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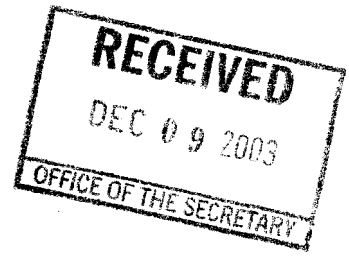
December 4, 2003



Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: File No. S7-19-03

Dear Mr. Katz:

The purpose of this letter is to express my concerns with regard to the Commission's proposed shareholder access rules. I serve on the Board of Directors of three publicly held corporations, each of which could in some manner be adversely impacted by this initiative. In my opinion, the proposed rules, if adopted in their present form, would be far too broad and could do considerably more harm to the shareholders than good. Perhaps more important, it's unclear that such reform is needed, or if so, that the proposed rules are sufficiently well considered to resolve the problem they are designed to address without introducing unintended consequences.

I can certainly understand the Commission's legitimate concern that some corporations have not been responsive to the views of their shareholders. However, those companies that have consistently been responsive, and I would put the companies on whose Boards I serve in that category, would be affected along with those who have not. To gain some perspective on the inequity in this, one has to look no further than the considerable time and expense involved in complying with the series of corporate governance reforms recently put in place by Congress, the Commission and the stock exchanges. While I wholeheartedly support the objectives of these initiatives, I worry that the balance is going to be tipped towards "check the box" compliance at the expense of other matters deserving the Board's attention. And while well-governed companies will indeed comply, it remains to be seen whether these reforms will in fact prevent the kind of scandals that precipitated them. As someone recently suggested, the reforms imposed on corporations in response to these scandals won't change the underlying motivation of mankind. So, it seems to me that it would be prudent to allow sufficient time to see how these newly enacted reforms are working before adopting even further changes.

One recent reform worthy of note in the context of the proposed shareholder access rules is the NYSE listing standard that requires Nominating Committees to be composed entirely of independent directors. This change has the potential of going a long way towards addressing one of the issues that is the focus of the proposed rules. The significant.difference, however, is that by maintaining control cf the nominating process in the hands of the independent Nominating Committee and the Board enables the company to give due consideration to a prospective Board candidate's qualifications in relation to a Board's particular needs in terms of business experience, financial expertise, diversity or other special factors. Bypassing the Nominating Committee and

the Board, which the proposed shareholder access rules would permit if a triggering event occurred, would eliminate the ability of the company to structure the Board's membership to maximize its effectiveness for the ultimate good of the shareholders.

Given the highly concentrated institutional ownership of most major U.S. companies, it would take little effort for a shareholder to submit a direct access proposal, gain majority support despite its merits or motives, and subject the company to onerous access procedures in the following two years. Or, shareholders could easily join forces to withhold votes for a particular Director thereby gaining access and forcing the company to run election contests through its own proxy statement. I would not be surprised to see, under the latter circumstances, many Directors opting to forego such contests with its potential for personal embarrassment. Such an outcome would exacerbate the already difficult problem of finding qualified Directors willing and able to serve.

Another likely, but clearly undesirabie, outcome of the proposed shareholder access rules, if adopted, would be the election of "special interest" Directors. There can be no doubt that once on board the presence of such Directors would be disruptive, civility would likely be a thing of the past, open discussion around the Board table would be inhibited and the efficiency and effectiveness of the Board would be severely impeded. I truly believe that shareholders are best served by a strong, engaged and independent Board of Directors that takes full responsibility for overseeing the success of the enterprise and the interests of its shareholders. But it is highly doubtful that the contentious atmosphere that would exist post election of special interest Directors would make for a well functioning Board.

One final note. A major difference that often arises between Boards and institutional investors is the matter of what's the relevant horizon. I, for one, believe that a number of U.S. companies have suffered from a less-than-thoughtful pursuit of short-term gains in stock price at the expense of long-term value creation and the perpetuation of the enterprise. If the shareholder access rules are adopted, I'm concerned that companies may feel compelled to focus almost exclusively on the short term in order to placate institutional shareholders and thereby avoid the costs, problems and potential disruptions brought about by easy access to the proxy statement. And anything that puts additional undue emphasis on short term corporate performance, in my humble opinion, does not bode well for the ability of U.S. companies to compete in a global economy.

I would like to thank the Commission for soliciting public comments on its proposed shareholder access rules and for giving me this opportunity to express my concerns. If you would like to discuss any of these issues with me, please feel free to call me at 216.464.4614.

Sincerely,

John R. Miller
Director
Eaton Corporation, Graphic Packaging Corporation and Cambrex Corporation

JRM/jm