

INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

AFL-CIO

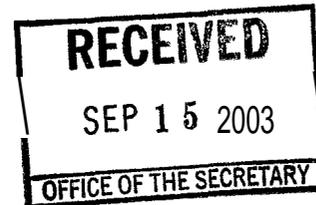
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OFFICE OF
JAMES P. HOFFA
GENERAL PRESIDENT

September 15, 2003

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



Dear Secretary Katz:

On behalf of the 1.4 million active and 600,000 retired members of the International Brotherhood of Teamsters (IBT), I am pleased to comment on File No. S7-14-03, "Disclosure Regarding Nominating Committee Functions and Communications between Security Holders and Boards of Directors." Our Union, through its individual pension and health and welfare benefit trusts, has assets over \$100 billion. Therefore, our Union's support for Securities and Exchange Commission (SEC) proposals as they relate to the rights and benefits of equity owners of listed corporations, should carry a particular significance with the SEC. I am pleased to support this most recent SEC proposal that would require enhanced disclosure regarding the operation of board of director nominating committees and the means by which shareholders may communicate with corporate directors.

Any rule that the SEC promulgates should have the underlying goal of increasing investor's confidence. In our Union's opinion this goal can only be achieved by requiring financial statements from listed corporations to be completely transparent. Investors must be able to appreciate the difference between business risk and business fraud. As the rules stand today, listed corporations are not subject to meaningful listing requirements or corporate governance standards that attain this standard of disclosure. We are pleased to see that the SEC has put forth such a straightforward and well-researched rule, that if implemented will provide investors with useful information at little cost to the corporation and its shareholders. This rule should provide a meaningful compliment to the proxy access rules expected this fall. Our Union sees meaningful proxy access rules as potentially the most important reform in the U.S. securities regulations to date.

As I stated in our comment letter to File No. S7-10-03, "Solicitation of Public Views Regarding Changes to the Proxy Rules," real representatives of shareholder interests are needed on corporate boards now, more than ever. This would introduce a fresh perspective to the board and encourage increased responsiveness and accountability to shareholders. By providing an efficient means for shareholders to nominate candidates and communicate with other large, long-term shareholders, a shareholder right of access to the company's proxy would help bring accountability to our system of corporate governance.

Our more specific comments to the proposed rules are as follows:

- Our Union favors disclosure rules that require specific, detailed information rather than broad standards that could allow corporations to comply with the rules without giving shareholders useful information. For example, we suggest that the SEC require corporations to provide detailed disclosure regarding conflicts of interest with respect to both the director nomination process and individual directors.
- We believe that nominating shareholders should be named in the proxy statement. We believe that companies should also include the name of the shareholder's director nominee, subject to both the consent of both the nominating shareholder and the individual director nominee.
- Along with other large institutional investors, we strongly support the Commission's proposal to extend these disclosure rules to investment companies, and we urge the Commission to extend the expected rules granting shareholder access to the proxy to investment companies as well.
- Regarding the thresholds required to trigger additional disclosure with respect to candidates recommended by long-term shareholders with significant ownership, we believe they should be no higher than the Commission's proposed minimum, 3% ownership and one-year holding period.

We wish to stress that the existence of an independent nominating committee does not by itself obviate the need for shareholder access to the proxy. Such access would only compliment the future operation of independent nominating committees. It is, therefore, important that the SEC continue to implement reforms that provide shareholders, after meeting certain threshold

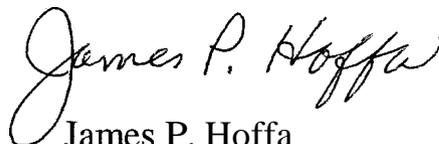
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requirements, real and meaningful access to the Boards of listed corporations in which they are equity owners.

We believe that Nell Minow, Director of The Corporate Library, said it best when she said, "boards of directors are like subatomic particles—they behave differently when they are observed." Unless shareholders can be assured that there are true representatives of their interests providing oversight of management on the boards that they hold equity interest in, there can be no real trust that the corporation is hearing shareholder concerns.

We would like to thank the Commission for this opportunity to comment on this important corporate governance reform. If you should have any questions about our comments, please contact the IBT's Office of Corporate Affairs at (202) 624-8981.

Sincerely,

A handwritten signature in cursive script that reads "James P. Hoffa".

James P. Hoffa
General President

JPH/jo