

November 18, 2009

Hon. Christopher Dodd, Chairman  
Senate Committee on Banking, Housing, and Urban Affairs  
SD-534 Dirksen Senate House Office Building  
Washington, DC 20510

Dear Mr. Chairman:

We applaud your continuing leadership in crafting the “Restoring American Financial Stability Act of 2009” to reform the regulation of the U.S. financial system. As long-term institutional investors with a uniquely strong interest in the overall health and integrity of the U.S. financial markets, we look forward to working with you and the other members of the Senate Banking Committee in support of comprehensive financial regulatory reform legislation.

We commend the key corporate governance reforms in the 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 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 in excess 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 this legislation, especially the proxy access provision will go a long way in providing investors with the necessary tools to ensure appropriate transparency, accountability, and management of risk at the corporate level.

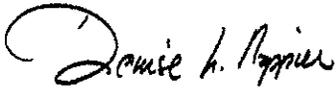
Hon. Christopher Dodd

November 18, 2009

Page 2

We appreciate very much your consideration of the perspective of the public pension plan community on these issues. Once again, we look forward to working actively with you and the Committee in support of comprehensive financial regulatory reform legislation.

Sincerely,



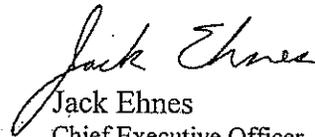
Denise L. Nappier  
Connecticut State Treasurer  
Connecticut Retirement Plans and Trust Funds



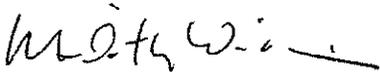
Thomas P. DiNapoli  
New York State Comptroller  
New York State Common Retirement Fund



Anne Stausboll  
Chief Executive Officer  
California Public Employees' Retirement System



Jack Ehnes  
Chief Executive Officer  
California State Teachers' Retirement System



Meredith Williams  
Executive Director  
Colorado Public Employees' Retirement Assoc.



Ben Westlund  
Oregon State Treasurer  
Oregon Public Employees Retirement Fund



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



Sally Choi  
General Manager  
Los Angeles City Employees' Retirement System



Gregg Rademacher  
Chief Executive Officer  
Los Angeles County Employees' Retirement Assoc.



Theresa Whitmarsh  
Acting Executive Director  
Washington State Investment Board



Chris De Rose  
Chief Executive Officer  
Ohio Public Employees' Retirement System



Judith A. Parker  
Interim Executive Director  
State Universities Retirement System of Illinois

cc: Hon. Richard C. Shelby, Ranking Minority Member