POSTSEASON REPORT
2007 SHAREHOLDER PROPOSAL PROGRAMS
& OTHER SHAREOWNERSHIP INITIATIVES
OF
THE NEW YORK CITY PENSION FUNDS & RETIREMENT SYSTEMS

Executive Summary

Program Development Process

The Pension Policy Division of the New York City Comptroller's Office develops and implements the shareholder proposal programs of the five New York City pension funds and retirement systems. Consistent with the fiduciary obligations of the funds' and systems' trustees, the programs are aimed at advancing corporate governance, and corporate social and environmental responsibility reforms at selected companies in which the funds and systems are shareowners. The programs are first approved by the New York City Comptroller and subsequently presented by the Pension Policy Division to the Proxy Committee of each fund and system for review and approval. The Proxy Committee acts on behalf of its respective Board of Trustees.

The five New York City pension funds and retirement systems are:

New York City Board of Education Retirement System (BERS)
New York City Employees' Retirement System (NYCERS)
New York City Fire Department Pension Fund (Fire)
New York City Police Pension Fund (Police)
New York City Teachers' Retirement System (TRS)

The 2007 Programs

In 2007, New York City Comptroller William C, Thompson, Jr., on behalf of the Boards of Trustees of the New York City pension funds, submitted shareholder proposals on corporate governance issues to 32 companies requesting their boards of directors to adopt one or more of eight reforms; and shareholder proposals on fourteen specific corporate social and environmental responsibility concerns to 76 companies, requesting boards of directors either to adopt appropriate policies or to issue reports disclosing actions they took or are taking to address reported problems and to mitigate related risks.

Corporate Governance Proposals

The 2007 corporate governance programs included: a proposal for adoption of stronger criteria of director independence for members of board audit and compensation committees; a proposal for adoption of a board policy for addressing shareholder proposals that win majority votes; proposed adoption of a resolution to repeal the classified structure of boards of directors and to establish annual elections of all directors; a proposal for adoption of a policy requiring that a significant portion of future stock options granted to senior executives be performance-based; a proposal for adoption of a pay-for-superior performance standard in company executive compensation plans for senior executives; a proposed by-law amendment to establish a majority vote standard for director elections; and a proposal for adoption of a policy to allow shareholders an advisory vote to ratify the compensation of named executive officers.

Summary of Results

The Comptroller’s 2007 corporate governance proposals met with considerable success. Proposals were adopted by the board of directors at ten companies; and shareholder support for proposals was strong, with some proposals winning majority votes at 11 companies.

The proposal which sought the repeal of the classified structure of boards of directors and called for annual election of all directors was adopted by the board of directors at Blockbuster, Inc.; and won majority votes at the following five companies: Axcelis Technologies (91.4 percent) (subsequently adopted), Cumulus Media (60.6 percent), O’Charley’s Inc. (90.4 percent), Neurocrine Biosciences (55 percent), and Ultratech, Inc. (65.9 percent).

The proposal which called for the adoption of a pay-for-superior performance standard in company executive compensation plans for senior executives was supported by a 55.2 percent majority vote at Credence Systems and 53.3 percent at Par Pharmaceuticals. The proposal which sought the adoption of stronger criteria of director independence for members of board compensation committees was substantively adopted by the boards of directors at Packeteer Inc.; fully adopted at Cell Genesys, Inc.; and won a majority vote of 52.1 percent at Clear Channel.

The proposal for board adoption of a by-law amendment to establish a majority vote standard for director election was most successful. The proposal was submitted to nine companies. It was adopted by the boards of directors at six: Teradyne, Inc., Cooper Tire & Rubber Company, Lexmark Int’l, Rigel Pharmaceuticals, Medicis Pharmaceuticals and Journal Register Company; and won majority vote of 66.1 percent at Lear Corp.

Finally, the proposal for the adoption of a policy to allow shareholders an advisory vote to ratify the compensation of named executive officers won majority votes of 57 percent at Blockbuster Inc., the first ever majority vote in support of this proposal since it was first introduced in the U.S. by the American Federation of State, County and Municipal Employees’ (AFSCME) pension fund in 2006; and 56.8 percent at Par Pharmaceuticals.

At the annual meeting of Blockbuster, Inc., which was held on May 9, 2007, the Board of Directors gave no indication that it intended to take any action in response to the 57 percent majority vote of the company’s shareowners. As a result of the Board’s inaction, on September 7, 2007, Comptroller Thompson sent a letter (Attachment #1) to the Board of Directors asking to be informed of the action(s) the Board has taken, or intends to take, to address the proposal given its approval by a majority vote of the shareholders. Referring to the majority vote of the shareholders, Comptroller Thompson cautioned that “a board’s failure to communicate accordingly could reasonably be perceived as indifference and a lack of accountability to the shareholders—a perception that could trigger investor reactions, such as the withholding of votes in the election of offending directors."

Corporate Social and Environmental Responsibility Proposals
Proposals regarding corporate social and environmental responsibility issues were submitted to 76 companies, requesting either board adoption of a specific policy or issuance of reports disclosing board policy or actions on 14 specific issues.

The corporate social and environmental responsibility program included proposals asking companies to take one or more of the following actions: implement the International Labor Organization (ILO) and UN Human Rights Norms in their international operations, and allow for independent monitoring of compliance; issue a sustainability report [i.e. disclosing social, environmental, and economic performance]; implement the MacBride Principles and allow for independent monitoring of compliance; adopt an explicit prohibition of work-place discrimination based on sexual orientation and gender identity; report on company policy to prevent negative racial and ethnic stereotyping in products; report on efforts to reduce carbon dioxide and other emissions from existing and proposed power plants; disclose political contributions; report on the environmental impacts of operations in Indonesia; review and report on company security arrangements with the Indonesian government and security forces; report on company policy and procedures regarding company assessment of the adequacy of host countries' standards to protect human health, the environment, and company reputation; report to the shareholders any new initiatives instituted by management to address specific health, environmental and social concerns of survivors in Bhopal, India; institute policies to help protect freedom of access to the Internet; report on the negative social and reputational impacts of reported and known cases of management non-compliance with ILO Conventions and company legal and regulatory controls; and report on policies and procedures for minimizing customer exposure to toxic substances and hazardous components in marketed products.

Summary of Results
Proposals were adopted by the boards of directors at 28 companies; and investor support for some proposals trended upward, with a particular proposal receiving the support of a majority of the votes cast at one company.

The proposal which called on companies to implement the ILO and UN Human Rights Norms in their international operations was adopted by the board of directors at Bed Bath & Beyond. The proposal which asked companies to issue a sustainability report was adopted by 9 companies: Campbell Soup, Dean Foods, General Dynamics Corp., Burlington North Santa Fe, Harrah's Entertainment, Sprint Nextel, US Bancorp, The Williams Companies, Inc., and El Paso Corporation.

Three companies—Baker Hughes, Wal-Mart Stores, and Seagate Technology—agreed to implement the MacBride Principles and to allow independent monitoring of their compliance with the Principles. Seven companies—Robert Half Int'l, Advance Auto

Parts, Wesco Int'l, First Horizon Financial, Cleveland Cliffs, Armor Holdings, and Sky West, Inc.—agreed to adopt an explicit prohibition against workplace discrimination based on sexual orientation and gender identity. This proposal won a majority vote of 52.2 percent at HCC Insurance, making it the fourth management-opposed, social proposal ever to win majority support. An earlier version of the proposal, which addressed discrimination based on sexual orientation but did not include gender identity, was resubmitted to ExxonMobil. Shareholder support for the proposal continued its upward trend, with the proposal garnering 37.7 percent of the shares voted, a 3.1 percent increase over the 2006 vote of 34.6 percent.

The proposal which asked companies to disclose their political contributions was adopted at five companies: Chevron Texaco, Limited Brands, EMC Corp., Cigna Corp., and Lockheed Martin.

Finally, the proposal which asked selected companies in the coal and electric power industries to report on their efforts to reduce carbon dioxide and other emissions from existing and proposed power plants was adopted by the boards of directors at two companies, Sempra Energy and Ameren Corporation. Overall, investor support for the proposal continued to increase, as evidenced by a 39.5 percent favorable vote at Allegheny Energy, the highest vote ever on a shareholder proposal addressing global warming and climate change risks.

Other Initiatives Regarding Climate Change Risks

The New York City Comptroller's Office collaborated with Ceres and the Investor Network on Climate Risk (INCR) to advocate for company disclosure of climate change risks. [(Ceres is a coalition of investors, environmental groups and other public interest organizations working with companies to address sustainability challenges such as global climate change.) (INCR is a network of institutional investors and financial institutions dedicated to promoting better understanding of the financial risks and investment opportunities posed by climate change. INCR was launched at the first Institutional Investor Summit on Climate Risk, which took place at the United Nations in November 2003. The membership of INCR now includes more than 50 institutional investors with collective assets of over $3.7 trillion).]

On March 19, 2007, Comptroller Thompson joined with Ceres, dozens of institutional investors, and a dozen leading U.S. companies and called on U.S. lawmakers to enact strong federal legislation to address global climate change. In a statement (Attachment #2) released at a press conference in Washington, D.C., the group outlined the business and economic rationale for climate action, and called for a national policy to reduce greenhouse gas emissions consistent with targets scientists indicate are needed to avoid the dangerous impacts of global warming. The investors and companies emphasized their concerns that the uncertainty surrounding climate policy and the lack of federal regulations may be undermining the long-term competitiveness of companies by discouraging new investments in clean energy and energy-efficient technologies.

The group called for the following three actions:

- A mandatory national policy to contain and reduce national greenhouse gas emissions economy-wide, making the sizable, sensible, long-term cuts that scientists and climate models suggest are urgently needed to avoid the worst and most costly impacts from climate change. This approach will also enable businesses and investors to make investments with a known long-term planning horizon. Wherever possible, this policy should utilize market-based mechanism, such as cap-and-trade systems, to create an economy-wide carbon price.

- The realignment of incentives and other national policies to achieve climate objectives, including a range of energy and transportation policy measures to encourage deployment of new and existing technologies at the necessary scale. Only governments can create the infrastructure needed to underpin the new clean energy system.

- Guidance from the Securities and Exchange Commission (SEC) and other financial regulatory bodies to businesses and investors on what material issues related to climate change companies should disclose in their regular financial reporting, so that investors can assess more accurately the effects of climate risk and opportunity in their portfolios.

In September 2007, Comptroller Thompson joined with Ceres, the Attorney General of the State of New York, several state treasurers and comptrollers, and other leaders of public pension funds and environmental organizations in filing a petition with the SEC. The petition asked the SEC to issue interpretive guidance clarifying the obligation of publicly traded companies under existing regulations, to disclose material information concerning the effect of climate change and regulation of greenhouse gas emissions upon their financial condition and business operations. A copy of the letter of submittal is attached (Attachment #3).

On November 15, 2007, the New York City Comptroller joined with 29 institutional investors, asset managers and Ceres in a letter (Attachment #4) to leaders in the U.S. Senate and House urging their support for a final Energy Bill that will move the U.S. toward a more sustainable and secure energy future, and directly address the issue of climate risk.

NYC Comptroller Offers Comments on SEC Proposed Rules—Proxy Access
In September 2007, Comptroller Thompson, on behalf of the Boards of Trustees of the New York City pension funds and retirement systems, sent a letter (Attachment #5) to the SEC urging the Commission not to adopt either of two proposals that the SEC issued in July 2007. The first proposal would create insurmountable hurdles for public pension funds, such as having to satisfy an unrealistic criterion of share ownership and disclosure requirements, to have a proposal for by-law amendments regarding the procedures for nominating candidates to the board of directors included in company proxy materials.

The second proposal would deny shareholders the right to submit any resolution pertaining to company procedures and policies governing director elections.

In addition, the SEC sought public comment on a number of questions about the broader structure of Rule 14a-8—the shareholder proposal rule—precipitating widespread concern among institutional investors that the SEC was considering a major curtailment of the ability of shareholders to file non-binding proposals. Comptroller Thompson urged the SEC to uphold its historical purpose as envisioned by Congress at its creation in 1934—to promote stability in the markets and, most importantly, to protect investors.

On November 19, 2007, the New York City Comptroller's Office joined with a number of the largest US and UK pension funds and urged the SEC to postpone further action on the proposals until the Commission has its full complement of five commissioners.

Despite the strong appeal of institutional investors, on November 20, 2007, the SEC confirmed its intention to meet on November 28, 2007 to consider whether to adopt the second proposal, which was favored by the Republican Commissioners. On November 28, 2007, in a 3-to-1 vote along political lines, the three Republican commissioners, including the chairman, Christopher Cox, adopted the proposal to give companies the right to omit shareholder proposals regarding policies and procedures governing director elections from their proxy statements. Institutional investors denounced the Commission's action.

PROPOSALS AND RESULTS

Corporate Governance Proposals:

Proposal #1: Amend the Company's Charter to Provide that the Audit Committee be Composed Solely of Independent Directors, using the Council of Institutional Investors' Definition of Independence, and an additional criterion disqualifying former employees of the Company

Resubmission: Companies:	Fund Sponsor(s)	2006 Vote	Status/Result
1. EMC Corp.	TRS, Police, Fire, BOE	25% vote	**17.6% vote** The Company filed a no-action request with the SEC seeking concurrence that the proposal could be SEC omitted from its proxy statement; the SEC did not concur.

Proposal #2: Establish a Board Protocol to Address Shareholder Proposals that Win Majority Votes

Resubmission: Company:	Fund Sponsor	2006 Vote	Status/Result
1. BEA Systems	Police, Fire	37.4%	filed (annual meeting in Feb. 2008)

Proposal #3: Repeal the classified board and elect all directors annually

Resubmission:

1. BEA Systems	NYCERS, BOE, TRS	**75 % majority vote**	filed (annual meeting in Feb. 2008)

New Filings: Companies:	Fund Sponsor(s)	Status/Result
1. Axcelis Technologies	All NYC Funds	**91.4% majority vote (subsequently adopted)**
2. Belo Corp.	All NYC Funds	28% vote
3. Cumulus Media	All NYC Funds	**60.6% majority vote**

4. Invacare Corp.	All NYC Funds	**48.99% vote**
5. O'Charley's Inc.	All NYC Funds	**90.4% majority vote**
6. Spectrum Brands	All NYC Funds	**33.3% vote**
7. Blockbuster, Inc.	TRS, Police, Fire, BOE	**Adopted—after the SEC disapproved the company's no-action request, its board of directors agreed to put forth a management proposal to repeal the classified board.**
8. Neurocrine Biosciences	All NYC Funds	**55% majority vote**
9. Ultratech, Inc.	All NYC Funds	**65.9% majority vote**

Proposal #4: Adopt a policy requiring that a significant portion of future stock option grants to senior executives shall be performance-based

Resubmission:	**Sponsors**	**2006 Vote**	**Status/Result**
1. Cardinal Health	All NYC Funds	42.3% vote	32.9% vote

Proposal #5: Pay for Superior Performance—that the Executive Compensation Committee establish a Pay-for-Superior Perform Standard in the Company's Executive Compensation Plan for senior executives

Companies:	**Fund Sponsor(s)**	**Status/Result**
1. Chesapeake Corp.	All NYC Funds	11.7% vote
2. Credence Systems Corp.	All NYC Funds	**55.2% majority vote**
3. Par Pharmaceuticals Cos.	TRS, Police, Fire, BOE	**53.3% majority vote**
4. Tenet Healthcare Corp.	All NYC Funds	**Withdrawn based on company's commitment to improve its pay-for-performance rating in 2007.**

5. K2, Inc.	All NYC Funds	**Meeting postponed** (company acquired by Jarden Corp.)
6. Pier 1 Imports	All NYC Funds	25.6 % vote

Proposal #6: Establish an Independent Compensation Committee

Resubmissions:

Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Clear Channel	All NYC Funds	42.3% vote	**52.1% vote**

New Filings:	**Fund Sponsor(s)**	**Status/Result**
1. Packeteer Inc.	All NYC Funds	**Adopted-company substantively adopted the proposal.**
2. Cell Genesys, Inc.	All NYC Funds	**Adopted**
3. Genesis Microchip	All NYC Funds	filed—Company did not include the proposal in its proxy statement—Comptroller's Office awaits an explanation.

Proposal #7: Amend company by-law to establish a majority vote standard in elections to the board of directors

Resubmission	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Teradyne, Inc.	All NYC Funds	41.2%	**Adopted- Board will submit by-law amendment for shareholder approval at 2007 annual meeting.**

New Filings	**Fund Sponsor(s)**	**Status/Result**
1. Cooper Tire & Rubber	All NYC Funds	**Adopted**
2. Lear Corp.	Police, Fire, TRS, BOE	**66.1% majority vote**

3. Lexmark Int'l	All NYC Funds	**Adopted**
4. Keane, Inc.	All NYC Funds	filed(company acquired by Caritor, Inc.)
5. Superior Industries Int'l	All NYC Funds	**40.8% vote**
6. Rigel Pharmaceuticals	TRS	**Adopted**
7. Medicis Pharmaceuticals	All NYC Funds	**Adopted**
8. Journal Register Company	All NYC Funds	**Adopted**

Proposal #8: Shareholder Advisory Vote to Ratify the Compensation of Named Executive Officers

Companies:	Fund Sponsor(s)	Status/Result
1. Home Depot	NYCERS	**43% vote**
2. Par Pharmaceuticals	NYCERS	**56.8% majority vote**
3. Blockbuster, Inc.	NYCERS	SEC did not approve company's no-action request**; proposal won 57% majority vote—the first ever on this proposal in the U.S.**

Corporate Social & Environmental Responsibility Proposals:

Proposal #1: **Implement ILO and UN Human Rights Norms in international operations, and allow for independent monitoring of compliance**

Resubmissions:

Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Kimberly Clark	All NYC Funds	8.5 % vote	10.7% vote
2. Bard (CR)	All NYC Funds	32.9% vote	**Withdrawn**—because proposal was filed in 2006, but was not introduced at the 2006 annual meeting by a representative of the funds, as required by SEC rule.
3. Cooper Industries	NYCERS, TRS, Fire	6.8 % vote	12.4% vote
4. Lear Corp.	NYCERS	49.8% vote	17.4% vote
5. Bed Bath & Beyond	All NYC Funds	25.4 % vote	**Adopted**
6. Archer Daniels Midland	All NYC Funds	26.6% vote	21.7% vote

New Filings:

Companies:	**Fund Sponsor(s)**	**Status/Result**
1. Urban Outfitters	All NYC Funds	18.9% vote
2. Burger King	NYCERS	Withdrawn—fund did not satisfy ownership eligibility criterion.

Proposal #2: **Sustainability Reporting—Disclose social, environmental and economic performance by issuing an annual sustainability report**

Resubmissions:

Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Safeway, Inc.	TRS, Police, Fire, BOE	27.1 % vote	40% vote

2. Dean Foods	All NYC Funds	33.9 % vote	**Adopted**
3. Kellogg Co.	All NYC Funds	6.4 % vote	5.8% vote
4. General Dynamics Corp.	Police, Fire, BOE	21.2 % vote	**Adopted**
5. Honeywell	All NYC Funds	Omitted	**Omitted-SEC concurred with company's "no -action" request**
6. Campbell Soup	All NYC Funds	13.6% vote	**Adopted**

New Filings:	**Fund Sponsor(s)**	**Status/Result**
1.Allegheny Technologies	All NYC Funds	33.1% vote
2. AEP	All NYC Funds	**Withdrawn--based on the company's written confirmation of its commitment, prior to receiving the proposal, to issue a sustainability report.**
3. Burlington North Santa Fe	All NYC Funds	**Adopted**
4. El Paso Corp.	All NYC Funds	**Adopted**
5. Harrah's Entertainment	All NYC Funds	**Adopted**
6. Sprint Nextel	All NYC Funds	**Adopted**
7. US Bancorp	All NYC Funds	**Adopted**
8. Unisys	All NYC Funds	7.9% vote
9. Williams Cos.	All NYC Funds	**Adopted**

10. Xerox	All NYC Funds	**Withdrawn-company filed no-action request with SEC; proposal subsequently withdrawn based on company's confirmation that it recently issued a sustainability report.**
11. MedImmune, Inc.	NYCERS, TRS, Police, Fire	filed (company acquired by AstraZeneca)
12. Dillard's	NYCERS	46.4% vote

Proposal #3: **MacBride Principles—Implement the MacBride Principles and agree to independent monitoring of compliance.**

Resubmissions:

Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Yum Brands	All NYC Funds	11.96 % vote	10.1% vote
2. Crane Company	All NYC Funds	13.4 % vote	12.1% vote
3. Manpower Inc.	All NYC Funds	8.6 % vote	13.8% vote
4. BE Aerospace	All NYC Funds	10.5% vote	12.6% vote
5. Claire's Stores	All NYC Funds	15.02 % vote	(company acquired by Apollo Management , L.P.)

New Filings: **Companies:**	**Fund Sponsor(s)**	**Status/Result**
1. Baker Hughes	All NYC Funds	**Adopted**
2. Dominos Pizza	All NYC Funds	8.4% vote
3. Wal-Mart Stores	TRS, Fire	**Adopted**
4. Seagate Technology	All NYC Funds	**Adopted**

Proposal #4: Adopt an explicit prohibition of discrimination based on sexual Orientation and Equality Principles

Resubmissions: Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. ExxonMobil	NYCERS, Fire	34.6% vote	37.7% vote
2. Robert Half Int'l	All NYC Funds	18.7% vote	**Adopted**

New Filings:	**Fund Sponsor(s)**	**Status/Result**
1. Advance Auto Parts	All NYC Funds	**Adopted**
2. Timken Co.	All NYC Funds	35.1% vote
3. Wesco Int'l	All NYC Funds Calvert Investments (cosponsor)	**Adopted**
4. HCC Insurance	All NYC Funds Calvert Investments (cosponsor)	**52.2% majority vote**
5. LandAmerica Financial	All NYC Funds	**Withdrawn— pre-existing policy**
6. First Horizon Financial	All NYC Funds	**Adopted**
7. Cleveland-Cliffs	All NYC Funds	**Adopted**
8. Armor Holdings	All NYC Funds	**Adopted**
9. Sky West, Inc.	All NYC Funds	**Adopted**
10. World Fuel Services	All NYC Funds	23.3% vote
11. Worthington Industries	All NYC Funds	28% vote
12. Family Dollar Stores	TRS, Police, Fire, BOE	**Adopted**

Proposal #5: Report on Company's Policies Regarding Negative Stereotyping

New Filing:

Companies:	**Fund Sponsor(s)**	**Status/Result**
1. The Walt Disney Co.	TRS	**Omitted-SEC granted company's no-action request; TRS asked the SEC to reconsider its decision, SEC declined.**

Proposal #6: Report on efforts to reduce carbon dioxide and other emissions from existing and proposed power plants

Resubmissions:

Companies:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Dominion Resources	All NYC Funds	22.6 % vote	21.7% vote
2. Sempra Energy	All NYC Funds	Omitted	**Adopted**

New Filings:

1. Allegheny Energy	All NYC Funds		**39.5% (the highest vote ever on a climate change proposal)**
2. Ameren Corp.	All NYC Funds		**Adopted**
3. Arch Coal, Inc.	All NYC Funds		**Company filed no-action request with SEC, proposal omitted.**
4. Chevron Corp.	Fire		8.5% vote
5. Consol Energy	All NYC Funds		**Company filed no-action request with SEC; SEC did not concur with company; 6.8% vote.**

6. TXU Corp.	All NYC Funds		Proposal was withdrawn based on commitments made by the company to reduce the number of proposed coal-fired power plants from 1 to 3 under its acquisition by Kolberg Kravis Roberts & Co. and Texas Pacific Group.
7. Massey Energy	All NYC Funds		19.0% vote

Proposal #7: Disclosure of political contributions

Resubmissions:	**Fund Sponsor(s)**	**2006 Vote**	**Status/Result**
1. Chevron Texaco	NYCERS	13.2 % vote	**Adopted**
2. Union Pacific Corp.	All NYC Funds	27.7 % vote	29.0% vote
3. Wal-Mart	Police, BOE	11.5 % vote	11.0% vote

New Filings:	**Fund Sponsor(s)**	**Status/Result**
1. Entergy	All NYC Funds	34.2 % vote
2. Lyondell Chemical	All NYC Funds	9.4% vote
3. Limited Brands	All NYC Funds	**Adopted**
4. EMC Corp.	NYCERS	**Adopted (company did file no-action request with SEC; SEC did not concur).**
5. Charles Schwab	All NYC Funds	25.0% vote
6. Cigna Corp.	All NYC Funds	**Adopted**
7. Lockheed Martin	All NYC Funds	**Adopted**
8. Halliburton Company	All NYC Funds	24.4% vote
9. Computer Sciences Corp.	All NYC Funds	35.6% vote

Proposal #8: Report on Environmental Impact of Operations in Indonesia

New Filings:	Fund Sponsor(s)	Status/Result
1. Freeport McMoran	All NYC Funds	**Company filed no-action request with SEC; omitted.**
2. Newmont Mining	All NYC Funds	**Company's no-action request to the SEC was not granted; 6.7% vote.**

Proposal #9: Report on Company's Policies and Procedures that Guide its Assessment of the Adequacy of Host Countries' Standards to Protect Human Health, the Environment, and the Company's Reputation

New Filings:	Fund Sponsor(s)	Status/Result
1. Chevron	TRS, Police, BOE	8.6% vote

Proposal #10: Report to the shareholders any new initiatives instituted by management to address specific health, environmental and social concerns of survivors in Bhopal, India.

Resubmission:	Fund Sponsor(s)	2006 Vote	Status/Result
1. Dow Chemical	Fire	6.7 % Vote	Company's "no-action" request to the SEC was not approved; **8.3% vote.**

Proposal #11: Review and report on company's security arrangements with the Indonesian government and security forces.

Resubmission:	Fund Sponsor(s)	2006 Vote	Status/Result
1. ExxonMobil	TRS, Police , BOE	Withdrawn, based on company's <u>promise</u> to issue report	**Withdrawn**

Proposal #12: Review and Report on Policies Relating to Political Censorship of the Internet

Companies	**Funds/Sponsor**	**Status/Result**
1. Google, Inc.	All NYC Funds	3.8% vote
2. Yahoo, Inc.	All NYC Funds	17.6% vote- **SEC denied company's no-action request.**
3. Microsoft Corp.	All NYC Funds	3.9% vote
4. Cisco Systems	All NYC Funds	35.8% vote

Proposal #13: Report to Shareholders on the Negative Social and Reputational Impacts of Reported and known cases of Management non-compliance with ILO Conventions, and the Company's Legal and Regulatory Controls

Company:	**Funds/Sponsor**	**Status/Result**
1. Wal-Mart	NYCERS	4.2% vote

Proposal #14: Report on policies and procedures for minimizing customer exposure to toxic substances and hazardous components in marketed products.

Company	**Fund/Sponsor**	**Status/Result**
1. Family Dollar Store	NYCERS	**Omitted**- company filed no-action request seeking SEC concurrence that it could omit the proposal from its proxy statement; SEC concurred.

The Proxy Committees of the New York City Pension Funds/Retirement Systems

The Board of Trustees of each of the five New York City Pension Funds and Retirement Systems has established a Proxy Committee comprised of Trustees, with authorization to approve or disapprove on behalf of the Board, the New York City Comptroller's recommendations of shareholder proposals and "focus" companies. Each year, the New York City Comptroller, as the investment adviser to the pension funds and retirement systems, develops and presents for approval by the proxy committees a list of companies (the "focus list") and appropriate shareholder proposals.

Members of the Proxy Committees:

New York City Board of Education Retirement System:

Thomas Malanga, Pension Chairman
International Union of Operating Engineers—Local 891

Milagros Rodriguez, Executive Board Member
Local 372, District Council 37

Joan Correale
Board of Education Trustee

New York City Employees' Retirement System:
Martha Stark, Chairperson, Commissioner of Finance
Represented by: Diane Bratcher
Special Assistant to the Commissioner

Betsy Gotbaum
Public Advocate
Represented by: Lawrence Schimmel
Director of Policy and Research

Caroll Haynes
President, Local 237
International Brotherhood of Teamsters
Represented by: Patricia Stryker
Director of Political Action & Legislation

Lillian Roberts
Executive Director
District Council 37
Represented by: Michael Musuraca
Assistant Director, Research & Negotiations

New York City Fire Department Pension Fund:
Douglas White
Deputy Commissioner

Nicholas J. Visconti
Chief Representative
Uniformed Fire Officers Association

Robert Straub
Treasurer
Uniformed Fighters' Association of Greater New York

New York City Police Pension Fund:
Commissioner Raymond W. Kelly
Represented by Joey Kara Koch
Assistant Special Counsel to Mayor Michael R. Bloomberg

Captain John Driscoll
President
Captains Endowment Association

P.O. Patrick Lynch
President
PBA
Represented by: P.O. Joseph Alejandro
Treasurer, PBA

New York City Teachers' Retirement System:
Martha Stark
Chairperson
Commissioner of Finance
Represented by: Diane Bratcher
Special Assistance to the Commissioner

Sandra March
United Federation of Teachers

William C. Thompson, Jr.,
Comptroller, City of New York
Represented by: Kenneth B. Sylvester
Assistant Comptroller for Pension Policy

Attachment No. 1

COMPTROLLER OF THE CITY OF NEW YORK
1 CENTRE STREET
NEW YORK, NY 10007-2341
(212) 669-3500

WILLIAM C. THOMPSON, JR.
COMPTROLLER

September 7, 2007

Board of Directors
c/o Blockbuster Inc.
1201 Elm Street
Dallas, Texas 75270

Dear Members of the Board of Directors:

As Comptroller of the City of New York, I am the investment adviser to, and a trustee of, the New York City Employees' Retirement System (the "System"). The System holds 219,500 shares of Blockbuster Inc. common stock valued at $970,190.00. I ask to be informed of the action(s) the Board of Directors has taken, or intends to take, to address the System's proposal which was approved by a majority vote of the shareholders at the company's annual meeting on May 9, 2007.

As you know, shareholders of the company, by a 57% majority vote, approved the System's proposal, which urged the Board to adopt a policy that would give shareholders the opportunity to cast advisory votes on management-proposed resolutions to ratify the compensation of the named executive officers ("NEOs"). Despite this significant level of shareholder support, the Board has not communicated with my office, and we are unaware that you have issued any report to the shareholders, about specific actions you have taken or plan to take.

Consistent with our fiduciary responsibility to protect the System's investments over the long-term, we have long advocated corporate governance reforms at companies in which the System invests. We, as do many institutional investors, strongly support the principle that boards of directors should establish a process for direct communications with the proponents of shareholder proposals that are supported by majority votes. A board's failure to communicate accordingly could reasonably be perceived as indifference and a lack of accountability to the shareholders—a perception that could trigger investor reactions, such as the withholding of votes in the election of offending directors.

With respect to the System's proposal, constructive engagement and dialogue with my office and other interested investors would be an appropriate and useful response. This approach is yielding positive results in the UK, Netherlands, Australia and Sweden—compensation is becoming more closely aligned to strategic, long-term performance. I urge you to respond positively to the majority vote of the shareholders by moving forward with the aim of adopting the proposed policy.

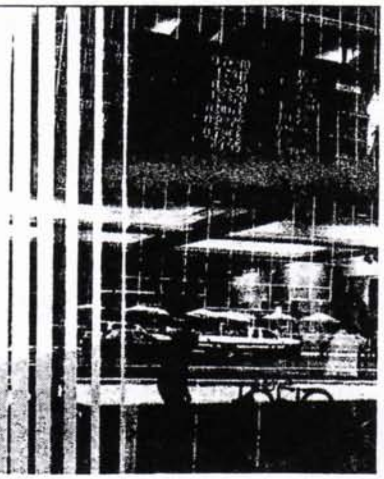
I look forward to your reply,

Very truly yours,

William C. Thompson, Jr.

Attachment No. 2

Capital to the Capitol:
Investors and Business for U.S. Climate Action



March 19, 2007 • WASHINGTON, DC

Imperatives of Climate Risk and Opportunity: A Call to Action from Leaders in Investing and Business

Executive Summary

We are the CEOs, senior officers and trustees of institutional investors, asset managers and corporations who recognize the risks and opportunities of global climate change, which we have begun to address voluntarily. We are taking important actions both individually and collectively, but these are not enough.

Now is the time for shared action—because the voluntary actions of a handful of forward-looking businesses and investors will be insufficient. We must act—businesses, investors, and government—and we must do so on a large scale over a long period of time. We can and must do much more to mitigate climate risks and seize opportunities, but government action to create national policies to establish regulatory certainty and provide strong incentives is essential. The U.S. National Academy of Sciences has concluded that "the scientific understanding of climate change is now sufficiently clear to justify nations taking prompt actions." To extract the very best that we have to offer, to unleash American progress and innovation, we need the right national policies, and we need them now.

As fiduciaries and leaders in the business and investment communities, we come together now to declare that we stand ready to partner with the U.S. government and others to establish a national policy to address this problem. Specifically, we need:

- ✦ **A mandatory national policy to contain and reduce national greenhouse gas emissions** economy-wide, making the sizable, sensible, long-term cuts that scientists and climate models suggest are urgently needed to avoid the worst and most costly impacts from climate change. This approach will also enable businesses and investors to make investments with a known long-term planning horizon. Wherever possible, this policy should utilize market-based mechanisms, such as cap-and-trade systems, to create an economy-wide carbon price.
- ✦ **The realignment of incentives and other national policies to achieve climate objectives**, including a range of energy and transportation policy measures to encourage deployment of new and existing technologies at the necessary scale. Only governments can create the infrastructure needed to underpin the new clean energy system.
- ✦ **Guidance from the Securities and Exchange Commission and other financial regulatory bodies** to businesses and investors on what material issues related to climate change companies should disclose in their regular financial reporting, so that investors can assess more accurately the effects of climate risk and opportunity in their portfolios.

Delay is no longer an option, as opportunities will be squandered and the risks and economic cost of inaction will only continue to grow.

So we are speaking out now, issuing an urgent call for leadership and action.

We are prepared to do our part by working with government leaders to develop and implement these policies, and to help the public understand why new policies are both necessary and beneficial.

a project of Ceres Investor Network on Climate Risk

Background Information and Specific Measures

The Risks and Opportunities of Climate Change

Climate change presents serious economic risks, not only for businesses and investments, but also for the global and U.S. economies. Where there are risks, there are also opportunities, and the business opportunities posed by climate change are significant.

Climate change currently poses regulatory, legal, physical, and competitive risks for companies. Many U.S. businesses are confronting a growing patchwork of regulations addressing climate change and mandating emissions reductions in the European Union, Japan, Taiwan, the Northeast United States, California, New Mexico, various U.S. cities, and elsewhere, and the list is growing. In addition, U.S. businesses face increasing climate change litigation risk. Extreme weather events, which leading scientists and numerous studies tell us are likely to become more frequent and more severe, have already caused economic damage to many, such as businesses in the Gulf Coast. Left unattended, risks from severe weather, extended droughts, sea-level rise, and other effects of climate change will worsen over time, harming company assets, global investment portfolios, ecosystems, and human lives.

Government inaction on climate change poses additional risks for businesses and investors. The lack of a national policy creates great uncertainty for businesses and investors engaging in long-term strategic planning, asset management, and capital budgeting. In the current unpredictable national climate policy environment, it is exceedingly difficult and risky for businesses to evaluate and justify the large-scale, long-term capital investments needed to seize existing and emerging opportunities and to transition to a cleaner, lower-carbon energy economy.

At the same time, addressing climate change presents a significant economic opportunity for America in the 21st century. Many companies are already innovating to save energy, reduce greenhouse gas emissions, identify investment strategies, and create new climate-friendly technologies. With the proper incentives and market conditions, we are confident that such business opportunities could expand dramatically, low-carbon technologies that are available today could be more broadly deployed, and significant reductions in emissions could be achieved over the next few decades—all while creating vast economic opportunities and new jobs for Americans.

It will take billions of dollars over many years to shift the world's economies to cleaner and more efficient energy systems, but the economics of mitigation are much more attractive than the economics of inaction. Indeed, the Stern Review on the Economics of Climate Change, echoing sentiments expressed by a growing number of business leaders, concluded that the costs of action to reduce greenhouse gas emissions are both affordable and significantly lower than the costs of inaction.

We need to be in this effort together—businesses, investors, and government—to drive American businesses to a leadership position in the low-carbon future. Companies and investors stand ready to help, but government action is essential. The U.S. government needs to take action now.

Government Action Urgently Needed

To enable the business and investment communities to reduce climate risks and capture opportunities, we believe there is an urgent need for the federal government to act promptly to take three critical steps.

1. **The government must establish a mandatory national policy that will stabilize and then reduce national greenhouse gas emissions economy-wide.** The policy should include a target for sizeable, sensible, long-term reductions in greenhouse gas emissions in accordance with the 60–90% reductions below 1990 levels by 2050 that scientists and climate models suggest are urgently needed to avoid dangerous climate change.* Such ambitious long-term targets not only improve the odds of avoiding the worst impacts from climate change, but also enable businesses and investors to make investments with a known long-term planning horizon.

   Wherever possible, this national climate policy should include mandatory market-based solutions, such as a cap-and-trade system, that establish an economy-wide carbon price, allow for flexibility, and encourage innovation. However, we recognize that other regulations and policy tools may be most effective in some areas. The policy should not disadvantage businesses that have acted early to reduce their emissions.

2. **The government must take action to stimulate deployment and uptake of new and existing technologies.** Simply putting a price on greenhouse gas emissions through market mechanisms like a cap-and-trade system will not be enough. The government should therefore realign other national energy and transportation policies to achieve climate objectives, including a range of policy measures to provide the financial incentives that are needed to stimulate research, development, and deployment of cleaner, more efficient technologies at the scale necessary. The government also must eliminate misaligned incentives and barriers to taking action. The government has an important role to play in assisting the private sector in deploying existing large-scale energy, fuel, and transportation technologies to reduce emissions in the near-term, and in supporting research and development of new technologies that will be needed in the longer-term. To stimulate rapid deployment of new technologies, the government will need to provide transitional incentives and support. Such an approach should not pick technological winners, but rather should aim to bring forward a portfolio of technologies that both enable reductions in greenhouse gas emissions and promote America's energy security.

3. **The Securities and Exchange Commission and other financial regulatory bodies must assist both businesses and investors by better defining the material issues related to climate change and clarifying what companies should disclose on climate change in their regular financial reporting.** This will help investors understand the risks and opportunities that businesses face—and will help them determine with more accuracy the level of climate risk and opportunity in their investment portfolios—as America leads a global transition to a clean energy economy.

Benefits of Action

This set of government actions would have many benefits. By properly establishing a national policy rather than leaving leadership to the courts and state governments, it would remove unnecessary risk in asset management and corporate governance and help to harmonize an increasingly complex regulatory landscape. With greater certainty, American businesses and investors could make capital investments and seize global leadership on clean technologies. American businesses could do what they do best—innovate.

The companies and investment institutions we lead, which span a wide spectrum of economic activity, are willing to play their part in bringing about a low-carbon future. But in the absence of strong federal leadership, there is a risk that U.S. businesses may get left behind, losing ground against competitors in the rapidly growing global market for low-carbon solutions.

Establishing this national policy will not be the end of the effort. Climate change is dynamic, as will be efforts to mitigate its impact, and national policy will have to be updated accordingly. But we recommend these critical first steps and urge immediate action.

By aligning the rules, regulations, and incentives, we can help make the clean energy transition a win-win for the environment, the global economy, the American economy, businesses, and investors.

* Several existing programs have targets in line with this, such as California's goal of reductions to 1990 levels by 2020 and 80% below 1990 levels by 2050, New Mexico's target of 10% below 2000 levels by 2020 and 75% by 2050, and the European Commission's recent proposal that the EU reduce emissions to 20-30% below 1990 levels by 2020.

Complete List of Signers (as of 3/16)

Pension Funds, Labor, State Treasurers, State/City Comptrollers

- **Gerald W. McEntee** *President, American Federation of State, County and Municipal Employees*
- **Bill Lockyer** *California State Treasurer*
- **Fred Buenrostro** *CEO, California Public Employees' Retirement System*
- **Jack Ehnes** *CEO, California State Teachers' Retirement System*
- **John Chiang** *California State Controller*
- **Denise L. Nappier** *Connecticut State Treasurer*
- **Jonathan Miller** *Kentucky State Treasurer*
- **Sean Harrigan** *President, Los Angeles Fire & Police Pension Commission*
- **David G. Lemoine** *Maine State Treasurer*
- **Nancy K. Kopp** *Maryland State Treasurer*
- **Ann Wagner** *CEO, Municipal Employees Retirement System of Michigan*
- **Bradley I. Abelow** *New Jersey State Treasurer*
- **Orin Kramer** *Chair, New Jersey State Investment Council*
- **William C. Thompson, Jr.** *Comptroller of the City of New York*
- **Thomas P. DiNapoli** *New York State Comptroller*
- **Richard Moore** *North Carolina State Treasurer*
- **Randall Edwards** *Oregon State Treasurer*
- **Steve Abrecht** *Executive Director, SEIU Master Trust Fund*
- **Bruce Raynor,** *President, UNITE HERE*
- **Leo W. Gerard** *International President, United Steelworkers of America*
- **Jeb Spaulding** *Vermont State Treasurer*
- **Joseph A. Dear** *Executive Director, Washington State Investment Board*

Financial Service Firms, Asset Managers, Other Leaders in Investing

- **Dr. Joachim Faber** *Allianz SE*
- **Geeta Aiyer** *President, Boston Common Asset Management*
- **Barbara Krumsiek** *CEO, Calvert*
- **Mike Johnston** *(organization listed for identification purposes only) Executive Vice President, The Capital Group Companies*
- **Jeff Skoll** *Chairman* **and Stephen George** *CIO, Capricorn Management LLC*
- **Michael W. O'Hern, FSC** *President and CEO, Christian Brothers Investment Services, Inc.*
- **Amy L. Domini** *Founder and CEO, Domini Social Investments LLC*
- **Alain Grisay** *CEO, F&C Asset Management*
- **Peter S. Knight** *President, Generation Investment Management*
- **Peter D. Kinder** *President and Co-Founder, KLD Research & Analytics, Inc.*
- **Robert A. G. Monks** *Founder, LENS Corporate Governance Advisors*
- **Gregory Fleming** *President, Global Markets & Investment Banking, Merrill Lynch*
- **Joe Keefe** *CEO, Pax World Funds*
- **Rev. William Somplatsky-Jarman** *Presbyterian Church (U.S.A.)*
- **John P. M. Higgins** *CEO, Ram Trust Services*
- **Sister Patricia A. Daly** *OP, Sisters of St. Dominic of Caldwell, New Jersey*
- **Joan Bavaria** *President, Trillium Asset Management*
- **Tim Brennan** *Treasurer, Unitarian Universalist Association*
- **Tim Smith** *Senior Vice President, Walden Asset Management*

Foundation Endowments

- **Denis Hayes** *President and CEO, Bullitt Foundation*
- **Pam Solo** *President, Civil Society Institute*
- **Ruth G. Hennig** *Executive Director, The John Merck Fund*
- **Lance E. Lindblom** *President and CEO, Nathan Cummings Foundation*
- **Stephen Heintz** *President, Rockefeller Brothers Fund*
- **Tim Little** *Executive Director, Rose Foundation for Communities and the Environment*
- **Jeff Skoll** *Chairman* **and Sally Osberg** *CEO, Skoll Foundation*
- **Edward Skloot** *President, Surdna Foundation*
- **Melissa S. Dann** *Executive Director, Wallace Global Fund*
- **Wren Wirth** *President, The Winslow Foundation*
- **V. Kann Rasmussen Foundation**

Business Leaders

- **Alain J. Belda** *Chairman and CEO, Alcoa, Inc.*
- **Robert Malone** *Chairman and President, BP America*
- **Kevin Burke** *Chairman, President and CEO, Consolidated Edison, Inc.*
- **Chad Holliday** *Chairman and CEO, DuPont*
- **John W. Rowe** *Chairman, President, and CEO, Exelon Corporation*
- **Robert P. Stiller** *President and CEO, Green Mountain Coffee*
- **Christopher L. Dutton** *President, CEO, and Director, Green Mountain Power*
- **Daniel T. Hendrix** *CEO, Interface Inc.*
- **Cheryl LaFleur** *Acting U.S. CEO, National Grid*
- **Peter Darbee** *CEO, PG&E Corporation*
- **Johnathan Schwartz** *CEO, Sun Microsystems, Inc.*
- **Ted Turner** *Turner Enterprises*

Attachment No. 3

September 18, 2007

John W. White, Director
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth St., NW
Washington, DC 20549-0801

Dear Mr. White:

We have today filed a petition with the Commission asking that it issue interpretive guidance clarifying registrants' obligation under existing regulations to disclose material information concerning the effect of climate change and regulation of greenhouse gas emissions upon their financial condition and business operations. Copies of the petition are attached for the convenience of you and your staff.

With this letter, we separately request that the Division of Corporation Finance, when reviewing registrants' 10-K and 10-Q filings, devote particular attention to the adequacy, under existing regulations, of disclosures concerning climate risk, in light of the circumstances identified in the petition and below.

As more fully explained in the Petition, climate change is affecting the business environment in numerous ways that can have material effects on registrants' performance and operations. Many jurisdictions have already adopted, or are in the process of adopting, statutes and regulations limiting the emission of greenhouse gases. *See* Petition Appendices C, D. The Supreme Court set aside the U.S. Environmental Protection Agency's refusal to regulate global warming pollution under the Clean Air Act in *Massachusetts v. EPA*, 127 S. Ct. 1438 (2007), and federal legislation to control greenhouse gas emissions is very likely imminent. *See* Petition Appendix E. Compliance with these laws will have significant financial implications for many companies – including firms that are directly regulated by the laws and those that do business with regulated firms. The new markets created by greenhouse gas emissions limits and the resulting demand for cleaner energy will present significant opportunities for businesses as well. And many firms are affected in a material way by the many physical changes and related risks that are associated with a warming climate.

As documented in detail in our Petition, very extensive and broad-based investor demand for climate risk information underscores the conclusion that this information is material to many corporations' performance and operations, and critical to investors' ability to make informed assessments about corporate value. The transition to a carbon-constrained economy is underway, and public access to material information concerning the risks and opportunities that companies face, and their means of addressing those risks and opportunities, is vital to investors.

Depending on the circumstances of an individual corporation, the type of material climate risk information that warrants disclosure could include corporate policies and governance structures relating to climate change; a tabulation of the registrant's current and forecast greenhouse gas emissions; physical risks to corporate facilities or operations arising from climate change; financial risks and opportunities arising from enacted or imminent greenhouse gas regulation; and climate-related litigation.

Recent comprehensive reviews of corporate climate risk disclosures demonstrate that, although many registrants engage in some disclosure, to date, these disclosures have been inconsistent and in many cases inadequate. *See* Petition, Section 5. Many registrants include little or no climate risk information in their periodic reporting. In some cases, disclosures have been inadequate or nonexistent even within industries that are recognized to be distinctly at risk from climate change or from regulation of greenhouse gas emissions.

We have asked the Commission to provide interpretive guidance concerning corporations' obligation to disclose climate risk information under regulations including Regulation S-K Items 101, 103, and 303. However, because this obligation exists under current law, the Division need not and should not wait for the Commission's decision on that request in order to increase its scrutiny of the adequacy of climate risk disclosures in corporate filings.

Particular registrants' disclosure obligations will depend upon their circumstances. However, the inadequate and inconsistent state of current climate risk disclosure is of critical importance to millions of investors, and to the ability of our financial markets to adjust to the regulatory and physical changes resulting from climate change. Closely scrutinizing the adequacy of registrants' climate disclosures should now be a high priority for the Division.

The Division should systematically incorporate attention to climate disclosure into its review of registrants' disclosures. For example, the Division should compare disclosures of firms within an industry, and make further inquiries of registrants that have failed to disclose potential material information that their competitors have disclosed. Similarly, a firm that is or soon will be subject to greenhouse gas regulation under state or federal policies should disclose, in light of its current and projected greenhouse gas emissions, the effects of regulation upon their capital expenditures, earnings and competitive position. And when registrants disclose significant climate-related initiatives in voluntary disclosures such as "sustainability reports," but not in their mandatory disclosures under Regulation S-K, Division staff should assess whether that information is material to corporate performance and operations and therefore subject to mandatory disclosures.

We would be pleased to brief you and your staff on our petition at your convenience, and invite you to call Jim Coburn (617-247-0700 ext. 19) or Sean H. Donahue (202-277-7085), or any of the petitioners listed below, to discuss scheduling a meeting on climate risk disclosure. We thank you for your consideration of this important issue.

Sincerely,

California Public Employees' Retirement System

John Chiang
Controller
State of California

California State Teachers' Retirement System

Bill Lockyer
Treasurer
State of California

Mindy Lubber
President
Ceres

Counsel for Ceres
Jim Coburn

Fred Krupp
President
Environmental Defense

Counsel for Environmental Defense
Sean H. Donahue
Nancy Spencer
Vickie Patton

Karina Litvack
Director, Head of Governance &
Sustainable Investment
F&C Management

Michelle Chan-Fishel
Friends of the Earth

David G. Lemoine
Treasurer
State of Maine

Lance E. Lindblom
President, CEO & Trustee
The Nathan Cummings Foundation

William C. Thompson, Jr.
Comptroller
City of New York

Thomas P. DiNapoli
New York State Comptroller
New York State Common Retirement Fund

Randall Edwards
Treasurer
State of Oregon

Frank T. Caprio
General Treasurer
State of Rhode Island

Alex Sink
Chief Financial Officer
State of Florida

Jonathan Miller
Treasurer
State of Kentucky

Nancy K. Kopp
Treasurer
State of Maryland

Orin Kramer
Chair
New Jersey State Investment Council

Andrew M. Cuomo
Attorney General
State of New York

Richard Moore
Treasurer
State of North Carolina

Julie Gorte
Senior Vice President for
Sustainable Investing
Pax World Management Corporation

Jeb Spaulding
Treasurer
State of Vermont

Ceres

Investors and Environmentalists
for Sustainable Prosperity

November 15, 2007

The Honorable Harry Reid
Senate Majority Leader
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Senate Republican Leader
361-A Russell Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232 U.S. Capitol
Washington, DC 20515

The Honorable John Boehner
House Republican Leader
H-204 U.S. Capitol
Washington, DC 20515

Dear Majority Leader Reid, Republican Leader McConnell, Speaker Pelosi, and Republican Leader Boehner:

Today, 30 institutional investors and asset managers, with over $1.4 trillion in assets under management, join together with Ceres to urge you to support a final Energy Bill that will move the United States toward a more sustainable and more secure energy future and address directly the issue of climate change. We call on Congress to pass an Energy Bill that realigns national policies and incentives to stimulate the rapid deployment of clean technologies. We believe in the power of financial markets to accelerate the transformation of the energy industry in ways that will not only strengthen U.S. energy security, but also allow us to join other international leaders in the expanding global marketplace for clean energy.

Regulatory certainty in the form of clear and consistent federal energy policies is essential to seizing the immediate economic benefit that clean energy technologies hold for the United States. According to a United Nations report, global clean energy investment (investments in renewable energy and energy efficiency industries) set a new record of $100 billion worth of transactions in 2006, with annual growth rates exceeding 25% over the last three years. Most of this activity is taking place in Europe and the U.S., but there is now rapidly emerging participation from companies in China, India and Brazil. Indeed, Chinese companies were the second largest recipients of clean energy venture capital in 2006 after the United States. Every year the U.S. fails to enact strong federal energy policies is a missed opportunity to spur these much-needed investments that will create jobs, capitalize on our global technological advantages, lessen our dependence on fossil fuel and reduce carbon emissions at the same time.

Congress has the opportunity to act now and cover several issues in the current energy bill. Specifically, we believe the final legislation should include the following measures:

- **A Strong Renewable Electricity Standard.** According to UNEP, Europe's publicly traded renewable energy companies attracted more public stock market investment dollars – $5.7 billion compared to $3.5 billion in the U.S. Renewable energy CEOs are listing their companies on foreign stock exchanges and are locating facilities based on incentives established by the regulatory environment, along with technological capability in those markets. A national renewable electricity standard would boost production of wind, biomass, geothermal, and solar energy across the country, and would immediately establish the entire country as a favorable investment environment.

- **Increased Fuel Economy Standards.** As investors, we are exposed to climate change risks across our portfolios, and we view increased federal fuel economy standards through strong CAFE standards as an important protection of shareowner value against these risks, a changing competitive landscape, and rising fuel prices. We also acknowledge growing consumer environmental awareness. According to a new Citigroup report, a 35 mile per gallon (mpg) fleet by 2020 in the United States is not only feasible but could generate profit growth for automakers, including US automakers. A separate study by the Union of Concerned Scientists concludes that a 35 mpg fleet by 2018 could lead to $37 billion in consumer savings and 241,000 additional jobs in the year 2020, by reducing oil consumption to 1.6 million barrels per day and reducing global warming pollution by more than 260 million metric tons.

- **Energy Efficiency Incentives and Standards.** There is broad agreement that, often using existing technologies, energy efficiency is the easiest and lowest cost path to cleaning up energy use. The American Council for an Energy Efficient Economy (ACEEE) estimates that standards for lighting alone would reduce global warming pollution by 100 million metric tons in 2030, while saving consumers and businesses billions of dollars. Stronger federal incentives and standards are needed to overcome market barriers to the broader deployment of existing technologies and the development of new ones.

We recognize that the federal clean energy policies we support are critical first steps in addressing one of the greatest risks facing investors, the threat of global climate change. On March 19, 2007, 65 leading investors and business leaders called for tangible action by the U.S. government to, in part, realign energy policy incentives and other national policies to achieve climate objectives. This letter is consistent with that Call to Action, which is attached.

As fiduciaries and leaders in the investment community, we seek long-term value creation and sustainable returns for our investors through diversifying assets and minimizing exposure to risk. Establishing the aforementioned strong, clear, and stable policies and standards will provide a clear framework that will support dramatically increased capital flows into markets for clean energy.

We call upon Congress to pass an Energy Bill that realigns national policies and incentives to stimulate the rapid deployment of clean technologies and encourages investment in rapidly growing markets for clean energy technology at a time when the climate change crisis compels us to act decisively both in our nation's interest and the world's.

Sincerely,

California State Teachers Retirement System (CalSTRS)
California Public Employees Retirement System (CalPERS)
California State Controller John Chiang
California State Treasurer Bill Lockyer
Connecticut State Treasurer Denise L. Nappier
Florida Chief Financial Officer Alex Sink
Municipal Employees Retirement System of Michigan
North Carolina State Treasurer Richard Moore
New York State Comptroller Thomas P. DiNapoli
New Jersey State Investment Council
New York City Comptroller William C. Thompson, Jr.
Oregon State Treasurer Randall Edwards
Vermont State Treasurer Jeb Spaulding
Rhode Island State Treasurer Frank T. Caprio
Calvert Group, Ltd.
F&C Asset Management
Domini Social Investments
Trillium
Green Century
Pax World Management Corp
Ethical Funds
Tri-State Coalition for Responsible Investment
Winslow Management Company
Walden Asset Management (a division of Boston Trust)
Boston Common Asset Management, LLC
Vermont Community Foundation
As You Sow Foundation
Krull & Company
Province of St. Joseph of the Capuchin Order
Unitarian Universalist Association
Ceres

Enclosure

Cc: The Honorable Jeff Bingaman, Chairman, Senate Energy and Natural Resources Committee
The Honorable Pete Domenici, Ranking Member, Senate Energy and Natural Resources Committee
The Honorable John Dingell, Chairman, House Energy and Commerce Committee
The Honorable Joe Barton, Ranking Member, House Energy and Commerce Committee

Attachment No. 3

S71607-191
S71707-23

COMPTROLLER OF THE CITY OF NEW YORK
1 CENTRE STREET
NEW YORK, NY 10007-2341
(212) 669-3500

WILLIAM C. THOMPSON, JR.
COMPTROLLER

RECEIVED
SEP 17 2007
OFFICE OF THE SECRETARY

September 13, 2007

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington D.C. 20549-1090

Re: Release No. 34-56160 (File Number: S7-16-07) and Release No. 34-56161 (File Number: S7-17-07)

Dear Secretary Morris:

I write on behalf of the Boards of Trustees of the New York City pension funds (the "funds") to provide comments on the Securities and Exchange Commission's ("SEC" or "Commission") proposed rules: (1) Release No. 34-56160 which would enable shareholders to include in company proxy materials their proposals for bylaw amendments regarding the procedures for nominating candidates to the board of directors; and (2) Release No. 34-56161 which seeks to clarify the meaning of the exclusion for shareholder proposals related to the election of directors contained in Rule 14a-8(i)(8).

As Comptroller of the City of New York, I am a trustee of four of the City's five pension funds and the investment adviser to all five funds. Collectively, the funds hold approximately $111 billion in assets, with significant investments in the securities of publicly traded U.S. companies. As responsible shareowners, the funds have a long history of active and effective advocacy of corporate governance and corporate social responsibility reforms primarily through the shareholder proposal process under Rule 14a-8. As fiduciaries, we firmly believe that active engagement with companies in which our funds are invested is an important part of our duty to protect the retirement benefits of fund members, who are current and retired police officers, firefighters, teachers and civil service employees of the New York City.