

United States Senate

WASHINGTON, DC 20510

August 31, 2015

The Honorable Mary Jo White, Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chair White:

We write to express our support for the Petition for Rulemaking, File No. 4-637, Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities, dated August 3, 2011 (the "Petition"), submitted by the Committee on Disclosure of Political Spending, which the Securities and Exchange Commission (SEC) is currently considering.

If implemented, the Petition would require public companies to disclose to their shareholders how they use corporate resources for political activities, bringing much needed accountability to shareholders and transparency to corporate political spending. We believe this is consistent with the SEC's requirement for public companies to disclose meaningful financial information to the public.

We strongly disagree with the Supreme Court's 2010 decision in *Citizens United v. FEC* that allowed unlimited and unchecked corporate spending on campaign ads and various other political communications. This reversed long-standing precedent and has moved our country in a different and disturbing direction when it comes to corporate influence in politics.

Because shareholders are the true owners of a corporation, a public company should be required to disclose to its owners how their money is being spent. When it comes to spending on political activity, only roughly 2.2% of all public companies in the United States make such disclosures, and they do so voluntarily.¹

As you know, the SEC has received more than 1 million public comments in favor of political spending disclosure, including from leading academics in the field of corporate governance, investment managers and advisors, and the investing public. A number of State Treasurers have weighed in supporting the Petition, as they have "an obligation to make sure public funds are invested responsibly and accountably."² In addition, 70 foundations wrote to the SEC in support

¹ Calculation made using number of public companies that disclose corporate political spending divided by total number of public companies. Dan Strumpf, "U.S. Public Companies Rise Again," *The Wall Street Journal*, Markets, 5 February 2015, <http://www.wsj.com/articles/SB10001424052702304851104579363272107177430>.

² State Treasurers Janet Cowell (NC), Seth Magaziner (RI), James McIntire (WA), Beth Pearce (VT), and Ted Wheeler (OR) letter to the SEC, <https://www.sec.gov/comments/4-637/4637-2960.pdf>.

of political spending disclosures to “know whether companies in which [they] invest are making questionable or controversial political expenditures.”³

Notably, we are also joined in our support for the Petition for rulemaking by former SEC Chairmen Arthur Levitt and William Donaldson and former Commissioner Bevis Longstreth. In the letter they sent to you at the end of May, they highlight that the SEC’s failure to act “flies in the face of the primary mission of the Commission, which has since 1934 been the protection of investors.”⁴ We add our voices to the many who have expressed frustration and disappointment that the SEC decided to remove this issue from its regulatory agenda entirely.

We appreciate your willingness to strongly consider the importance of this rulemaking and reconsider the decision to remove it from the SEC’s regulatory agenda.

We ask that you to make this a top priority for the SEC in the near term, and inform us of the basis for your decision should you not plan to include it on the Commission’s agenda for the upcoming year.

Sincerely,



Jeffrey A. Merkley
United States Senator



Robert Menendez
United States Senator



Charles E. Schumer
United States Senator



Sheldon Whitehouse
United States Senator

³ Tim Devaney, “Investors urge corporate political spending disclosure,” The Hill, Regulation, 20 May 2015, <http://thehill.com/regulation/business/242655-investors-push-sec-to-disclose-dark-money-in-politics>.

⁴ Former SEC Chairmen William Donaldson and Arthur Levitt and former SEC Commissioner Bevis Longstreth letter to the SEC, May 27, 2015, <https://www.sec.gov/comments/4-637/4637-3105.pdf>.



Tom Udall
United States Senator



Ron Wyden
United States Senator



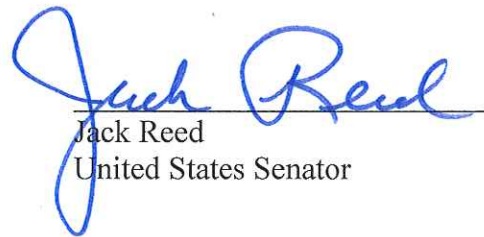
Patrick Leahy
United States Senator



Mazie K. Hirono
United States Senator



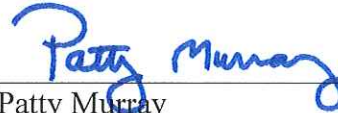
Kirsten E. Gillibrand
United States Senator



Jack Reed
United States Senator



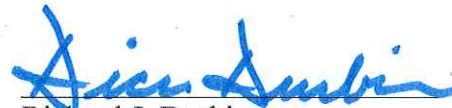
Bernard Sanders
United States Senator



Patty Murray
United States Senator



Tammy Baldwin
United States Senator



Richard J. Durbin
United States Senator




Al Franken
United States Senator



Debbie Stabenow
United States Senator



Richard Blumenthal
United States Senator



Elizabeth Warren
United States Senator



Maria Cantwell
United States Senator



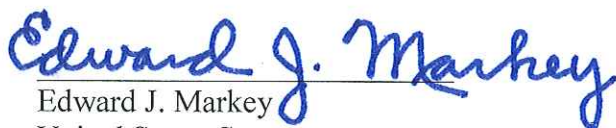
Sherrod Brown
United States Senator




Martin Heinrich
United States Senator



Dianne Feinstein
United States Senator



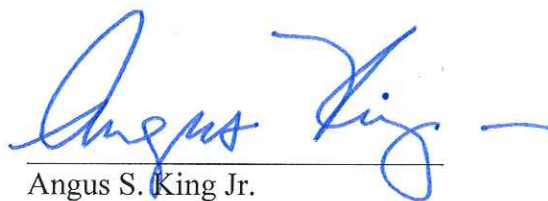
Edward J. Markey
United States Senator



Jeanne Shaheen
United States Senator



Christopher A. Coons
United States Senator



Angus S. King Jr.
United States Senator



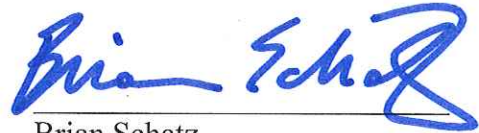
Amy Klobuchar
United States Senator



Gary C. Peters
United States Senator



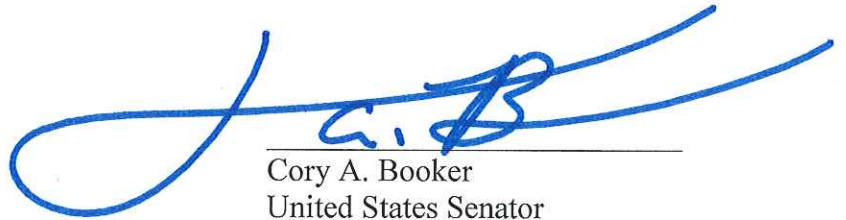
Michael F. Bennet
United States Senator



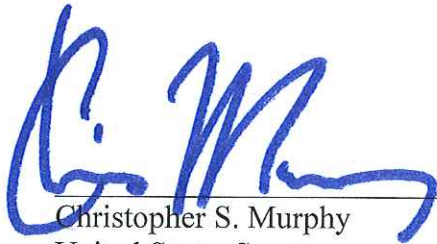
Brian Schatz
United States Senator



Robert P. Casey Jr.
United States Senator



Cory A. Booker
United States Senator



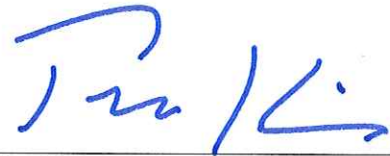
Christopher S. Murphy
United States Senator



Bill Nelson
United States Senator



Benjamin L. Cardin
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Tim Kaine
United States Senator



Barbara Boxer
United States Senator



Barbara A. Mikulski
United States Senator



Jon Tester
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Thomas R. Carper
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Mark R. Warner
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Claire McCaskill
United States Senator



Harry Reid
United States Senator



Heidi Heitkamp
United States Senator