



Board of Administration
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September 13, 2006

Christopher Cox, Chairman
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Rule 14a-8(i)(8) – Director Nominations by Shareowners

Dear Chairman Cox:

On behalf of the California Public Employees' Retirement System ("CalPERS") I am writing to address Rule 14a-8 (17 C.F.R. § 240.14a-8) and the recent decision in *American Federation of State, County & Municipal Employees v. American Intern. Group, Inc.*, --- F.3d ----, 2006 WL 2557941 (2nd Cir. 2006) ("AFSCME litigation") invalidating the Commission staff's most recent interpretation of Rule 14a-8(i)(8).

This rule, which regulates shareowner proposals governing the election of directors, has an enormous impact on institutional investors such as CalPERS. Access to the corporate proxy materials by shareowner nominees therefore remains a critical issue. The results of the AFSCME litigation present an enormous opportunity for you and ultimately the Commission to broadly address this issue.

I understand that a Commission meeting has been scheduled to discuss a recommendation by the Division of Corporation Finance to amend Rule 14a-8 in response to the AFSCME litigation. Instead of simply responding to this litigation by adopting a stopgap rule, CalPERS asks that the Commission give the proxy access issue its full consideration.

In response to the Commission's proposed rules relating to shareowner director nominations, the Commission received hundreds of comments from individual investors, industry groups, academics, corporations, and other interested parties. CalPERS believes these stakeholders will continue to be interested and should be given sufficient time and information to provide the same type of valuable input provided in response to earlier rulemaking. I respectfully request your assistance in ensuring that stakeholder input on the broader proxy access issue is given due consideration by the Commission.

We appreciate the opportunity to express our concerns to you on this critical issue. If you have any questions, please contact me at (916) 795-3932 or Peter Mixon, CalPERS General Counsel, at (916) 795-3797.

Very truly yours,

ROB FECKNER, President
CalPERS Board of Administration

cc: Securities and Exchange Commission Members
Paul S. Atkins
Roel C. Campos
Annette L. Nazareth
Kathleen L. Casey