

December 22, 2003

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

Re: File No. S7-19-03

Dear Mr. Katz:

On behalf of the 38 retirement systems listed below and their 6.3 million public employees, retirees, and beneficiaries, we are writing to offer supporting comments on the Securities and Exchange Commission proposal, S7-19-03, regarding security holder director nominations. Our retirement systems collectively hold \$670 billion in assets, including \$360 billion invested in public company equities. As fiduciaries of these funds, we take seriously our duty to exercise the rights of shareholder ownership in order to promote the best economic interests of plan members and beneficiaries. We commend the Commission for proposing rules that would, for the first time, give institutional shareholders like ourselves the ability to participate meaningfully in board elections.

The Commission's proposed rule contains safeguards—including significant minimum ownership and holding period requirements for shareholders, and strict limitations on the number of shareholder nominees—that will give shareholders access to the corporate proxy without opening the door to either corporate raiders or potentially frivolous nominees. The adoption of the proposed rules would improve director performance, independence and accountability to shareholders. Public pension systems do not have the resources to wage costly proxy fights for board control, but would greatly benefit from stronger director voices at troubled and unresponsive companies. Furthermore, given that a large portion of our public equities are indexed, we cannot walk away from these companies. Our best alternative is to address problematic situations by improving the boards to reflect an appropriate shareholder perspective.

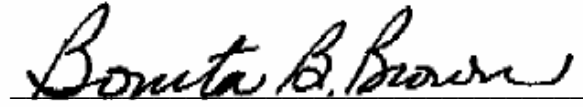
We do believe that some changes could be made to the current proposal to permit the timely and effective use of the proxy access rule. We urge the Commission to reduce the proposed five percent ownership threshold that would require a \$900 million investment in the average S&P 500 company—a very substantial barrier even for a large institutional investors. In addition, we suggest that the Commission lower the proposed one percent ownership requirement to a more reasonable level for public funds. The current withhold vote trigger also should be reduced to 20 percent from the unreasonably high 35 percent. Finally, we are concerned that the proposed two-step triggering process for director nominations could take up to two years to complete and we urge your consideration of a more expedited alternative.

We thank you for this opportunity to offer our support for this proposal, and hope that the Commission will include our suggestions in the final rule.

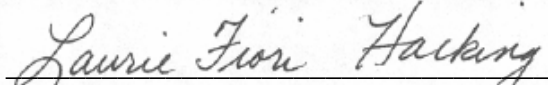
Sincerely,



Gary Findlay, Executive Director
Missouri State Employees' Retirement System



Bonita Brown, Director and Chief Executive Officer
Teachers' Retirement System of Louisiana



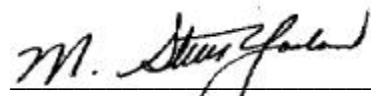
Laurie Fiori Hacking, Executive Director
Public Employees Retirement System of Ohio




Eric Henry, Executive Director
New Hampshire Retirement System



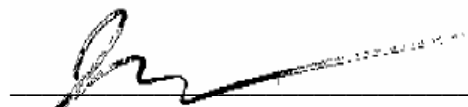
Gail H. Stone, Executive Director
Arkansas Public Employees Retirement System




M. Steve Yoakum, Executive Director
Public School Retirement System of Missouri



Gary L. Harbin, Executive Secretary
Kentucky Teachers' Retirement System



John F. Charles, Director
Washington State Depart. of Retirement Systems



David Bergstrom, Executive Director
Minnesota State Retirement System



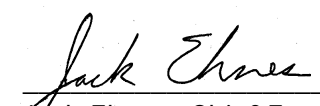
Glenn Deck, Executive Director
Kansas Public Employees Retirement System



Terry Slattery, CEBS, Executive Director
New Mexico Public Employees Retirement Assn.



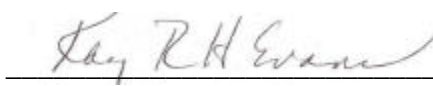
Ed Hennessee, Director
Tennessee Consolidated Retirement System



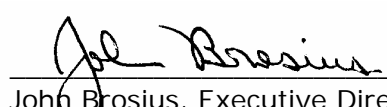
Jack Ehnes, Chief Executive Officer
California State Teachers' Retirement System



Sparb Collins, Executive Director
North Dakota Public Employees' Retirement System



Kay R.H. Evans, Executive Director
Maine State Retirement System



John Brosius, Executive Director
Pennsylvania State Employees' Retirement System



Gary Austin, Executive Director
Minnesota Teachers Retirement Association



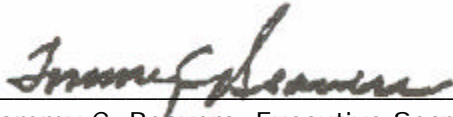
David Senn, Executive Director
Montana Teachers' Retirement System



Jon Bauman, Executive Director
Illinois Teachers' Retirement System



Alan Belstock, PhD., Executive Director
ERFC – Fairfax County, Virginia



Tommy C. Beavers, Executive Secretary
Teachers' Retirement System of Oklahoma



William E. Christopher, Executive Director
Indiana State Teachers' Retirement Fund



Steve Cochrane, CFA, Executive Director
North Dakota Retirement and Investment Office



Donna M. Mueller, Chief Executive Officer
Iowa Public Employees Retirement System



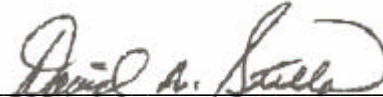
Karen Kilberg, Executive Director
Minneapolis Teachers' Retirement Fund Association



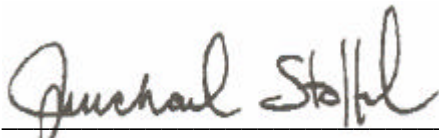
George M. Philip, Executive Director & CIO
New York State Teachers' Retirement System



Frank Ready, Executive Director
Public Employees' Retirement System of Mississippi



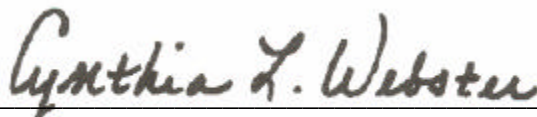
David A. Stella, Deputy Secretary
Wisconsin Department of Employee Trust Funds



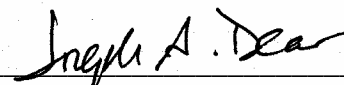
J. Michael Stoffel, Executive Secretary
Duluth Teachers' Retirement Fund Association



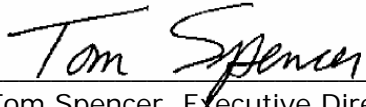
Anna J. Sullivan, Director
Nebraska Public Employees Retirement System



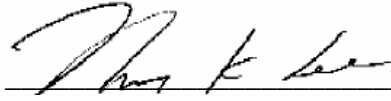
Cynthia L. Webster, Director
Vermont State Retirement System



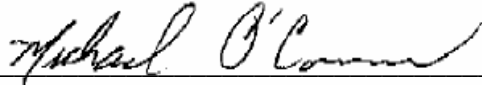
Joseph A. Dear, Executive Director
Washington State Investment Board



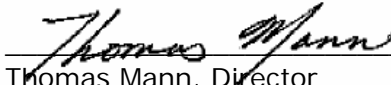
Tom Spencer, Executive Director
Oklahoma Public Employees Retirement System



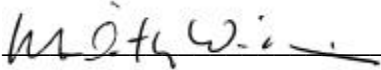
Thomas K. Lee, Executive Director
Maryland Retirement System



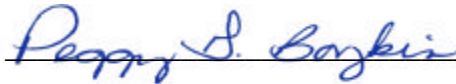
Michael O'Connor, Executive Director
Montana Public Employee Retirement Administration



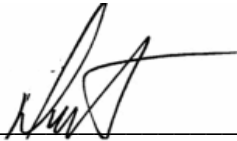
Thomas Mann, Director
Wyoming Retirement System



Meredith Williams, Executive Director
Colorado Public Employees Retirement Assn.



Peggy G. Boykin, Executive Director
South Carolina Retirement Systems



David G. Bronner, Chief Executive Officer
Retirement Systems of Alabama