



729

December 18, 2003

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

MICHAEL P. FISHMAN
President

KEVIN J. DOYLE
Executive Vice President

HÉCTOR J. FIGUEROA
Secretary-Treasurer

KYLE BRAGG
Vice President

LENORE FRIEDLAENDER
Vice President

BRIAN LAMBERT
Vice President

KRYSTYNA ROSARIO
Secretary

Online at:
www.seiu32bj.org

Local 32BJ Headquarters:
101 Avenue of the Americas
New York, NY 10013-1991
212.388.3800

Bronx/Westchester Office:
140 Huguenot Street
New Rochelle, NY 10801
914.637.7000

Connecticut Office:
196 Trumbull Street, Suite 400
Hartford, CT 06103
860.560.8674
1.800.228.5253

Long Island Office:
3601 Hempstead Turnpike
Levittown, NY 11756
516.579.4020

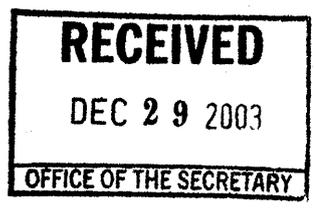
New Jersey Office:
560 Broad Street, 4th Fl.
Newark, NJ 07102
973.824.32BJ
1.866.5JANITOR

Window Cleaners Division:
101 Avenue of the Americas
18th Floor
New York, NY 10013
212.539.2901

**Theater, Amusement
& Cultural Division**
101 Avenue of the Americas
20th Floor
New York, NY 10013
212.388.3974

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

Re: File No. S7-19-03



Dear Mr. Katz:

On behalf of the 70,000 members who participate in the Building Services Pension Funds which has assets in excess of \$1.3 billion, I write to commend the Securities and Exchange Commission for its proposal S7-19-03 regarding security holder director nominations and to offer supporting comments.

These comments are born of very real and frustrating experiences in the performance of our fiduciary duty as active owners of our participants' equity investments.

The Commission's proposal could, for the first time, give institutional investors the ability to challenge the power of CEOs to handpick their own directors.

Recent scandals at companies like Enron, Worldcom and HealthSouth demonstrate further the necessity for new rules to address the problem of self-serving CEOs and passive board at companies facing not a slow meltdown, but rapidly developing corporate crises.

I want to commend the SEC for taking this initiative. However, I would like to suggest some changes to make the rules practical and effective for large, long-term, institutional investors.

1. We urge that you eliminate all triggers. They can unnecessarily prolong a situation which is detrimental to long-term shareholder interests.
2. Should you persist with triggers, the requirements you have proposed are not realistic. The triggering shareholder proposal should follow existing 14a-8 rules and not 1% of ownership. The withhold vote threshold of 35% is excessive and should be lowered to 20%, a level which has stood the test of significant "no" votes in recent years. Finally, a company's failure to act on a majority vote should be added as a trigger, as evidenced by our own experience mentioned above.

3. Once triggered, access to the proxy should be granted to a shareholder or group of shareholders with 3% of a company's voting stock held for at least two years. The 5% threshold you have proposed is too onerous and, for many significant investors, will defeat the very intent of these new rules.
4. At all companies shareholders should be allowed to nominate more than one, but less than a majority of directors. One lone dissenting director will be ineffective at modifying the behavior of a board which has already demonstrated its lack of accountability to the interests of long-term shareholders.
5. The rules on independence for shareholder nominees should not be any different than those that prevail for company nominees. Full disclosure on each nominee should be all that is required.

I thank you for this opportunity to offer our strong support for this historic proposal, and encourage the Commission to adopt final rules that are responsive to our concerns.

Sincerely,



Michael P. Fishman
President

opeiu#2
afl-cio, clc