



June 13, 2003

Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: File No. S7-10-03

Dear Mr. Katz:

The Committee on Investment of Employee Benefit Assets (CIEBA) welcomes this opportunity to comment on the Security and Exchange Commission's (SEC) "*Notice of Solicitation of Public Views Regarding Possible Changes to the Proxy Rules.*" CIEBA is the voice of the Association for Financial Professionals on employee benefit plan asset management and investment issues. CIEBA members represent 120 of the nation's largest corporate pension funds, managing more than one trillion dollars on behalf of sixteen million plan participants and beneficiaries.

As the fiduciaries for many of the largest corporate pension funds in the United States, CIEBA members recognize that sound corporate governance practices are important to individual shareholders as well as the overall health of financial markets. CIEBA is supportive of changes in law, regulation and listing standards that have imposed significant new requirements for corporate directors with respect to their independence and qualifications.

In light of the important and changing role of corporate directors, CIEBA urges the Commission to proceed judiciously before proposing major changes to proxy rules and regulations related to their nomination and election.

Further, we urge the SEC to consider the following criteria when reviewing possible changes.

- Pension plan assets must be invested in the sole interest of the participants and beneficiaries of the plan. Pension plans should not be forced to subsidize the activities of other investors that may be in conflict with the best interests of plan participants. Allowing the use of corporate resources by one shareholder or group of shareholders that may have a singular interest could disadvantage other shareholders, including pension plans.
- The new listing standards of the New York Stock Exchange (NYSE) and NASDAQ should be fully implemented and evaluated. CIEBA supported the NYSE's new listing standards because they 'codified many best practices designed to enhance the role of boards of directors in protecting the interests of shareholders.' No changes should be made that would short-circuit the implementation of these standards.



7315 Wisconsin Avenue • Suite 600 West • Bethesda • Maryland 20814
Phone: 301.907.2862 • Fax: 301.907.2864
www.CIEBA.org • www.AFPonline.org • CIEBA@AFPonline.org
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- No action should be taken that would diminish the independence of directors, the responsibility of directors to represent the interests of all shareholders or the ability of companies to attract and keep highly qualified directors.
- The process of nominating and/or electing corporate directors should not be politicized.
- Current rules require accountability for 'full and adequate' disclosure on matters included in proxies. This accountability should not be diminished.

CIEBA appreciates this opportunity to submit our general views on possible changes to proxy rules related to the nomination and/or election of corporate directors. If you need further information or have questions, please contact Judy Schub, CIEBA's Managing Director at (301) 961-8682.

Sincerely yours,



Gary A. Glynn
Chairman, CIEBA
President, U.S. Steel & Carnegie Pension Fund