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April 10, 2006

FRIED FRANK

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

Re: Release Nos. 33-8655; 34-53185; IC-27218; (the "Release"); File No. S7-03-06

Dear Ms. Morris:

We appreciate the opportunity to comment on the proposed rules set forth in the Release regarding reforms to executive compensation and related party disclosure. We have chosen to limit our comments to three aspects of the proposed rules which we believe require revision. These comments are based on our experience representing issuers, although the comments are solely our own and are not intended to express the view of our clients.

Proposed Disclosure of Employees who are not Executive Officers

We suggest eliminating the proposed requirement to disclose compensation of up to an additional three employees who are not executive officers but who earn more in total compensation than any of the named executive officers. In our view, there will be little benefit to investors from this information as compared with the burdens imposed in providing it. The information is not likely to be material to shareholders, since the non-executive officers do not have policy-making functions and do not make decisions on behalf of the shareholders. Further, in any given year, the particular non-executive officers to be included and their compensation may depend on circumstances not within the normal purview of a board of directors and may vary significantly from year to year based on the circumstances present in that year. The result, we believe, will be disclosure of compensation that is not only not necessarily meaningful to investors but also is made for reasons unrelated to legitimate shareholder interests. In addition, the disclosure, in our view, is not likely to provide information that would enable shareholders to compare compensation decisions across companies or even within industry groups because the variations are likely to depend on the developments outside a board of directors' control.

Preparing this non-executive officer information could also impose additional burdens on companies. Identifying the three individuals could possibly require careful examination of the total compensation for many additional employees. This task would entail not only analyzing payrolls and compensation plans, but tracking all details of compensation, including the perquisites, earnings on deferred compensation, and increases in pension actuarial values. As proposed, each year, a company would be required to expend resources to identify three non-executive officers by job position and total compensation. Since we do not perceive any substantial benefit from the disclosure, these burdens are not justified.

Retirement Plan Potential Annual Payments and Benefits Table

In reference to the Retirement Plan Potential Annual Payments and Benefits Table, we suggest that all disclosed retirement benefits should be quantified in the form of a single life annuity (or, if the Plan permits lump sum payments, in that form). The currently proposed rule states that the retirement benefit should be quantified in accordance with the form currently elected by the executive. Executives do not elect benefits under qualified plans until retirement. Permitting retirement benefits to be quantified in accordance with different forms of payment reduces the utility of this disclosure as a comparative tool to the benefits earned by other executives. If all retirement benefits had to be quantified in the form of a single life annuity or lump sum payment, comparative analysis would be easier and the potential for confusion reduced. Single life annuities are also an appropriate default form since all qualified defined benefit retirement plans will provide for that form of benefit for unmarried executives and, therefore, the compliance burden on the company should be reduced.

Transition Rule

We suggest that the transitional rules should provide sufficient time for non-calendar year companies to implement the final rule changes. As proposed, the rules would become effective for proxy statements that are filed 90 days or more after publication of the final rules. Depending upon the date of publication, companies with fiscal years ending in mid-2006 (e.g., June 30, 2006) could be required to comply with the final rules with very little time to implement the new rules prior to the deadline for the filing of their proxy statements in 2006. The rules also become effective for Forms 10-K for companies with fiscal years ending 60 days or more after publication. We suggest that the rules, once finalized, not become effective except for companies with fiscal years ending on or after December 31, 2006. This would preserve the SEC's intention of having the new rules take effect with respect to proxy statements to be filed in 2007 while avoiding any unnecessary burden on non-calendar year filers.

Please contact Laraine S. Rothenberg at (212) 859-8745 or Kenneth R. Blackman at (212) 859-8280 if you have any questions about or require clarification of our comments.

Sincerely yours,

Laraine S. Rothenberg