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INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

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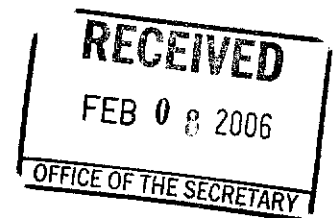


C. THOMAS KEEGEL
General Secretary-Treasurer

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February 2, 2006

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



RE: Internet Availability of Proxy Materials (File Number S7-10-05)

Dear Secretary Katz:

On behalf of the 1.4 million active and 600,000 retired members of the International Brotherhood of Teamsters (IBT), I herein submit comments on the Securities and Exchange Commission's (SEC) proposed alternative method for furnishing proxy materials to shareholders, "Internet Availability of Proxy Materials - File Number S7-10-05." We believe that the Proposed Rule, while attempting to empower individual shareholders with the use of the Internet, may actually have a detrimental effect on the ability of shareholders to make informed decisions when casting votes on proxy matters. Specifically, we believe that the proposed rule should be amended to require that proxy cards be furnished together with and through the same medium as the proxy statement.

1. **The Proposed Rule Will Have a Disproportionate Effect on Individual Shareholders**

Teamster benefit funds collectively have approximately \$100 billion invested in the equity markets. These benefit funds represent the deferred income of hundreds of thousands of Teamsters and their families. In addition, our members and retirees individually invest in the equity markets through their company sponsored 401K plans and their own equity portfolios. As you are aware, thoughtful and informed

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proxy voting by individual shareholders are critical to effective corporate governance and the long-term performance of public corporations. It is an essential check and balance in the corporate decision-making process. In order to ensure that this check on power is working correctly, shareholders must be able to review all company proxy disclosures before voting on matters included in issuers' proxy statements.

As you know, this is the central premise of Regulation 14A of the Securities and Exchange Act of 1934. Proxy statements contain vital information including disclosure of executive compensation data, director biographies and conflicts of interest, and the text of Regulation 14a-8 shareholder proposals. The proposed rule, as currently formulated, will permit an issuer to send an electronic "Notice of Internet Availability of Proxy Materials" and a paper proxy card to shareholders by mail. In effect, the proxy statement and proxy card will be delivered separately and in two different media. We are concerned that separating the proxy card from the proxy statement will dramatically increase the likelihood of individual shareholders voting without reviewing the disclosure.

The best way to ensure that shareholders have access to the necessary disclosure when making voting decisions is to require that proxy cards be delivered together with the proxy statement, and through the same means of delivery. Those who maintain that shareholders are ready for electronic delivery of proxy statements but not electronic delivery of the proxy card are really advocating a return to proxy voting as it existed before the Securities Exchange Act of 1934. Separating the proxy card from the proxy statement will contribute to the disempowerment of individual shareholders to the advantage of corporate insiders. Such an outcome is unacceptable given the corporate scandals over the past several years that highlighted various weaknesses in many issuers' corporate governance.

In addition, it has been our experience that many of our members and retiree shareholders do not have high-speed Internet capabilities (in many instances, no internet service) at their homes, and we are concerned that this will further disenfranchise these individuals from becoming true active owners in the equity markets.

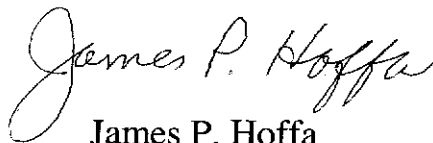
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2. **The Proposed Rule Will Have a Disproportionate Effect on 14a-8 Filers**

We also believe that the Proposed Rule as currently formulated will create an uneven playing field for the proponents of Regulation 14a-8 shareholder proposals. As you know, under Regulation 14a-8, shareholders may submit proposals for inclusion in company proxy statements. Under the Proposed Rule, shareholders would receive a Notice that would include a brief description of the 14a-8 proposals and the issuer's voting recommendation. Even if these proposal descriptions are impartial, they are inadequate for shareholders to form an informed opinion without reviewing the proxy statement. Shareholder proposals are currently one of the few means by which shareholders can have a direct impact on corporate governance, setting reasonable executive compensation levels and ensuring that company financial disclosures are truly transparent. Creating a barrier to effective use of shareholder-sponsored proposals could be an unintended consequence of the Proposed Rule.

I respectfully urge the SEC to amend the Proposed Rule to require that proxy statements be delivered at the same time and by the same means as the proxy card. Please contact the Teamster's Capital Strategies Department at (202) 624-8100 if we can be of further service to the Commission.

Sincerely,



James P. Hoffa
General President

JPH/jo

cc: Chairman Christopher Cox, Securities and Exchange Commission
Commissioner Paul S. Atkins, Securities and Exchange Commission
Commissioner Roel C. Campos, Securities and Exchange Commission
Commissioner Cynthia A. Glassman, Securities and Exchange Commission
Commissioner Annette L. Nazareth, Securities and Exchange Commission