



Interfaith Center on
Corporate Responsibility

Inspired by faith, committed to action

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June 20, 2007

Mr. Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Commissioner Cox:

We are writing on behalf of the Interfaith Center on Corporate Responsibility (ICCR). ICCR is a thirty-seven-year-old international coalition of 275 faith-based institutional investors including denominations, religious communities, pension funds, healthcare corporations, foundations and dioceses with combined portfolios worth in excess of \$100 billion. As responsible stewards, our membership has been actively involved in integrating environmental, social and governance issues into our investment decisions.

Having participated in the recent SEC roundtable meetings regarding shareholder resolutions, we are concerned about some of the alarming ideas that were raised. We are particularly troubled by the suggestion that the right of shareowners to sponsor advisory shareholder resolutions either be eliminated or further restricted. We view the role of engaged shareholders as an important aspect of the civic infrastructure, making significant contributions to the ongoing dialogue regarding the role of corporations in global wealth creation.

Our deep involvement in the process of shareholder advocacy has included letters and dialogue with companies, sponsorship of shareholder resolutions and actively exercising our ownership interests by voting our proxies. We note that when the SEC required mutual funds to disclose their proxy voting records annually, it was done with the understanding that the proxy is an asset and that voting proxies conscientiously is therefore a fiduciary duty.

This process has been a central means for formalizing communication between concerned investors and management on social, environmental and governance issues. It is a critical aspect of the efficacy of our efforts.

As investors who represent a broad range of faith communities, ICCR's membership has



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provided a consistent, coherent voice for justice in the economic system with a particular focus on issues relating to corporations for nearly four decades. If these ideas to restrict advisory proposals became a formal SEC rulemaking proposal, we expect there would be vigorous opposition from both individual and institutional investors.

We urge the SEC to drop this concept before it gets to the proposal stage.

While new, creative methods to improve investor – management communications would be welcome, eliminating our right as investors to petition the Board and management and to garner support of other shareowners through resolutions would be a disastrous step backward.

We work with many investors, as well as company managers who view this process as part of a civil discourse with shareowners, resulting in positive changes in company policies and practices. There are quite literally hundreds of examples of major changes in governance and social and environmental issues that have resulted through shareholder engagement and resolutions. Many of these changes are viewed as self-evident when viewed through the lens of recent history, strengthening policies and practices that undergird our way of life.

In summary, we expect to continue to contribute to this evolving conversation and to work to improve communications between investors and management. That said, the right of investors to file resolutions and seek investor support when necessary should not be diminished in any way.

We strongly oppose any move to take away shareholder rights to file advisory resolutions.

Sincerely,

Margaret Weber
Board Chair

Laura Berry
Executive Director