

1400 L Street, NW, Suite 300
Washington, DC 20005-3509
www.dcrb.dc.gov



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Telephone (202) 535-1271
Facsimile (202) 535-1414
E-mail: dcrb@dc.gov

November 20, 2003

Mr. Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: File Number S7-19-03

Dear Mr. Katz:

The District of Columbia Retirement Board is an independent agency of the District of Columbia government that manages and controls the assets of the \$2.2 billion retirement funds for teachers, police officers and firefighters employed by the District. On behalf of our participants and beneficiaries, we are writing to offer comments on the Securities and Exchange Commission proposed rule S7-19-03, Security Holder Director Nominations.

Investor anger which grew out of the scandals at Enron, WorldCom and other companies has contributed to an unprecedented loss of confidence in the stock market and in corporate America. The tough measures taken to date that are embodied in the Sarbanes-Oxley Act of 2002 constitute the most wide-spread reform affecting public companies since the 1930s. The Division of Corporate Finance, which oversees disclosure of important information to the investing public, and the Commission should be commended for proposing the most significant change to proxy rules in many years. The proposed regulations, for the first time, will give shareholders the ability to challenge CEOs power to handpick their own directors.

The Commission is proposing two "triggering" events, one of which must occur in order for the security holder nomination procedure to become operative. The triggers will become effective for meetings after January 1, 2004. As proposed, it will take up to two years before a shareholder could include a candidate's name on a company's proxy card. We believe this is an undue delay of time if the company or board is in crisis.

The first triggering event requires that at least one of the company's nominees must have received "withhold" votes from more than 35% of the votes cast. The second hurdle requires (1) that a security holder, or group of security holders ("qualified shareholders"), hold more than 1% of the company's securities and be entitled to vote for at least one year, submit a proposal, and (2) that this "direct access" proposal receive more than 50% of the votes cast. We believe that both thresholds are too stringent and make accessing corporate proxies overly burdensome for shareholders. Regarding the first trigger, based on a reported sample of 2,227 director elections

over the past two years, only 1.1% of companies had total “withhold” votes in excess of 35% of the votes cast. Regarding the second trigger, only one security holder proposal submitted in 2002 would have satisfied both the 1% ownership test and the 50% votes threshold. Thus, the triggering events do not occur with sufficient frequency as to make them a requirement of any meaningful corrective measure in improving shareholder access to corporate proxies. In particular, a majority vote on a “direct access” proposal should not be required in order for qualified shareholders merely to have access to a corporate ballot.

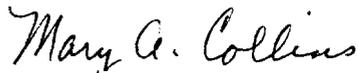
The Commission is proposing that security holders must be permitted by state law to nominate a candidate for election as a director. Thus, the proposed security holder nomination procedure would be unavailable if the state in which a company is incorporated prohibits the company’s security holders from nominating director candidates. We believe the proposed rule should apply universally regardless of a company’s state of incorporation. Otherwise, a fragmented corporate governance system will exist in the U.S., and companies may be given an incentive to consider changing corporate jurisdictions in search of more “management-friendly” states, incurring costs in the process to be borne by the company’s shareholders.

As proposed, shareholders must give a company notification of director candidates at least 80 days before the company mails its proxy materials. Once this notification is received, a company has **up** to 50 days before they must notify shareholders of a determination to not include the candidate on the company’s proxy card. We are concerned that shareholders would need more than **30** days before a scheduled meeting to learn of and respond to a company’s decision to omit a shareholder suggested candidate.

By adopting final rules that truly give responsible long-term investors timely and effective access to the proxy, the Commission can introduce genuine accountability to a boardroom culture that for too long has been characterized by cozy relationships and a resulting unwillingness to challenge management.

We thank you for this opportunity to offer our comments on this historic proposal, and encourage the Commission to adopt final rules that are responsive to institutional investor concerns.

Respectfully Submitted, . . .



Mary A. Collins
Chairman of the Board
District of Columbia Retirement Board