifications, they appear to be in line with current industry practices and are not a surprise to the investment managers we surveyed.

CalPERS is particularly interested in guidance and rules on investment managers' reporting requirements to clients, which the Interpretive Release did not fully address. We would support requiring managers to describe how specific soft dollar fees paid to brokerage firms were a benefit to the client and if there were additional costs to transactions due to soft dollars. Setting a standard practice for investment managers' reporting to clients, including addressing the frequency and content of this reporting, would also be useful in analyzing the costs and benefits of soft dollars to the client.

In summary, the proposed interpretation represents improved transparency and we compliment the Commission for taking the appropriate steps toward improving clarity regarding client commission practices. We support the SEC's efforts and hope that our comments can be helpful.

Mr. Jonathan G. Katz
November 22, 2005
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'CW', enclosed in a light gray rectangular box.

Christiana Wood
Senior Investment Officer – CalPERS

cc: CalPERS Board of Administration
Fred Buenrostro, Chief Executive Officer – CalPERS