



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 4, 1993

The Honorable Bob Kerrey
U.S. Senate
Washington, D.C. 20510

22-2

Dear Senator Kerrey:

Thank you for your letter of November 17, 1992, to Kathryn Fulton, the Commission's Director of Legislative Affairs, enclosing a letter from Mr. Al J. Werthman regarding executive compensation. The letter has been forwarded to me for response.

Revised rules regarding executive compensation disclosure have been adopted by the Commission and were effective October 21, 1992. Those rules are designed to make disclosure of compensation paid or awarded to executive officers clearer and more concise. Enhanced disclosure regarding annual salaries and bonuses paid to executive officers is required, as well as more detailed disclosure regarding awards of stock options, stock appreciation rights, restricted stock, and long-term incentive compensation. The new rules also require disclosure of the Board of Directors' rationale for compensation paid to named executives, and the relationship between such compensation and company performance.

Currently, the Division of Corporation Finance is in the process of providing guidance with respect to application of the new rules. A copy of the Commission release adopting the new rules is enclosed, and if you or any of your constituents have questions regarding those rules, please do not hesitate to contact me.

Sincerely,

Mary E.T. Beach

Mary E.T. Beach
Senior Associate Director

Enclosure