

February 18, 2010

The Honorable Christopher J. Dodd, Chairman  
U.S. Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Richard C. Shelby, Ranking Member  
U.S. Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Dodd and Ranking Member Shelby:

We are corporate secretaries and governance officers writing on behalf of our respective companies. In our roles, we serve as liaisons between our senior management teams and our boards of directors, and we work to facilitate our boards' understanding and execution of their fiduciary duties. Together, our companies represent over \$1 trillion in market capitalization and \$720 billion in annual revenues and employ over 1.3 million people in the United States. We submit this letter to you as members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs (the "Senate Banking Committee") to identify certain core principles that we believe are implicated by legislation that would mandate a "proxy access" regime via Federal statute.

- 1. Proxy access is not appropriate for "one size fits all" legislative or regulatory mandates, but rather is best left to state corporate law and processes under such law.** We are concerned that, to the extent proposed legislative and regulatory initiatives mandate a particular proxy access regime, these initiatives violate a fundamental "principle of corporate law and practice," which provides that states have the primary "authority to regulate domestic corporations, including the authority to define the voting rights of shareholders."<sup>1</sup> Further, we believe that our respective boards of directors and shareholders should have the ability to develop processes under state law that more appropriately address their individual governance requirements and characteristics.
- 2. The proxy access legislation currently being considered by the Senate Banking Committee is problematic to the extent it seeks to automatically give shareholders certain powers normally obtained through the process of shareholder votes, while at the same time barring those same shareholders from amending those powers, even when supported by majority shareholder votes.** If shareholders are given proxy access powers by law or regulation, then shareholders should also have the right to amend those powers, and this right should not be limited to amendments that lower the thresholds to use proxy access specified in such law or regulation. As a general principle, a majority of a company's shareholders should have the ability to tailor and adapt the substantive and procedural aspects of proxy access to the company's particular circumstances and needs.

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<sup>1</sup> See *CTS Corp. v. Dynamics Corp. of Am.*, 481 U.S. 69, 89 (1987).

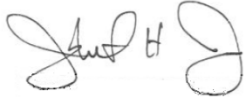
- 3. The debate surrounding proxy access raises fundamental questions about how publicly-traded corporations should be governed, as well as who should be responsible for regulating those corporations.** The way our companies, and all U.S. public companies, are governed today is the result of decades of balancing the interests of the various stakeholders in our companies, which include not only our shareholders, but also our customers, employees and communities. Thus, any proposed changes to our system of corporate governance should be looked at in light of the varied, and in some cases competing, interests of all of our stakeholders and also should be supported by empirical evidence that these proposed changes would work in the collective best interests of companies and their stakeholders. We do not believe that proxy access is currently being looked at by Congress in such a broad context or with the support of such empirical evidence.<sup>2</sup>

We commend the members of the Senate Banking Committee for their efforts to protect investors so they can exercise the rights they have as shareholders. We and our respective companies' directors share these goals, and believe that they can be met through thoughtful and deliberate actions that are consistent with the core principles articulated above. As your constituents, we are available to discuss any of these issues should you find it helpful.

*[Signatures on following pages]*

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<sup>2</sup> We note that some type of proxy access has been considered for several decades and that prior proposed SEC rulemakings on the matter received more than 34,000 comments. However, at the same time during this period we are not aware of any significant studies or surveys of shareholders done by Congress, the Government Accountability Office or the SEC to determine whether proxy access would directly improve board accountability or have a positive impact on shareholder value, or what form of proxy access would accomplish these objectives.



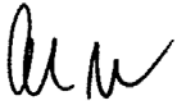
Judith H. Jones  
Vice President & Corporate Secretary  
**Aetna Inc.**




Mary J. McGinn  
Vice President, Deputy General Counsel &  
Secretary  
**The Allstate Corporation**



Bart R. Schwartz  
Executive Vice President, Chief Legal Officer &  
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**Assurant, Inc.**



Arthur R. Block  
Senior Vice President, General Counsel &  
Secretary  
**Comcast Corporation**



Carole Sobin  
Secretary  
**Consolidated Edison, Inc.**



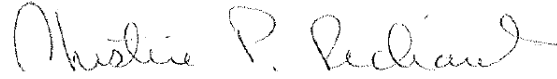
Mary E. Bowler  
Corporate Counsel/Corporate Secretary  
**E. I. du Pont de Nemours and Company**



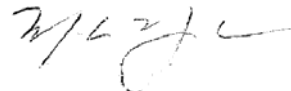
James B. Lootens  
Corporate Secretary  
**Eli Lilly and Company**



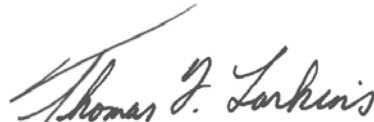
June D. Duchesne  
Assistant General Counsel  
**EMC Corporation**



Christine P. Richards  
Executive Vice President, General Counsel &  
Secretary  
**FedEx Corporation**



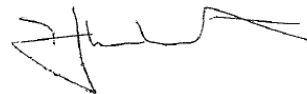
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Thomas F. Larkins  
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& Deputy General Counsel  
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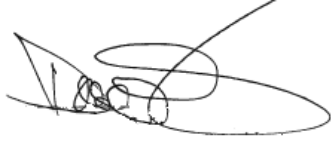
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Senior Vice President,  
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**Medco Health Solutions, Inc.**



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Robert E. Smith  
Vice President  
**NiSource Inc.**



Virginia K. Fogg  
General Solicitor  
**Norfolk Southern Corporation**



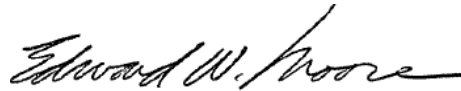
Kenneth L. Wagner  
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E. J. Wunsch  
Associate General Counsel & Assistant Secretary  
**The Procter & Gamble Company**



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Secretary  
**Reynolds American Inc.**



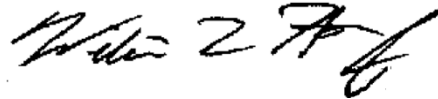
Edward W. Moore  
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**Verizon Communications Inc.**



Don H. Liu  
Senior Vice President, General Counsel &  
Secretary  
**Xerox Corporation**

cc:

The Honorable Tim Johnson  
The Honorable Jack Reed  
The Honorable Charles E. Schumer  
The Honorable Evan Bayh  
The Honorable Robert Menendez  
The Honorable Daniel K. Akaka  
The Honorable Sherrod Brown  
The Honorable Jon Tester  
The Honorable Herb Kohl  
The Honorable Mark Warner  
The Honorable Jeff Merkley  
The Honorable Michael Bennet

The Honorable Robert F. Bennett  
The Honorable Jim Bunning  
The Honorable Mike Crapo  
The Honorable Bob Corker  
The Honorable Jim DeMint  
The Honorable David Vitter  
The Honorable Mike Johanns  
The Honorable Kay Bailey Hutchison  
The Honorable Judd Gregg