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October 20, 2010

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

Re: Concept Release on the U.S. Proxy System
Release Nos. 34-62495; IA-3052; IC-29340; File No. S7-14-10

Dear Ms. Murphy:

DuPont welcomes the opportunity to comment on the Securities and Exchange Commission's Concept Release on the U.S. Proxy System ("Release"). Our Company fully supports the Commission's review of this important process. As noted in the Release, the corporate proxy process involves significant complexities and a wide array of participants stemming from the nature of share ownership in the United States[1]. Our comments are limited to the areas of the Release of particular importance to our Company: "Issuer Communications with Shareholders" and "Proxy Advisory Firms."

Our Company

DuPont puts science to work by creating sustainable solutions essential to a better, safer, healthier life for people everywhere. Operating in more than 70 countries with 60,000 employees worldwide and $26.1B in revenue for 2009, DuPont offers a wide range of innovative products and services for markets including agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation and apparel. We believe the following comments are consistent with our commitment to maintaining a governance model that returns long-term value to our shareholders.

[1] 75 Fed. Reg. 42983

Issuer Communications with Shareholders

As noted in the Release, the objecting beneficial owner/non-objecting beneficial owner ("OBO/NOBO") framework was adopted by the Commission to promote direct communication between issuers and their beneficial owners.[2] The Release also notes that approximately 52-60% of all shares are held by OBOs[3], with whom issuers cannot directly communicate. The Commission has recently taken steps to improve shareholder communication, such as through the adoption of notice and access and its "Spotlight on Proxy Matters" web page. The Commission could further promote shareholder communication by eliminating the current OBO/NOBO framework.

Over the past several years, there have been an unprecedented number of significant developments in corporate governance and the role of shareholders in the nomination and election of directors. These include widespread adoption of majority voting for directors, expanded disclosure requirements, say on pay votes, proxy access and elimination of broker discretionary voting for directors under NYSE Rule 452.

In light of these important changes, the need for direct communication between an issuer and its shareholders is much greater now than it was when the Commission adopted the OBO/NOBO framework. Eliminating this framework would facilitate more and better communication between issuers and shareholders and improve voter education and participation. Issuers, shareholders and the investment community as a whole would be better served by the elimination of this distinction.

While we recognize the privacy considerations highlighted in the Release, an investor could remain anonymous by registering shares in a nominee account. At a minimum, we would urge the adoption of an annual NOBO system which would help investors better protect their investment strategies and minimize telephone calls from the issuer or its proxy solicitor. We would also support the implementation of a fee for electing OBO status as another alternative approach for addressing this issue.

Proxy Advisory Firms

The rapid growth of proxy advisory firms and the influence that those firms exert over the proxy voting process is indisputable. As noted in the Release, as of June 2007, the client base for the market leader, Institutional Shareholder Services ("ISS"), included an estimated 1,700 institutional investors, more than the other four major firms combined.[4] As of December 31, 2009, ISS

[2] 75 Fed. Reg. 42999
[3] Id.
[4] Release, note 271.

provided proxy research, voting and vote reporting services to approximately 2,970 clients.[5]

Although, as noted in the Release, proxy advisory firms typically represent that their analysis and recommendations are prepared with a view to maximizing long-term shareholder value for their clients[6], those firms themselves have no economic interest in that long-term shareholder value. Furthermore, they are not today subject to sufficient oversight. Eliminating their exemption from the Commission's proxy solicitation rules would be a step in the right direction.

Proxy advisory firms remain subject to the prohibition on false and misleading statements under Rule 14a-9, but additional measures must be taken to ensure that the information in proxy advisory firm analyses and recommendations has been properly reviewed and vetted by the issuer. Issuers should be given a sufficient amount of time to review and comment on a proxy adviser's report. To the extent there is a disagreement that cannot be resolved through a formal appeals process, the proxy adviser's report should disclose that disagreement.

Often, an issuer has one or two days to review and comment on the report and vote recommendations of a proxy adviser. It has been our experience that substantive disagreements over content, such as peer group analyses, are rarely resolved in favor of the issuer. In fact, we have disagreed with a proxy adviser's presentation of our Company's executive compensation figures, a subject that the Commission has extensively regulated.

A proxy adviser should also be subject to additional disclosures aimed at improving the quality of ratings and recommendations, including disclosures of the depth of its research on recommendations, the effectiveness of its controls over accuracy of issuer data, the procedures for communications with issuers and the appeals process that applies in the event of disagreements over content.

With the expansion of the institutional investor shareholder base, the growth of proxy advisory firms, the development of more comprehensive proxy disclosure rules and the proliferation of shareholder proposals, comes the threat of a formulaic approach to proxy voting. Proxy advisers should be required to disclose whether they have a "one size fits all" approach to specific proposals and why they believe that such an approach is warranted.

Likewise, Form N-PX should be amended to require disclosure of whether a proxy advisory firm was used by the investor, and if so, which one, and whether the investor voted in accordance with that firm's recommendation. This would encourage institutional investors to give adequate consideration to the facts and circumstances of a given shareholder proposal.

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[5] RiskMetrics Group, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2009.
[6] 75 Fed. Reg. 43009.

Other efforts to ensure the integrity of the recommendations and analyses of proxy advisory firms would also be welcome. Proxy advisory firms should be prohibited from providing both proxy voting recommendations to investors and consulting services to corporations on shareholder proposals or advice on improving governance ratings. Furthermore, proxy advisers should be prohibited from providing issuer governance ratings to institutional clients while also providing consulting services to corporations to help them improve their governance ratings.

At a minimum, proxy advisory firms should be required to provide specific disclosure of these conflicts—a generic disclosure that the firm "may" have a conflict is not sufficient. Adopting rules similar to those applicable to Nationally Recognized Statistical Rating Organizations, whereby certain conflicts would be prohibited and others specifically disclosed, would be appropriate in addressing these concerns.

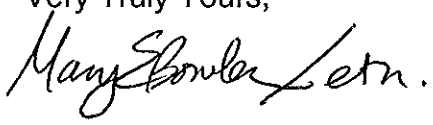
Concluding Remarks

With the growing importance of the proxy voting system and increased focus on improving corporate governance, it has never been more evident that issuers need an open channel of communication with all shareholders. Accordingly, the Commission should revisit its OBO/NOBO framework. However, any efforts to allow for better communication between an issuer and its shareholders can be undermined by inaccurate, and possibly conflict-ridden, voting information furnished to shareholders by proxy advisory firms. It is therefore critical that the Commission also implement greater oversight of proxy advisory firms.

Our comments are not intended to be all-inclusive, and are limited to those subjects most important to our Company. We do, however, support many of the comments being submitted to the Commission on this matter by the Business Roundtable and others offering perspectives from the issuer community.

Thank you for your consideration of our position.

Very Truly Yours,



Mary E. Bowler
Corporate Secretary and
Corporate Counsel