

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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May 11, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Internet Availability of Proxy Materials
(Release No. 34-52926; File No. S7-10-05)

Dear Ms. Morris:

The U.S. Chamber of Commerce is the largest business federation in the world, representing the interests of some three million companies of every size and industry. We appreciate the opportunity to comment on the proposed rule, *Internet Availability of Proxy Materials* (the “Proposed Rule”). The Chamber strongly supports the SEC’s goals of increasing investor participation in corporate governance. We also support using technology to improve information for shareholders while decreasing costs for companies. We believe that the SEC should be highly commended for making these matters a priority.

The Proposed Rule would provide an alternative method for issuers and other persons to distribute proxy materials by posting them on an Internet Web site. This alternative method includes the proposed “notice and access” model which requires the issuer to send a notice to shareholders—the “Notice of Internet Availability of Proxy Materials”—at least 30 days before the meeting or date of the votes, consents, or authorizations.

Ms. Nancy M. Morris
May 11, 2006
Page 2

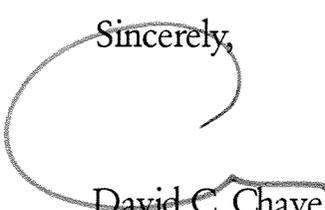
While we strongly support the SEC's goals in this area, we offer a note of caution on the Proposed Rule. We are concerned that by defaulting to an "opt-out" standard for participation in electronic transmission, the use of the information and participation of individual shareholders will decrease. In addition, the Proposed Rule would require shareholders to contact each company where they hold shares via phone or e-mail to select an alternative delivery method. This would create a significant burden on an individual shareholder's time.

Fundamentally, we believe that the "notice and access model" would have the unintended effect of further increasing the influence and leverage of active voters of blocs of shares, who may or may not have the same interests as the larger community of shareholders.

We would encourage the SEC to pursue a means for using technology and the Internet for proxy material distribution that would provide multiple means of access for individual shareholders and ultimately increase their participation in the voting process.

We appreciate the opportunity to comment on the Proposed Rule and would welcome any questions the Commission may have.

Sincerely,



David C. Chavern
Vice President
Capital Markets Programs

cc: Chairman Christopher Cox
Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Cynthia A. Glassman
Commissioner Annette L. Nazareth