February 29, 2008

Mr. Ashwini K. Agrawal
Apartment 208
5532 South Kenwood Avenue
Chicago, Illinois 60637

Dear Mr. Agrawal:

Over the past month we have attempted to engage in a dialogue with you about your unpublished, unreviewed paper entitled which in substantial part purports to be an effort to understand how the AFL-CIO and its affiliated funds behave in the area of proxy voting in board of director elections for public companies. We have received your email refusing to meet with us to discuss your paper.

You have written a paper that in substance makes the very serious and completely false accusation that the AFL-CIO and the AFL-CIO Staff Retirement Fund vote their proxies based in part on whether the employees of the company in question are members of an AFL-CIO affiliated union, rather than based on the Fund's proxy voting guidelines. You have published this accusation by posting this paper on public websites, and apparently circulating it widely, which has resulted in it being cited on multiple occasions in the business press. Then you refuse to discuss your findings, disclose your data set, or respond to substantive and fundamental criticisms of your paper.

After receiving our emails requesting peer review and the release of your data, you published a revised version on February 7th that failed to address any of our comments and appears not to have been peer reviewed. You further have failed to release your data.

Consequently, we repeat our request to you to release the data set, which you have used to build your regression model. As we have noted in prior correspondence, you appear to have constructed key variables in your data set such that it is impossible to replicate or evaluate your work without access to your unique data. Second, we repeat our request to you that you not further circulate your paper without having it subject to peer review by experts in both the fields of corporate governance and labor relations.

Furthermore, we wish to restate clearly the reasons why your conclusions are mistaken and your regression model incorrect.

1) You use the voting behavior of mutual funds to define the corporate governance characteristics of the companies you are looking at, rather than the voting recommendations of more independent sources such as Risk Metrics or Glass Lewis, or the evaluations of corporate governance published by sources such as the Corporate Library.

2) You appear to have treated companies with mixed representation by AFL-CIO unions and Change to Win unions as though they were entirely represented by AFL-CIO unions.

3) You have made no effort to inquire into the methods by which AFL-CIO proxies are actually voted—had you done so you would have discovered that the proxy advisory firm that votes our proxies votes for both AFL-CIO affiliated funds and Change to Win affiliated funds, and votes all funds' proxies the same.

4) While you have gathered data on certain Change to Win affiliated funds, you did not compare their voting behavior over time with that of the AFL-CIO, a simple check on whether your theory that union affiliation affected proxy voting was correct.

We continue to believe that a thorough airing of these issues would demonstrate that the conclusions in your paper are mistaken. However, it is impossible to air these issues without your cooperation. We ask that in addition to disclosing your data you agree to an open seminar to discuss these issues. We believe such a seminar would be most useful if held at an academic institution such as either the University of Chicago or Harvard University, on whose blog you initially posted your paper. Please let us know if you are agreeable, in addition to responding to our request to release your data and to submit your paper to peer review prior to any further circulation. Thank you.

Sincerely,

D. F. Pedrotty

Daniel F. Pedrotty
Director
Office of Invesmtent

DFP/ms
opeiu #2, afl-cio