Ernie Green
President

Ernie Green Industries, Inc.
1785 Big Hill Road
Dayton, Ohio 45439
937/299-0606
FAX: 937/299-3873

376

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:

As a Board member of three publicly held corporations, I appreciate this opportunity to express my concerns with the proposed shareholder access rules.
As indicated below, I believe the rules would be far too sweeping, could do considerably more harm than good, and would be premature.

The triggering events for the new rules appear unnecessarily broad. They would affect not only those companies that have been non-responsive to shareholder concerns, but all publicly held U.S. companies. In view of the highly concentrated institutional ownership of most U.S. corporations, it would not be difficult for a shareholder to initiate a direct access shareholder proposal and to gain majority shareholder support, even if the shareholder's motives were unrelated to the company's own performance. If so, the consequences for the company would be serious and costly.

If a triggering event occurs, the rules would permit shareholders to bypass the company's Nominating Committee and Board to place director nominees in the proxy statement. There would be no opportunity for the Nominating Committee to consider the nominee's qualifications in the context of the Board's own needs, such as prior business experience, financial expertise (now required for Audit Committee members), special technical expertise or other factors critical to Board effectiveness. The benefits of having entirely-independent Nominating Committees, as required by the NYSE listing standards, would be largely lost.

Once triggered, the effect of the rules on director elections would be both disruptive and costly, creating election contests through a company's own proxy statement. Not only would this be wasteful, it would carry a

significant non-economic risk as well: potentially dissuading well qualified director candidates from standing for election in competition with others. This outcome would have very far-reaching consequences. After all, I believe that the single most important factor in effective corporate governance is a strong and fully independent Board to oversee the success of the enterprise and the interests of the shareholders.

If large shareholders succeed in electing their own Board candidates, with no involvement by the Nominating Committee or the Board, normal Board functioning very likely would be disrupted. Directors personally selected by the shareholders would create factions on the Board, enabling special interest groups access to boardrooms, inhibiting open discussion among the directors, undermining collegiality and impeding the efficiency and effectiveness of Boards.

Most significant of all, I regard these potentially costly and risky new rules as premature. I do not believe we know, at this early point, whether these rules are even necessary or whether they are designed thoughtfully to address our post-reform needs. We have not yet been able to observe how well the recent corporate governance reforms are functioning, including the entirely-independent Nominating Committees. Would there be any significant disadvantage to postponing action on the proposed new rules for a year or two in order to develop a clearer understanding of our post-reform needs?

Thank you for this opportunity to express my view on the proposed shareholder access rules. If you would like to discuss with me any of the concerns I have raised, or others, I would appreciate hearing from you by telephone at 937-299-0606.

Sincerely,

Ernie Green
Director
Eaton Corporation
Pitney Bowes, Inc.
Dayton Power and Light Company