



Business Roundtable



STA
THE
SECURITIES TRANSFER
ASSOCIATION, INC.



SOCIETY OF CORPORATE SECRETARIES
& GOVERNANCE PROFESSIONALS

June 30, 2006

Catherine Kinney
President and Co-Chief Operating Officer
NYSE Group, Inc.
11 Wall Street
New York, New York 10005

Re: Proxy Working Group Recommendations

Dear Ms. Kinney:

This letter is submitted on behalf of a coalition of trade associations with a significant interest in shareholder communications, including the Business Roundtable, the National Investor Relations Institute, the Securities Transfer Association, the National Association of Corporate Directors and the Society of Corporate Secretaries and Governance Professionals. Our coalition was formed to present our shared views on shareholder communications and encourage a review of the shareholder communications system. We welcome the opportunity to comment on the report of the New York Stock Exchange Proxy Working Group, and we thank the Proxy Working Group for all of its efforts over the past year and a half.

The coalition emphatically supports the Proxy Working Group's recommendation that urges the Securities and Exchange Commission ("SEC") to review its shareholder communications rules. The coalition believes that it is now imperative that the SEC review its shareholder communications rules. Given the fact that Rule 452 and broker discretionary voting issues are so interrelated with the shareholder communication process, we do not believe that the Proxy Working Group's recommendations can bring about a significant change without further action by the SEC.

The coalition has been urging the SEC to review its shareholder communications rules for some time. On July 29, 2005, this coalition submitted a comment letter to the SEC (copy attached), encouraging it to take action on the Business Roundtable's Petition for Rulemaking Regarding Shareholder Communications, which called for a thorough re-examination of the SEC rules governing the way in which companies communicate with the beneficial owners of their securities held in street name or nominee name. At that time, we encouraged the SEC to address its shareholder communications rules immediately, in tandem with the formation of the New York Stock Exchange Proxy Working Group. To date, the SEC has not publicly begun such a review although several Commissioners have it under active consideration.

The coalition will continue to urge the SEC to review its shareholder communications rules. Until that review occurs, we believe it would be imprudent to make any changes to Rule 452.

We would appreciate the opportunity to meet with you to further discuss our views on shareholder communications. Please contact Tom Lehner, Public Policy Director, Business Roundtable, at (202) 872-1260.

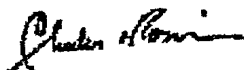
Sincerely,



John J. Castellani
President
Business Roundtable

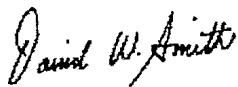


Louis M. Thompson, Jr.
President & CEO
National Investor Relations Institute



Charles V. Rossi
President
Securities Transfer Association

/s/
Roger E. Hallagan
Chairman
National Association of Corporate Directors



David W. Smith
President
Society of Corporate Secretaries and Governance Professionals



Business Roundtable



THE **STA**
SECURITIES TRANSFER
ASSOCIATION, INC.



SOCIETY OF CORPORATE SECRETARIES
& GOVERNANCE PROFESSIONALS

July 29, 2005

Alan L. Beller, Director
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Annette L. Nazareth, Director
Division of Market Regulation
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: Coalition Views on Shareholder Communications
(Re: SEC File Number 4-493)**

Dear Ms. Nazareth and Mr. Beller:

It has been well over a year since Business Roundtable filed its Petition for Rulemaking Regarding Shareholder Communications ("Petition") with the Securities and Exchange Commission ("Commission" or "SEC"). The Petition calls for a thorough re-examination of the SEC rules governing the way in which companies communicate with the beneficial owners of their securities held in street or nominee name. Thus far, the Commission has yet to take action on the Petition. The undersigned represent trade associations with significant interest in the shareholder communications issues raised in the Petition. Accordingly, we have formed a coalition to present our shared views on shareholder communications and encourage expeditious SEC review of the shareholder communications system. Enclosed please find our joint statement on shareholder communications.

Since the Petition was filed, issues concerning shareholder communications have continued to increase in importance. Shareholder activism is growing, and the New York Stock Exchange ("NYSE") has formed a "Proxy Working Group" to consider eliminating or restricting broker voting under the so-called 10-day rule. It is critical that the Commission's shareholder communications rules be addressed simultaneously with the NYSE's efforts. These issues are too interrelated to be dealt with in isolation.

We would appreciate the opportunity to meet with you to further discuss our views on shareholder communications. Please contact Tom Lehner, Public Policy Director, Business Roundtable, at (202) 872-1260.

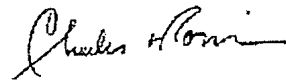
Sincerely,



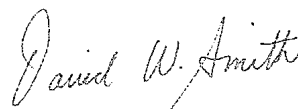
John J. Castellani
President
Business Roundtable



Louis M. Thompson, Jr.
President & CEO
National Investor Relations Institute



Charles V. Rossi
President
Securities Transfer Association



David W. Smith
President
Society of Corporate Secretaries &
Governance Professionals

Enclosure

cc: Hon. Cynthia A. Glassman, Acting Chairman, U.S. Securities and Exchange Commission
Hon. Paul S. Atkins, Commissioner
Hon. Roel C. Campos, Commissioner
Hon. Harvey J. Goldschmid, Commissioner
Catherine R. Kinney, President & Co-Chief Operating Officer, NYSE

Business Roundtable



SOCIETY OF CORPORATE SECRETARIES
& GOVERNANCE PROFESSIONALS

COALITION VIEWS ON SHAREHOLDER COMMUNICATIONS

- Communications between companies and their shareholders are an essential component of corporate governance.
- With increasing shareholder activism and focus on the proxy voting process, companies need to be able to quickly, efficiently and cost-effectively communicate with all of their shareholders, including beneficial owners of their securities held in "street" or nominee name.
- Most shares are held in "street" or nominee name, to enable securities transactions to be cleared more efficiently. Currently, companies do not have the ability to communicate directly with beneficial owners of these shares, and instead must communicate through a circuitous, cumbersome and expensive system.
- The shareholder communications system should take advantage of technological advances, including electronic mail, that make more efficient means of communicating with beneficial owners possible.
- Companies should have access to contact information for all of their beneficial owners (including Objecting Beneficial Owners, so-called "OBOs"), as well as the ability to determine the distributors of their communications, in order to communicate most effectively.
- Brokers, banks and other intermediaries should not stand in the way of effective communications between companies and the beneficial owners of their securities.
- Currently, all shareholders bear the costs of maintaining the anonymity of "street" name holders who are OBOs. Instead, shareholders desiring to remain anonymous should bear the cost of maintaining their privacy, such as through the establishment of nominee accounts.
- Any improvements to companies' ability to identify and communicate with their shareholders should be available to shareholders wishing to communicate with other shareholders.
- The Securities and Exchange Commission needs to promptly address necessary changes to the shareholder communications system.