

October 23, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Re: File Number S7-03-06; Proposed Amendment to
Executive Compensation Rules

Dear Ms. Morris:

We are submitting this letter in response to the solicitation by the Securities and Exchange Commission (the "Commission") of comments on re-proposed Item 402(f)(2) of Regulation S-K regarding compensation disclosure for three additional highly compensated employees, as contained in Release Nos. 33-8735; 34-54380; and IC-27470 (the "Proposing Release").

While we support and commend the Commission for its recent overhaul of the executive compensation disclosure rules in an effort to provide greater clarity and transparency for investors, for the reasons discussed below we continue to recommend that the Commission not adopt re-proposed Item 402(f)(2) of Regulation S-K.

A. The Proposed Category of Employees Subject to the Rule is Unclear and Overlaps with the Existing "Executive Officer" Definition

Under the newly adopted executive compensation disclosure rules, registrants must provide extensive compensation disclosure regarding their "named executive officers" -- i.e., the principal executive officer, the principal financial officer and the three most highly compensated executive officers other than the principal executive officer and principal financial officer. Proposed Item 402(f)(2) would require companies also to disclose total compensation and job position (without naming the individuals) for each of the company's three most highly compensated employees, whether or not they were executive officers during the last year, whose total compensation for the last completed fiscal year was greater than any of the named executive officers.

In response to numerous comments received on originally proposed Item 402(f)(2), the SEC is now proposing to modify this disclosure requirement by limiting its application to employees with responsibility for significant policy decisions within the company, a significant subsidiary of the company, or a principal business unit, division or function of the company. The concept of "policy making function" is already embedded in the definition of "executive officer", the term used for determining who the "named executive officers" of a registrant are under the rules. Rule 3b-7 under the Exchange Act defines

“executive officers” to include “[a registrant’s] president, any vice president of the registrant in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the registrant. Executive officers of subsidiaries may be deemed executive officers of the registrant if they perform such policy-making functions for the registrant.” Thus, it would appear that the categories of employees that the SEC is now focusing on in the Proposing Release are, in many cases, already included in the existing “executive officer” definition, even with respect to employees of subsidiaries. As the SEC itself stated in its release adopting the new executive compensation rules, “as was formerly the case, a named executive officer may be an executive officer of a subsidiary or an employee of a subsidiary who performs such policy-making functions for the registrant.”

Even if there is not complete overlap between the existing “executive officer” definition and the group of employees now proposed to be covered by Item 402(f)(2), they are close enough to lead to confusion and inconsistent application of the rule by registrants.

B. The Costs to Registrants of Complying with the Proposed Rule Far Outweigh the Meaningfulness of the Information to Investors

The Proposed Rule would require registrants to incur substantial costs to monitor a potentially large number of employees in order to determine whether Item 402(f)(2) disclosure is required. Limiting application of the rule to large accelerated filers does not lessen this real concern, as these are the very issuers most likely to have the largest pools of employees that will need to be monitored. The specific information regarding the top-3 highly compensated non-executive employees in any one year would provide little meaningful information to investors beyond noting that the company may employ individuals who make more money than some of the company’s named executive officers, a cost of doing business and a fact that most investors already know. Moreover, the proposed rule could in fact competitively disadvantage large companies by requiring them to reveal sensitive information not required to be disclosed by smaller companies and private companies.

Based on the foregoing, we believe that the costs that companies would incur to comply with proposed Item 402(f)(2) would far outweigh the added value of the required disclosure to investors.

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& PARKE LLP

We appreciate the opportunity to comment on the Proposing Release, and would be happy to discuss any questions the Commission or its staff may have with respect to our comments. Any such questions may be directed to Kevin Smith (212-408-1092) or Jessica Tsai (212-408-1125).

Very truly yours,

Chadbourne, & Parke LLP

CHADBOURNE & PARKE LLP

VIA E-MAIL