



January 15, 2010

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**RE: Facilitating Director Nominations (File Number S7-10-09)**

Dear Ms. Murphy:

The State of Wisconsin Investment Board (SWIB) is responsible for investing over \$78 billion in assets for over 557,000 retirement system participants. As a large institutional investor, with significant financial interest in the U.S. marketplace, we believe strongly that board directors, collectively and individually, are fiduciaries and ought to be accountable to all shareholders. For this to occur, shareholders need the tools to affect the composition of the board--uniform access to the company proxy.

Because of the often costly and complicated current process that shareholders must follow to propose an alternate candidate, investors are discouraged from undertaking necessary steps to hold management and boards accountable and enhance long-term shareholder value.

Part of the rationale for allowing shareholders to nominate directors can be supported by practices already present in the global marketplace. For example, in many European countries, shareholders can nominate and remove directors. In practice, this happens rarely because Boards that wish to maintain good relations make real efforts to engage on issues that otherwise lead to shareholder dissent. The U.S. financial markets would benefit from improved company and shareholder engagement.

The recent economic crisis has highlighted the need for enhanced accountability of boards for their stewardship responsibilities. Reasonable access to corporate proxy materials for long-term investors would address some of the problems surrounding director elections. Such access could significantly enhance the U.S. corporate governance model.

In response to your request for additional comments regarding the proposed rule, SWIB opposes a private ordering solution where companies or shareowners would decide what access structure, if any, is appropriate. Unless proxy access is adopted at a federal level, shareowners would continue to face restrictions on corporate governance.

- Companies most in need of governance improvements are those most likely to opt-out of a proxy access rule. Even if individual companies were to adopt a proxy access by-law, the ownership threshold may be set so high that proxy access could rarely, if ever, be exercised, even by long-term investors.
- About 50% of companies in the Russell 3000 or Russell 1000 currently have restrictions in place limiting shareholders' ability to amend bylaws. As a result, it is not clear that shareholders would be able to initiate access proposals to amend bylaws (opt-in).
- Many companies have supermajority voting requirements to amend the bylaws. These supermajority requirements would make investor-proposed bylaw amendments unreasonably difficult to implement.
- The private ordering model limits investor rights and provides company management with a model that perpetuates the limitation of shareholder's rights to nominate directors.
- Leaving proxy access reform to Delaware and domiciliary states could result in standards and provisions that are different from company to company and state to state. This would make the proxy access process more complex for shareholders and even more difficult to exercise.

SWIB believes the adoption of proxy access would be one of the most significant investor reforms in decades. SWIB encourages the SEC to develop rules that are simple yet balance the ease of access with a minimization of opportunity for unproductive nominations. SWIB applauds the SEC for its leadership in this effort.

Sincerely,



Keith Bozarth  
Executive Director  
State of Wisconsin Investment Board