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:

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."

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." 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

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Tom Udall  
United States Senator

Ron Wyden  
United States Senator

Patrick Leahy  
United States Senator

Mazie K. Hirono  
United States Senator

Kirsten 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