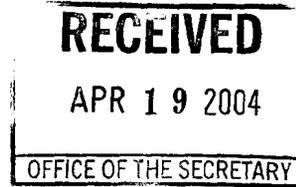




TelCo Retirees Association, Inc.

April 12, 2004



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Mr. Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549-0609

PROPOSED RULE FILE, NO. S7-12-04

Dear Mr. Katz:

The TELCO RETIREES ASSOCIATION, INC. has recently become aware of a national effort to modify the Securities and Exchange Commission rulings and to expand the scope of its authority to include registered investment managers of pension and other qualified retiree trust funds. This proposal has attracted the interest of many retiree organizations, such as ourselves, who have witnessed the deterioration, or total loss, of "pension trust funds" by a number of American corporations.

Indeed, the question of fiduciary malfeasance has arisen to the point that major modifications need to be made by the Securities and Exchange Commission to ensure that companies and individuals responsible for the investment and management of these trust funds be held personally accountable for their decisions. To do otherwise would be a violation of public trust in our government institutions.

The TELCO RETIREES ASSOCIATION, INC., which represents thousands of former Pacific Bell/Nevada Bell employees (SBC), has witnessed the value of its pension assets reduced from \$7,125,916,000.00 as of December 31, 2000 to \$4,006,507,000.00 as of December 3, 2002. While this is not to suggest or imply a sense of wrongdoing, the losses are of such a magnitude to cause major concerns amongst our thousands of pensioners.

A review of the SBC annual reports for the years 2000 and 2002 graphically highlights the administrative and investment advisory expenses associated with the management of these pension funds.

SBC ANNUAL REPORT, (Pacific Telesis Group) YEAR 2000

- A. Number of investment and administrative managers - 40
- B. Administrative expenses - \$1,289,000,00

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- C. Investment advisory and management fees - \$17,824,000.00
- D. Other expense - \$6,394,000.00

SBC ANNUAL REPORT, (Pacific Telesis Group) YEAR 2002

- A. Number of investment and administrative managers - 40
- B. Administrative expenses - \$223,000.00
- C. Investment advisory and management fees - \$12,245,000.00
- D. Other expense - \$6,181,000.00

While our Association is not challenging these investment and administrative expenses, a comparison with similar or like corporations might be of interest to the efforts being put forth by your committee.

The almost continuing saga of major corporations filing for bankruptcy and the thousands upon thousands of long term employees who have lost years of investment in their retirement and health benefits causes great concern among all retirees about the soundness of their individual corporate retirement funds. It is the consensus of our membership that the adoption of a new rule to ensure corporate adherence to sound investment procedures is long overdue.

We commend you and the Securities and Exchange Commission for your efforts in proposing RULE FILE NO. S7-12-04.

Sincerely,



Sumner K. Emery, President
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