

Jack Ehnes
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October 3, 2006

The Honorable Christopher Cox, Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Rule 14a-8(i) (8)--The so-called "town meeting rule"

Dear Chairman Cox:

This letter is sent on behalf of the members of the California State Teachers' Retirement System (CalSTRS). Access to the corporate proxy materials by investors, especially institutional investors with large long-term core holdings such as those of CalSTRS, remains an issue of the utmost importance to us. In our view, *American Federation of State, County, and Municipal Employees Pension Plan (AFSCME) v. American International Group (AIG)*, which interprets the election exclusion set forth in Exchange Act Rule 14a-8(i)(8) to apply only to shareholder proposals that relate to a particular election and not to proposals, like AFSCME's, that would establish the procedural rules governing elections generally, was correctly decided by the Second Circuit Court of Appeals.

Given the potential for different interpretations of the election exclusion to arise in different Circuits, we welcome the Commission's decision to move forward with a proposal to clarify the rule in this area and look forward to the meeting on October 18, 2006. However, while we are aware that the SEC advocated for a different outcome before the Second Circuit, we respectfully urge that any proposed clarification make clear that the Second Circuit's interpretation of the election exclusion was correct and that said exclusion applies only to shareholder proposals that relate to a particular election.

It is important that investors like CalSTRS and others receive adequate time for meaningful comment on any amendment to the rule that the Division presents. We believe that there is time for such a comment period and for the application of the rule to begin in the 2007 proxy season, as the Commission desires.

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CalSTRS intends to comment on the proposal when it is presented and plans to attend the SEC hearing on the matter. We appreciate the opportunity to be heard on this critical issue during your tenure as Chair. If you have any concerns regarding this letter or CalSTRS' policy in this area, please feel free to contact me at (916) 229-3706. I look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Jack Ehnes". The signature is written in a cursive style with a large, stylized initial "J".

Jack Ehnes
Chief Executive Officer