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August 13, 2009

U.S. Securities & Exchange Commission
100 F Street, NE
Washington, DC 20001-2016

Attention: Elizabeth Murphy, Secretary

Re: File Number S7-10-09

Ladies and Gentlemen:

I am writing to the Commission in my capacity as Lead Director of Lionbridge Technologies, Inc. (NASDAQ: LIOX) to express our views of the potentially negative impact of the proposed proxy access regulations on small public companies such as Lionbridge. Lionbridge is a provider of translation, development and testing services with 2008 annual revenues of approximately \$460 million. Our Board of Directors is comprised of six members, five of whom are independent under applicable definitions. Given the profile of our Company and Board, we believe our views of the proposed regulations in their current form, and in particular the unintended negative consequences that may be imposed on similarly situated companies, merit the Commission's consideration as it formulates final rules.

At the outset, I wish to make clear that Lionbridge has enjoyed open and constructive dialogue with its shareholders since its inception in 1996, and welcomes initiatives designed to enhance those interactions. That said, we believe that shareholder communication and proxy access initiatives need to be designed to encourage open communication with shareholders without unduly increasing the cost and formality of shareholder communications for smaller companies. Companies such as Lionbridge are still absorbing the significant increased compliance costs associated with the Sarbanes-Oxley Act, which was not tailored to differences in size or complexity of a company. Accordingly, we urge the Commission to consider modifying the proposed proxy access rules as described further in this letter.

Proxy Access

With respect to the proposed rules on Proxy Access, we recommend the following modifications to reduce the administrative and financial burden on smaller companies, and to avoid impeding the current, constructive communications already in place between investors and smaller companies such as Lionbridge:

- Increase the Eligibility Standards for Accelerated Filers from 3% of outstanding shares to a minimum of 5% of outstanding shares in the case of a single nominating shareholder and 10% where a group of shareholders are nominating a director, to ensure that only investors with a more significant interest in the company rather than a de minimus interest have the benefit of proxy



access and apply that standard only to companies with a market capitalization of at least \$1 Billion;

- Create an additional Eligibility Standard for Accelerated Filers with market capitalization of below \$1 Billion, with such standard to be set at 10%, such that it is consistent with the beneficial ownership reporting standard under Section 16 of the Securities Exchange Act. Smaller companies such as Lionbridge often have heavy concentration of institutional shareholders and would be burdened by nominations by too many shareholder groups if the Eligibility Standard remains at 3%. This burden is not merely financial; the time and resources needed to handle these requests will interfere with constructive communications with those shareholders who hold a more substantial interest in the company.
- Lengthen the holding period for eligible shareholders seeking to avail themselves of proxy access, with such period at least two years prior to the annual meeting. Particularly in the current economy, investors with a long-range view should be the focal point of investor communications. One year is simply too short a holding period given the expected duration of the current economic downturn and its expected recovery. Only those shareholders who make an appropriate longer-term commitment to a company should have the benefit of proxy access.
- Add a requirement for a holding period following date of annual meeting for shareholders whose nominee wins election – the shareholder should continue to hold for at least an additional six months to one year.
- Limit the percent of directors/nominees to 10% of the Board, rather than the proposed 25%, to provide for a more orderly and manageable process.
- Add a more defined and clear standard for the declaration of investment intent so that Board and Nominating Committees in particular can have clear guidelines.
- Both the shareholder and the proposed nominee should disclose their relationship each other, as well as the proposed nominee's qualifications for membership on the Board and its committees, including the ability of nominee to meet the independence standards of the Commission and the relevant exchange applicable to all committees of the Board.
- Clarify the role and obligations of the Nominating Committee in vetting nominees of shareholders, and in particular, the liability of nominating committees if they fail to discover something about a shareholder nominee through this vetting process.
- Consider revisions to the shareholder proposal rules under Rule 14a-8 to both increase the market value of the securities required to submit a proposal from \$2,000 to the greater of 1% of outstanding shares or \$10,000 and to impose a minimum share requirement of 500 shares rather than the current 200 share minimum.



We believe these modifications would more successfully help smaller companies such as Lionbridge foster an efficient dialogue with those shareholders who have demonstrated a meaningful, long-term and more substantial financial interest in the company than the current proposal. Moreover, it will allow smaller companies enough flexibility to design communications practices with its other shareholders in a manner it determines as most effective.

Proxy Advisory Firms

We believe the goals of the Commission's initiatives to improve shareholder communications cannot be fully realized without addressing the growing influence of proxy advisory firms in the shareholder communication process. Over the past two decades, proxy advisory services have been effective advocates for greater transparency and accountability in corporate governance and have provided valuable insights and research for their subscribers. However, we have become increasingly concerned about the deepening role these advisory firms are taking in shareholder communications and as a policy setting institution. We strongly urge the Commission to review the evolving role and influence of proxy advisory firms and, where appropriate, to consider regulation of these firms, including requirements that these firms be responsible for factual accuracy in their reports in advance of issuance and have an affirmative obligation to speak to companies to correct information or discuss issuer views.

Lionbridge, like many small-cap companies, has a large institutional shareholder base, many of whom subscribe to proxy advisory firms. Increasingly, our efforts to establish a direct and open dialogue with our investors have been undermined by their engagement of proxy advisory firms. By way of illustration, our investors tell us that they have little ability to alter a recommendation of the proxy advisory firms, even when they believe they have a compelling business case to do so or if they believe the proxy advisory firm is not accurately or appropriately measuring our company's performance.

From our perspective, we find ourselves making significant efforts to both communicate with investors and with advisory firms – but without any assurance that the advisory firms are then in dialogue with our investors. Moreover, each year we spend a substantial amount of time and money to decode the metrics used by the proxy advisory firms to evaluate our company's performance. Yet we have little ability to ensure that the metrics reflect accurate and timely information about our company. We believe that the increasing influence of proxy advisory firms and the potential for inaccurate information may lead to improper information flow and potentially detrimental communications between companies and their shareholders.

We also have observed that proxy advisory firms are now *establishing* corporate governance policies rather than simply advising their clients. In many respects, the standards they set have the effect of "policy" or regulation due to the size and depth of their subscription base and the manner in which they control the shareholder communications and voting processes. We believe that corporate governance standards should be established by public regulatory bodies following public comment, rather than by unregulated companies.

We are concerned that the proposed rules will serve only to further institutionalize the position of the proxy advisory firms in the shareholder communication process, to the detriment of direct communications between a company and its shareholders. We are equally concerned about the influence



of proxy advisory firms in setting governance standards that more properly ought to be set by a governmental body in an open and public process. This “disintermediation” goes against the spirit of proxy access and ought to be addressed in connection with the proxy access regulations.

Accordingly, we strongly urge the Commission to consider regulation of proxy advisory firms as part of its proxy access initiative.

Conclusion

Both the Company and I are happy to discuss any of these subjects at greater length, and look forward to working with you. If you have questions, please feel free to call me at 212 430-1824.

Sincerely,

/s/ Guy de Chazal

Guy de Chazal, on behalf of the Board of Directors of
Lionbridge Technologies, Inc.

cc: Rory J. Cowan, CEO and Chairman
Edward A. Blechschmidt, Director
Steven Fisher, Director
Paul Kavanagh, Director
Claude Sheer, Director
Margaret A. Shukur, Secretary