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April 10, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Re: Executive Compensation and Related Party Disclosure, Release Nos. 33-8655; 34-53185; IC-27218

File No. S7-03-06

Dear Ms. Morris:

Deloitte & Touche LLP is pleased to respond to the Securities and Exchange Commission's (the "Commission") request for comments on its proposed rule *Executive Compensation and Related Party Disclosure*, Release Nos. 33-8655, 34-53185 and IC-27218 (the "Rule Proposal").

I. Introduction

We strongly support the Commission's efforts to improve the disclosure of executive and director compensation, related party transactions, director independence and other corporate governance matters, and security ownership of officers and directors. We believe that clear and complete disclosures will be beneficial to investors in understanding and assessing executive compensation and the other related party matters. However, we believe it would be most useful to present the disclosures related to stock based compensation consistently with how these items are reported in the financial statements instead of on two different bases as proposed in the Rule Proposal. In addition, we believe that certain proposed disclosures of pensions and postretirement benefits should be clarified. Our specific comments and recommendations are summarized below.

II. Comments and Recommendations

1. Stock awards and Option awards

In the Rule Proposal, stock based awards would be valued consistently with FASB Statement No. 123 (Revised), *Share-based payment* (SFAS 123(R)). However, in the Summary Compensation Table required by the Rule Proposal, the entire fair value of an award would be presented as compensation in the year in which the grant is made, whereas SFAS 123(R) requires that the expense be recorded over the vesting period. We concur with the approach of utilizing the guidance in SFAS 123(R) to derive the fair value of these awards; however, we are concerned that the disclosure of the entire award as compensation in the year of grant in the proxy, as opposed to recording only the vested portion of the award as compensation expense in the financial statements would make it difficult for analysts and investors to analyze compensation for top executives. To maintain consistency between the compensation tables and financial reporting, we believe that the amount of compensation for equity-based awards that is presented in the compensation tables in any given year should follow the same methodology that is used for financial reporting purposes.

The current proposal to include the entire grant date fair value of a stock based award in the year the award is granted is also inconsistent with the presentation of cash awards in the Summary Compensation Table, where cash paid for salary and bonuses would be disclosed as compensation in the year earned, as opposed to the year the amount is approved. Accordingly, a multi-year cash bonus that vests over time would be treated differently in the Summary Compensation Table than a multi-year stock award that had identical grant date value and vesting provisions. We believe that the use of different attribution models solely due to the form of the award may decrease the clarity and value of the proposed disclosures to investors. Additional differences between the Summary Compensation table and the financial statements could occur in instances where previously granted equity-based awards are modified. In such instances, the Summary Compensation Table would include the full fair value of any awards modified in the past year, despite the fact that the award had already been disclosed at its grant date value in a previous year. We believe that this could lead investors to believe that the entire modified award was incremental compensation, when in reality only the increase in the value of the modified award over the original award would represent compensation not previously reported.

Finally, because the proposed proxy rules would require disclosure of stock-based awards that may never vest, we recommend that the SEC provide guidance on how to treat the forfeiture of awards disclosed as compensation in prior proxy filings.

2. Pension and Retirement Benefits

In the Rule Proposal, the Summary Compensation Table requires disclosure of amounts related to the aggregate increase in “actuarial value” of defined benefit and “actuarial plans” accrued during the registrant’s fiscal year. We believe that the terms “actuarial value” and “actuarial plans” are unclear and should be clarified and specifically defined in the final rules since these terms could be subject to interpretation.

The Rule Proposal requires disclosure for all plans that provide for “the payment of retirement benefits, or benefits that will be paid primarily following retirement, including but not limited to

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tax-qualified defined benefit plans and supplemental employee retirement plans". We believe it is unclear whether postretirement healthcare benefits covered by the scope of FASB Statement No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*, are included in the proposed disclosure requirements. It is also not clear whether a cash balance plan that routinely pays out a lump sum at separation from service would be defined as a "retirement benefit". Our interpretation is that the cost of these benefits should be included in the disclosures. We recommend that the final rules and related instructions clearly specify whether these types of plans are included or excluded in the required disclosures.

Depending on the definition of "actuarial value", it is likely that the amount included in the Summary Compensation Table will differ from the expense related to the individual recorded by the registrant in its financial statements. We believe that registrants should include appropriate disclosure to allow investors to better understand the reasons for the differences between these amounts.

We appreciate the opportunity to comment on the Rule Proposal. We are pleased to discuss these comments with you at your convenience. If you have any questions, please contact Jim Schnurr at (203) 761-3539 or Christine Davine at (202) 879-4905.

Very truly yours,

/s/ Deloitte & Touche LLP