

# Automotive Chauffeurs, Parts, Garage and Airline Employees LOCAL UNION NO. 926

*Affiliated with the International Brotherhood of Teamsters and the Joint Council of Teamsters No. 40*

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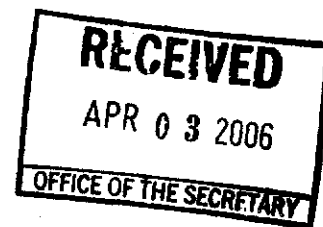
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March 28, 2006

Nancy M. Morris  
Secretary  
Securities & Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549



By Post & by email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File Number S7-03-06

Dear Ms. Morris:

As a Trustee of Western PA Teamsters & Employers Welfare Fund, representing 9800 participants, I strongly support the Securities & Exchange Commission's proposed rule to improve the clarity and transparency of executive compensation. Currently, disclosure requirements do not give investors the necessary data to accurately assess total executive compensation packages. That is why, under the current regime, CEO pay has become excessive and not tied to performance.

I strongly support requiring:

- Companies to disclose a "Grand Total" compensation figure;
- The grant date value of stock awards to be included in the total;
- Pension Benefit accruals be disclosed and reported in the total;
- Disclosure of the actuarial value of all accrued pension benefits;
- The use of plain English in disclosing and describing executive compensation;
- Disclosure of the dollar value of "golden parachutes," including tax gross-ups;
- Compensation Committees (or their equivalents) consists of independent directors.

Further, the proposed rule as outlined by the SEC leaves room for improvement.

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The full disclosure of executive compensation should be filed under Sarbanes-Oxley requirements, rather than "furnished." This would encourage greater compliance with the rule while encouraging boards to demand their independence from the management they are supposed to oversee.

The SEC rules should require publicly traded corporations to disclose the qualitative and quantitative performance metrics and numerical targets when established. To the extent that forward-looking disclosure would put the Company at a competitive disadvantage, such disclosure should be made retroactively, after the conclusion of the performance period.

The Sec rules should require corporate management to clearly define their respective peer groups, and how the performance of their peers is used in setting performance benchmarks.

The SEC rules should require that an estimate of the value of performance-vesting equity grants be included in the grand total, rather than the value on the vesting date.

The total costs of all perks-including depreciation costs-should be required by the SEC rules to be disclosed. Alternatively, the company should be required to disclose the equivalent market value of all perks.

Further, the proposed rule should eliminate the \$10,000.00 perk threshold for directors. Barring outright elimination of the threshold, the threshold should be significantly lowered.

The SEC proposed rule should reject an increase in the reporting threshold for directors' related party transactions from \$60,000.00 to \$120,000.00. The SEC proposed rule should retain the five-year stock performance graph. It is a useful tool for peer group comparison. The expense of maintaining the graph, especially as we move towards electronic disclosure is *de minimus*, while investors find it valuable.

Unfortunately, over the last decade, we have seen too many poorly designed executive compensation packages which reward decisions that are detrimental to the long-term interests of companies, their shareholders and employees. These excessive pay packages take money out of the pockets of shareholders, including the retirement savings of America's working families, including Teamster beneficiaries of my fund.

For these reasons, I urge the SEC to adopt strong executive pay disclosure rules as soon as possible.

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Western PA Teamsters & Employers Welfare Fund

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. M. Byrnes".

Charles M. Byrnes

Chairman Trustee

Western PA Teamsters & Employers Welfare Fund

625 Stanwix Street, Suite 1804

Pittsburgh, Pa. 15222

Email: [charlie@teamsters926.org](mailto:charlie@teamsters926.org)

cc: Carin Zelenko – IBT  
File