

# IBEW

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## International Brotherhood of Electrical Workers *Local Union 760*



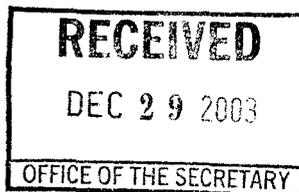
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December 17, 2003

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Mr. Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth St., NW  
Washington, DC 20549



RE: FILE NO. S7-19-03

Dear Mr. Katz:

On behalf of the members of IBEW Local 760, who are participants and beneficiaries of the Southern Electrical Retirement Fund, I would like to offer some supporting comments on the Securities and Exchange Commission proposal S7-19-03, regarding security holder director nominations.

We would like to commend the commission for proposing new rules changes that could, for the first time, give institutional shareholders the ability to challenge CEO's power to handpick directors of their own choosing. Due to the large number of corporate scandals in the past two years with such corporations as TYCO, ENRON, WORLDCOM, and HEALTH SOUTH shows how self serving CEO's and passive boards can have a negative effect on corporations, and the people who put their trust in them, such as investors, employees and the communities that depend on them.

We can see that the commission has put a lot of thought and time in this very important corporate reform. We welcome those safeguards, especially those that include significant ownership and holding period requirements, along with the limitations on the number of shareholder nominees. This insures that the rules does not make it easier for corporate raids or causes potentially frivolous nominees at a lot of companies. The rules still contain some barriers that would make them hard for even the largest investors to use, and impossible to do in a timely manner.

We believe the triggering requirements are not necessary with the substantial ownership required for shareholders to place nominees in the proxy. Also the two proposed triggers causes a lot more problems. First, the proposed triggers involve a necessary two year process, which would cause a delay at a company or board in crisis. Second, the proposed 1% ownership requirement for shareholders to submit a triggering proposal is way to high. A shareholder wanting to introduce a proposal at the average S&P 500 Company would need to hold shares worth over 180 million dollars. We believe that any shareholder meeting the existing 14-A-8 requirements

should be able to sponsor such a proposal. Third, the proposed 35% director withhold threshold is also to high given its experience over the years and therefore needs to be lowered to 20%.

We do support having a significant ownership requirement for placing nominees in the proxy, we do however believe the proposed 5% beginning stage is to high. This beginning stage would make a shareholder or a shareholder group wanting to place nominees in the proxy with the average S&P 500 Company to own shares worth around 900 Million dollars. We ask that the commissions please give a lot of thought to lowering the beginning stage to 3%, a level that would be more fair in balancing the commission's concerns with the interests of corporations and their shareholders. Also, we believe that any shareholder group meeting these rules should be allowed to include a minimum of two directors in the proxy, regardless of the size of a company's board.

If the commission would give careful thought to the suggestions that we have ask you to consider and put in place, it would give long term investors timely and effective access to the proxy and the commission can bring in for the first time accountability to a board room setting that for to long has been characterized by to friendly relationships and a unwillingness to challenge management. This is sure to have a lot of benefits in terms of board of director independence, performance and accountability that would extend well beyond the few companies at which the new rules are actually used.

We would like to thank you very much for the opportunity to offer our opinions and our very strong support for this proposal, and encourage the commission to adopt final rules that are responsive to our concerns.

Sincerely,



Allen Pass, Jr.  
Bus.Mgr.-Fin.Sec.

ALP/lw