

February 23, 2010

Hon. Christopher Dodd, Chairman
Senate Committee on
Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Hon. Richard Shelby, Ranking Member
Senate Committee on
Banking, Housing and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Dodd and Ranking Member Shelby:

As long-term institutional investors with a uniquely strong interest in the overall health and integrity of the U.S. financial markets, we strongly support the enactment of comprehensive financial regulatory reform legislation. Key corporate governance reforms are a critical component of such financial reform legislation, including most particularly the provision confirming the authority of the Securities and Exchange Commission to issue rules providing shareholder access to the proxy to nominate directors.

These governance reforms will provide investors with the necessary tools to achieve appropriate transparency, accountability, and management of risk at the corporate level. It will take the combination of strengthened oversight by both regulators and investors to restore and maintain the integrity and effectiveness of our capital markets and the accountability of its participants.

The undersigned State and local government pension funds and plan sponsors from across the country represent more than 6.8 million active and retired employees with combined assets of \$1 trillion and annual benefit payments to retirees and their families totaling more than \$47 billion. Public plans as a whole distribute more than \$160 billion annually in retirement and disability benefits. To discharge that responsibility, we are inherently long-term investors in the capital markets, providing patient capital with a decades-long investment horizon. Because of the sheer size of our plans and the need to diversify to provide sound investment returns, we are broadly invested throughout the capital markets in most asset classes.

Accordingly, the public plan community has a particularly strong and continuing interest in the overall health and integrity of the U.S. financial markets. In addition, as significant, long-term shareholders owning millions of shares in a broad range of publicly-traded companies, we have a keen interest in ensuring that these companies operate with transparency through the board of directors, financial reports, and methods of communication with investors, have a board and a management that are clearly accountable for properly serving the interests of the business and its owners, and appropriately manage risk to promote the long-term health of the business. The corporate governance reforms contained in the Chairman's committee print, especially the proxy access provision, will provide investors with the necessary tools to ensure appropriate transparency, accountability, and management of risk at the corporate level.

You recently received a letter from a number of business groups that base their opposition to governance reforms upon a series of tired myths which are debunked in an attachment to this letter.

We strongly urge the Committee to include key corporate governance reforms, including the SEC proxy access provision, in its financial reform legislation.

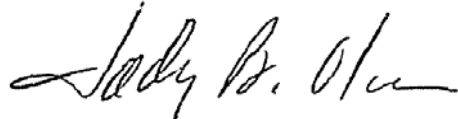
Sincerely,



Denise L. Nappier
Connecticut State Treasurer
Connecticut Retirement Plans and Trust Funds



Theresa Whitmarsh
Executive Director
Washington State Investment Board



Jody B. Olson
Chairman of the Board
Public Employee Retirement System of Idaho



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



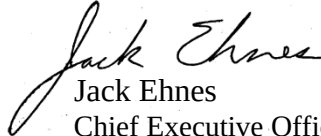
Gail L. Hanson
Deputy Executive Director
State of Wisconsin Investment Board



Ben Westlund
Oregon State Treasurer
Oregon Public Employees Retirement Fund



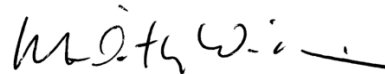
Anne Stausboll
Chief Executive Officer
California Public Employees' Retirement System



Jack Ehnes
Chief Executive Officer
California State Teachers' Retirement System



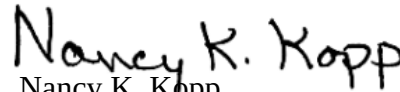
Chris De Rose
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Nancy K. Kopp
Maryland State Treasurer
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Gregg Rademacher
Chief Executive Officer
Los Angeles County Employees' Retirement Assoc.



Mike Nehf
Executive Director
State Teacher' Retirement System Ohio

cc: Members of the Committee