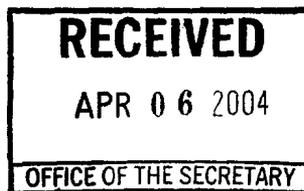




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March 31, 2004

**STEVEN F. LEER**  
President and Chief Executive Officer

**BY U.S. MAIL**

Mr. Jonathan G. Katz  
Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street NW  
Washington, DC 20549-0609

**Re: File No. S7-19-03**

Dear Mr. Katz:

I am the CEO of Arch Coal, Inc., a Delaware corporation with \$1.5 billion in annual revenues and more than 3500 employees. I appreciate this opportunity to provide comments on the Securities and Exchange Commission ("SEC") proposal to require companies to include shareholder nominees for director in the company proxy materials under certain circumstances.

We strongly supported the Sarbanes-Oxley Act of 2002, and we appreciate the SEC's efforts to implement the Act. We also support the New York Stock Exchange and NASDAQ corporate governance listing standards, which we believe will foster sound corporate governance and responsiveness and will encourage more transparent business practices. We agree with Congress, the SEC and the securities markets that corporate boards and management must hold themselves to the highest standards of corporate governance. However, we believe that complicating the director election process by requiring companies to include shareholder nominees in their proxy materials is not good corporate governance and, in fact, will enhance special interest groups' access to boardrooms. Furthermore, the proposed rules go far beyond the SEC's stated intent of targeting a small number of unresponsive companies and will impact many U.S. public companies – regardless of their corporate governance practices or their responsiveness to shareholders.

If the inclusion of shareholder nominees in company proxy materials is to be required, we agree with the SEC that it only should be triggered by objective criteria indicating that shareholders have not had adequate access to an effective proxy process.

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We are concerned, however, that the proposed rules run counter to this goal. In particular, the trigger based on a majority-vote shareholder proposal to activate access would apply to any company, not merely those companies that have failed to respond to shareholder concerns. Moreover, the trigger based on a director's receipt of more than 35 percent of "withhold" votes, while more appropriate than the first trigger, would not give the board and its nominating committee an opportunity to respond to shareholder concerns about a director before the company's proxy process is deemed ineffective. The possible third trigger, a company's failure to implement a majority-vote shareholder proposal (other than a proposal to activate access) does not demonstrate the ineffectiveness of the proxy process. Finally, the proposed thresholds for shareholders to submit a proposal to activate access and to nominate directors are too low to justify the cost and substantial disruption of the proxy contests that would result.

We believe the SEC should allow the corporate governance reforms adopted by Congress, the SEC and the securities markets to be fully implemented before proceeding with additional regulation. With the increased independence of boards of directors, the strengthened role and independence of nominating committees and the enhancement of shareholder-director communications, we believe that the issues that led to calls for shareholder access will be addressed. If the SEC nevertheless concludes that the changes in the director election process are necessary, then we believe it is necessary to substantially revise the proposed rules to better target them to non-responsive companies.

Thank you for considering these concerns about the proposed rules. If you would like to discuss these comments or any other issue, please do not hesitate to contact me at (314) 994-2900.

Sincerely,

A handwritten signature in black ink that reads "Steven F. Leer". The signature is written in a cursive style with a horizontal line underneath.

Steven F. Leer  
President and CEO  
Arch Coal, Inc.