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LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

April 6, 2006

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

Re: File Number S7-03-06

Dear Ms. Morris:

On behalf of the 700,000 active members and more than 63,000 retired members of the Laborers International Union of North America (LIUNA) I am pleased to comment on the Securities and Exchange Commission's ("SEC") proposed executive compensation and related party disclosure rule. LIUNA, through its individual pension and benefit funds, has collectively over $30 billion in equity investments. Some of the LIUNA benefit funds have adopted active ownership principles and have filed a number of shareholder proposals over the years calling for increased disclosure of executive compensation packages at listed corporations. In addition, LIUNA funds have written proposals calling for augmented Board independence requirements. Therefore we believe that our Union's opinion on this Rule should be of particular importance to the Commission. We believe that the current disclosure requirements do not give investors the necessary data to accurately assess total executive compensation packages and we are pleased to see the Commission moving towards better and fuller disclosure from listed corporations. Therefore, we commend the SEC for its efforts to increase transparency and clarity in compensation disclosure, and offer comment on ways we believe the rule can be improved.

Performance benchmarks for senior level executives are generally based on disclosed financials, and the SEC should mandate explicit disclosure of these performance targets. Companies should also disclose qualitative and quantitative benchmarks and metrics when established. To that end, we believe that peer groups comparisons are a crucial corporate governance benchmark. At many companies there is no clear description of the median of the peer group used in granting awards to executives. Companies should not be able to claim as confidential the peer group used in awarding compensation and if companies do not rely on peer group comparisons they should also be mandated to describe the reasons these were not used. Peer group comparisons in our view are an important tool in evaluating the worth of a company and in determining performance benchmarks.

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In addition we also support the valuation of stock awards based on the grant date fair value of the awards. Ideally, the grant date value of performance vesting equity awards would be reported in the summary compensation table, instead of the value on the vesting date. In response to the Commission's inquiry, we believe that the valuation method and all valuation assumptions should be disclosed in the proxy.

Currently, pensions and other retirement benefits are not included in the summary compensation table. We are pleased to see that in the proposed rule there would be a valuation given to such benefits. We would support the Commission's proposed valuation of pensions according to the increase in actuarial value to the officer accrued during that year. Given the large proportions of compensation tied up in pension value, we would also support disclosure in a separate column in the summary compensation table. A further breakdown of executive retirement benefits would provide additional clarity. For example, we believe companies should disclose whether executives are receiving preferential treatment or if their retirement benefits are on the same terms as those offered to other company employees.

The discussion and interpretative guidance surrounding perks is encouraging. We support the narrow concept that emphasizes as non-perks only those benefits that are "integrally and directly related to job performance."

We strongly oppose the modification of the related party transaction threshold. The current $60,000 default threshold should be retained and should not be increased to the proposed $120,000 mark.

Further, we believe that the lack of independence in compensation committees is one root cause of runaway pay, and the discussion surrounding committee independence is disappointing. The independence standards would be much improved by relying on the Council of Institutional Investors ("CII") independent director definition. CII is an organization of large public, labor and corporate pension funds, including over 140 pension fund members whose assets exceed $3 trillion. The CII basic independent director definition provides that an independent director is "someone whose only nontrivial professional, familial or financial connection to the corporation, its chairman, CEO or any other executive officer is his or her directorship. Stated most simply, an independent director is a person whose directorship constitutes his or her only connection to the corporation." We believe that real director independence is crucial in restoring board accountability and linking pay to performance.

We appreciate the opportunity to offer comments on these issues of great importance to our benefit funds and their plan participants. Should you have any questions about our comments, please contact Jennifer O'Dell, Assistant Director of Corporate Affairs, at (202) 942-2359.

Sincerely,

Terence M. O'Sullivan
General President

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