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Wyeth

November 30, 2004

Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609
Attn: Jonathan G. Katz, Secretary

E-mail address: rule-comments@sec.gov

RE: File No. SR-NYSE-2004-41
NYSE Standards Relating to Corporate Governance Release No 34-50625

Ladies and Gentlemen:

I am writing on behalf of Wyeth to express our concerns regarding the Commission's recent order granting accelerated approval of the proposed rule change to amend, among other things, NYSE Rule 303A.02(b)(iii), as amended by Amendments Nos. 1, 2 and 3. In addition, as explained more fully below, we are requesting that at a minimum the Commission modify proposed Rule 303A.02(b)(iii) to clarify that during the transition period any director who will not be independent by virtue of proposed Rule 303A.02(b)(iii) once the proposed Rule becomes effective may be affirmatively deemed independent during such transition period.

I. Background and Reasons for Recommendations

Paragraph (b)(iii) of Rule 303A.02 contains a bright-line standard which precludes a director from being deemed independent for NYSE purposes if the director has certain affiliations with the company's external auditor. The primary implications of this Rule are that a director who does not satisfy this standard (i) may not serve on a listed company's audit, nominating/corporate governance or compensation committees and (ii) may not be counted toward the requirement that the listed company maintain a majority of independent directors on its Board.

We fully appreciate the importance of independent board members, and in fact Wyeth prides itself on having a Board which, other than for our CEO, is comprised solely of non-employee independent directors. Moreover, we fully support the notion that for a director to be appropriately considered "independent", the director, particularly if he or she serves on the audit committee, should be free from any real or apparent conflict of interest. We believe, however, that Rule 10A-3

under the Securities Exchange Act of 1934 effectively addresses this issue and adequately ensures that this key board committee will indeed be free from conflicts (including any potential conflicts a director may have by virtue of his or her relationship with the company's external auditor). We note that under Rule 10A-3, each member of the audit committee must be independent, meaning that the member may not be affiliated with the issuer nor receive, directly or indirectly, any compensation from the issuer (other than for service as a director). Indirect compensation in this case appropriately applies a pecuniary interest test to the individual director and includes any fees paid to accounting firms in which the director, or the director's spouse or children sharing the director's household, are partners.

Current NYSE Rule 303A.02(b)(iii), as approved on November 4, 2003 after an exhaustive process that lasted over a year and was subject to multiple comment periods (the "*Current Rule*"), already imposes a standard more stringent than SEC Rule 10A-3. Indeed, the Current Rule already disqualifies any director whose immediate family member is an employee of the listed company's external auditor in a "professional capacity," and broadly defines "immediate family member" for purposes of this test as including the director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone else (other than domestic employees) who lives in the director's home. The breadth of the Current Rule would be particularly troubling in and of itself but for the qualification introduced through the definition of "professional capacity," which excludes family members who may be employed in one of a firm's non-audit service groups.

In the amendment of NYSE Rule 303A.02(b)(iii) filed on August 30, 2004, the NYSE proposed to discard the "professional capacity" distinction for audit firm partners, but to concomitantly narrow the definition of "immediate family member" for purposes of paragraph (b)(iii) so as to conform more closely to the SEC's Rule 10A-3 definition (*i.e.*, spouse, minor children, and adult children sharing the director's home).

In the Second and Third Amendments filed on October 28, 2004 and November 2, 2004, respectively, the NYSE has returned to the broad definition of immediate family member applicable under the Current Rule (which includes non-dependent children and in-laws), but has deleted the notion of "professional capacity" which had provided an exclusion for those employees in non-audit areas of practice and is critical to maintaining a rational balance between avoiding conflicts of interests while not unfairly characterizing otherwise independent directors as non-independent. The new rule, therefore, would combine the most expansive parts of

the Current Rule and of the August 30 proposed revision, removing the principle of equity from the standard. If adopted, we believe this latest standard will result in companies having to remove highly qualified directors who have served companies well for years, and further shrink the pool of qualified directors from which companies may choose. Such directors who would not satisfy the revised standard have no true direct or indirect conflict of interest. With the decrease in the number of worldwide accounting firms to the "Big Four" discussed below, there is a concomitant overall decrease in accounting firm job opportunities and an increase in probability of employment at any such firm. In addition, such an expansive group of relatives would include new additions through marriage, outside of the director's realm of control, thereby disqualifying the director from his or her previous independence.

As you are aware, there are only four major top-tier public accounting firms at this time from which large issuers typically choose in selecting their independent auditors. These firms are global companies that offer a variety of services including many outside of auditing/assurance services. Each of these four firms, according to their internet websites, employ approximately 100,000 or more employees. PricewaterhouseCoopers LLP ("*PwC*"), the external auditor selected by Wyeth's audit committee and ratified by stockholders at its 2004 Annual Meeting, employed 122,820 people and had 7,879 partners as of June 2003 (according to PwC's internet website). Very few of the partners at PwC have any relationship with the Wyeth engagement and many of them provide services and have expertise outside of audit services and, in fact, are not even accountants. These partners who have no connection with the services PwC provides to Wyeth would have, at best, a negligible personal pecuniary interest in the Wyeth engagement. It is difficult to understand how one of these numerous partners working outside of the audit area, who is also an emancipated adult, but who happens to be a son, daughter or in-law of a board member, could have any impact whatsoever on such board member's ability to be independent from either the issuer or the audit firm in question.

II. Recommendations

For the reasons set forth above, we strongly urge the Commission to modify the NYSE Rule 303A.02(b)(iii). Although we feel that the recommendation set forth in paragraph 1 below is the most reasonable, we recognize that the SEC has certain objectives regarding the test embodied in paragraph (b)(iii) and we therefore offer additional alternatives for the Commission's consideration. We believe that, at a minimum, the recommendation set forth in paragraph 4 below should be included as part of any amendments to the NYSE's 303A standards.

1. *Reinstitute the limited definition of "immediate family member"*. The definition of immediate family member proposed by the Exchange in its August 30, 2004 filing is consistent with the definition the SEC established under Rule 10A-3. This definition more appropriately identifies potential conflicts of interest by applying a pecuniary interest test.

2. *Retain "professional capacity" definition*. If the expanded definition of immediate family member is retained, include the principle of equity embodied by the definition of "professional capacity" from the Current Rule that would exclude directors with no real or apparent conflict of interest.

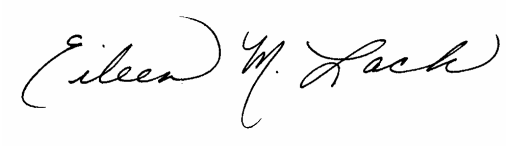
3. *Change to disclosure item*. If the expanded definition of immediate family member that would cover all family members who serve as partners is retained, modify paragraph (b)(iii) so that violations of the standard by virtue of the expanded immediate family definition would be a disclosure item (in the issuer's proxy materials) rather than a bright-line test barring independence. Retooling the revised paragraph (b)(iii) into a partial bright-line test and partial disclosure test could prove to be a workable compromise and allow stockholders to evaluate the attenuated relationships captured by the proposed rule on their own when deciding whether to vote for the director in question.

4. *Clarify that a director who does not meet the independence standard of the proposed rule may be considered independent during the proposed transition period*. We note that in the NYSE's letter of November 2, 2004 relating to the proposed rule changes, the NYSE stated in reference to proposed paragraph (b)(iii) that: "[d]ue to this proposed tightening of the independence test and to avoid a sudden change to the status of a current director, companies will have until their first annual meeting after June 30, 2005, to replace a director who was independent under the prior test but who is not independent under the current test." We understand this statement to mean that from now until the first annual meeting after June 30, 2005, directors not meeting an enhanced independence test under the new paragraph (b)(iii) definition can be considered to be "independent" under NYSE rules in the interim and may remain on any board committees that require all members be independent. We request that the SEC "codify" this notion in the final NYSE rules so that, if no other changes are made to the proposed rules, issuers may take comfort that directors who unfortunately must be removed from independent committees following the

transition period may be considered by the company to be "independent" during such transition period.

We thank you for the opportunity to offer these comments.

Very truly yours,



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