

MILLENNIUM CHEMICALS INC  
Form DEFA14A  
May 12, 2003

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

SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, For Use of the Commission Only (as permitted by Rule 14a-6)  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to Rule 14a-12

Millennium Chemicals Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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[On May 12, 2003 the Company sent the attached letter to Institutional Shareholder Services (ISS) regarding the fees paid to the Company's independent auditor, PricewaterhouseCoopers LLP, for 2002. Previously, the Company sent a letter to ISS on May 8, 2003 that was filed as additional proxy material. Please note that while these letters provide additional information regarding the nature of the fees disclosed on page 22 of our 2003 proxy statement as All Other Fees, we are not providing, and are not yet required to provide, the breakdown of fees required by new SEC rules for the Company's proxy statement. Compliance with those rules in our 2003 proxy statement would have required a more detailed breakdown of our fees for both 2002 and 2001 as well as a discussion of whether non-audit fees had been

pre-approved by our audit committee. The Company intends to comply with the SEC's new rules, as required, in its 2004 proxy statement.]

[LETTERHEAD OF C. WILLIAM CARMEAN, SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY OF MILLENNIUM CHEMICALS INC.]

May 12, 2003

**VIA FACSIMILE (301-556-0515) AND E-MAIL**

Attn: Dr. Martha Carter  
Director of U.S. Research  
Institutional Shareholder Services  
2099 Gaither Road, Suite 501  
Rockville, MD 20850-4045

Dear Dr. Carter;

Further to my letter dated May 8, 2003, please note that at least \$715,265 of the fees paid by Millennium to PricewaterhouseCoopers LLP ( PwC ) in 2002 and included within the category "All Other Fees" on page 22 of our 2003 proxy statement are properly included within the category "Tax Compliance/Preparation," as such category is defined by ISS. We understand that your category "Tax Compliance/Preparation," includes services related to tax audits.

Accordingly, ISS should revise the information on page 3 of its May 6, 2003 report on Millennium Chemicals, based on this information, as follows\*:

Audit Fees:	\$1,608,127.00
Audit-Related Fees	\$0.00
Tax Compliance/Preparation:	\$715,265
Other Fees:	\$1,414,765
Percentage of total fees attributable to non-audit ("other") fees:	37.85%

As such, we respectfully request you to take this additional information into consideration and re-examine your determination to recommend a vote against the ratification of PwC as our independent auditor and against the re-election of our directors who are serving on our Audit Committee. We will file this letter with the SEC through the Edgar system in compliance with the SEC's proxy regulations.

If you have any further questions, please call me at 732-933-5190.

Very truly yours,

/s/C. William Carmean  
C. William Carmean

cc: Shirley Westcott ISS (via fax 301-556-0515)  
Eddie Nino ISS (via fax 301-556-0515)

Patrick McGurn ISS (via fax 301-556-0515)

Bimal Patel -- ISS (via fax 301-556-0515)

Solomon Luke -- ISS (via fax 301-556-0515)

Chris Hayden Georgeson (via fax 212-440-9009)

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o Please note that, because ISS's special categorization of independent auditor fees is a new ISS requirement this year that differs with the SEC's categories, and because we have received conflicting information from ISS as to whether ISS's categories Tax Compliance/Preparation and Other Fees differ from the categories specified by the SEC in both its new and old rules regarding proxy disclosure of independent auditor fees, we have not been able to determine at the present time whether certain fees that we have included in the category Other Fees in this letter should actually be included in one of your other three categories. Accordingly, we have taken the conservative approach and included, for the purposes of this letter, certain fees within the category Other Fees that might properly be included within one of your other three categories. If you need further information, please contact me.