

United States Senate

WASHINGTON, DC 20510

March 18, 2016

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Barbara Mikulski
Ranking Member
Senate Committee on Appropriations
Washington, DC 20510

The Honorable John Boozman
Chairman
Subcommittee on Financial Services
and General Government
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Chris Coons
Ranking Member
Subcommittee on Financial Services
and General Government
Senate Committee on Appropriations
Washington, DC 20510

Dear Chairman Cochran, Ranking Member Mikulski, Chairman Boozman, and Ranking Member Coons:

As you work to prepare the fiscal year 2017 Financial Services and General Government Appropriations bill, we respectfully request that you reject any language that would limit the Securities and Exchange Commission's (SEC) ability to develop, propose, issue, finalize, or implement a rule requiring public companies to disclose political spending to shareholders. We write to highlight the importance of excluding any such language because as you know, the Consolidated Appropriations Act of 2016 regrettably included language doing just that.

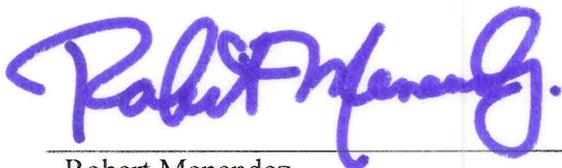
Disclosure of corporate political spending has immense value for investors and serves as a key tool to promote transparency for shareholders and the public-at-large. It gives potential investors a better understanding of how companies operate and promotes a truly free market by providing investors key information about its priorities. This information is material to how shareholders decide where to invest their money and how to vote in corporate elections. The ability of companies, their management, and their boards to spend resources for political purposes without shareholders' knowledge gives rise to significant investor protection and corporate governance concerns.

This is perhaps why there is such overwhelming support for this type of disclosure requirements. To date, more than 1.2 million securities experts, institutional and individual investors, and members of the public have pressed the SEC for a rule requiring public companies to disclose their political spending. Furthermore, in May of last year bipartisan support for this effort was expressed by former SEC Chairmen Arthur Levitt and William Donaldson and former Commissioner Bevis Longstreth. They urged the Commission to take action, noting that a rule on corporate political spending disclosure fits squarely within the primary mission of the SEC, which is to protect investors.

The Supreme Court's 2010 *Citizens United v. FEC* decision fundamentally changed our nation's campaign finance laws. Spending by organizations that do not disclose their donors has increased dramatically from less than \$5.2 million in 2006 to over \$300 million in the 2012 presidential cycle and more than \$174 million in the 2014 midterm elections.¹ The result is that investor demand for this information has greatly intensified, as the magnitude of the problem and the potential for abuse has skyrocketed.

Thank you for your leadership to restore transparency, accountability, and critical investor protections, and for your consideration of this important request.

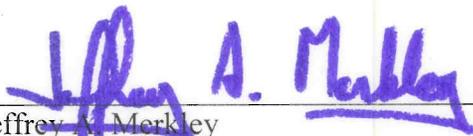
Sincerely,



Robert Menendez



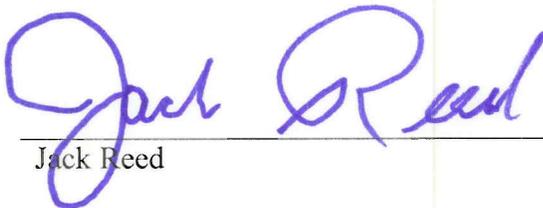
Elizabeth Warren



Jeffrey A. Merkley



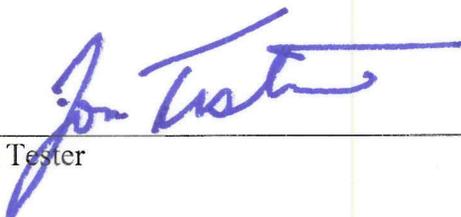
Charles E. Schumer



Jack Reed



Sherrod Brown



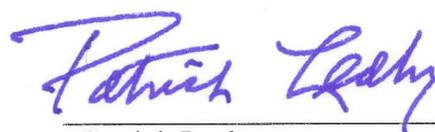
Jon Tester



Mark R. Warner

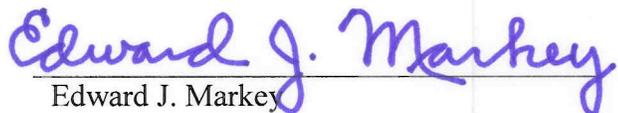


Tom Udall



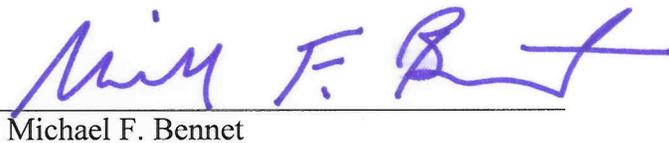
Patrick Leahy

¹ Center for Responsive Politics, https://www.opensecrets.org/outsidespending/nonprof_summ.php (updated February 16, 2016).


Edward J. Markey

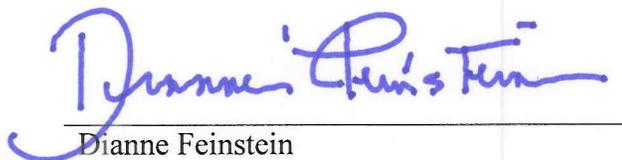

Sheldon Whitehouse


Bernard Sanders


Michael F. Bennet

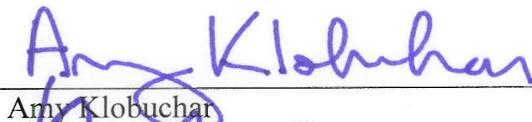

Mazie K. Hirono


Maria Cantwell

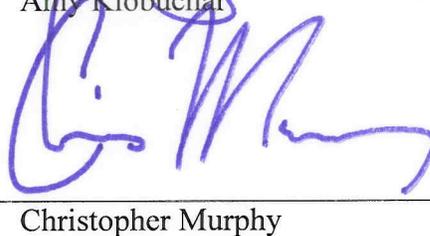

Dianne Feinstein


Al Franken


Richard J. Durbin


Amy Klobuchar


Kirsten Gillibrand

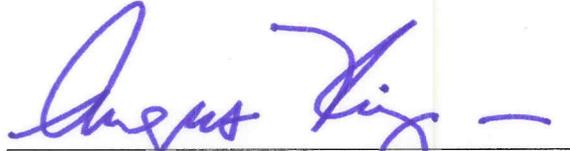

Christopher Murphy


Tammy Baldwin

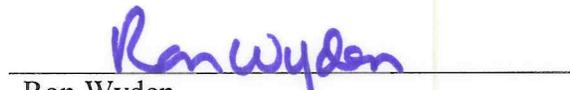

Debbie Stabenow


Richard Blumenthal

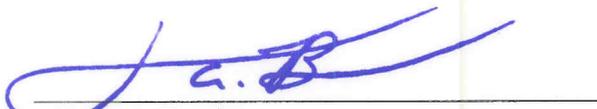

Gary C. Peters


Angus S. King, Jr.


Brian Schatz


Ron Wyden


Barbara Boxer


Cory A. Booker