

United States Senate

WASHINGTON, DC 20510

September 15, 2016

The Honorable Mitch McConnell
Majority Leader
Room S-230, The Capitol
Washington, D.C. 20510

Dear Leader McConnell:

As you work to prepare any fiscal year 2017 appropriations bills or continuing resolutions, 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.

We believe the SEC should require companies to disclose to their shareholders how they use corporate resources for political activities. This disclosure would not only bring much needed accountability to shareholders and transparency to corporate political spending, but it is both clearly consistent with the SEC's requirement for public companies to disclose meaningful financial information to the public and it fits squarely within the SEC's primary mission of investor protection.

The Supreme Court's 2010 decision in *Citizens United v. FEC* fundamentally changed our nation's campaign finance laws by allowing unlimited and unchecked corporate spending on campaign ads and various other political communications—a decision with which we fervently disagree. However, notwithstanding our disagreement with the Court's holding, the decision clearly recognized shareholder and public interest in the disclosure of political spending. In fact, Justice Kennedy wrote:

“[P]rompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters.... [D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”¹

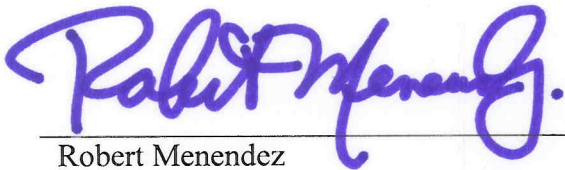
The lack of proper disclosure undermines the very campaign finance system envisioned by the Court. For six long years, companies have had free rein to solidify their influence in politics and maximize their impact on elections. As the magnitude of the problem and the potential for abuse has skyrocketed, investor demand for this information has greatly intensified.

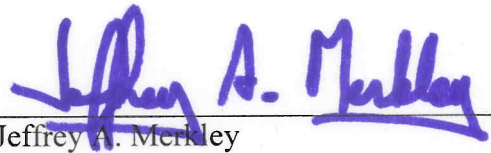
¹ *Citizens United v. Federal Election Com'n*, 558 U.S. 310, 370-371 (2010).


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 to require public companies to disclose their political spending. Notably, the 1.2 million members of the public are joined in their support of the rulemaking by former SEC Chairs Arthur Levitt (D) and William Donaldson (R) and former Commissioner Bevis Longstreth (D), who emphasized in a May 2015 letter to SEC Chair Mary Jo White that the Court's expectation of disclosure would only be met by compelling companies to inform shareholders of their political activities.

We believe any appropriations language intended to block this critical disclosure will serve only to impede the SEC's ability to perform its primary mission of investor protection. As such, we urge you to reject any language that would prohibit the SEC from taking any action to require public companies to disclose their political spending to shareholders. We thank you for your leadership, and we appreciate your consideration of this request to restore transparency, accountability, and critical investor protections.

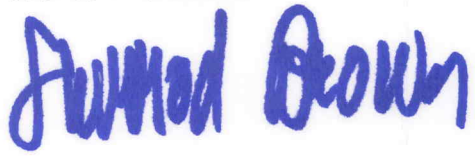
Sincerely,

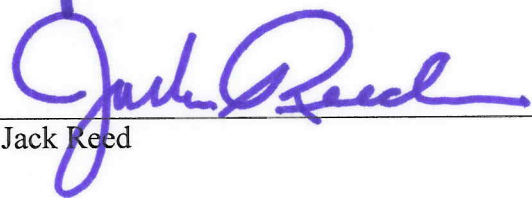

Robert Menendez


Jeffrey A. Merkley

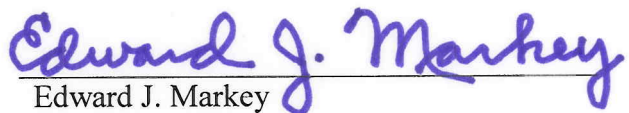

Charles E. Schumer


Elizabeth Warren

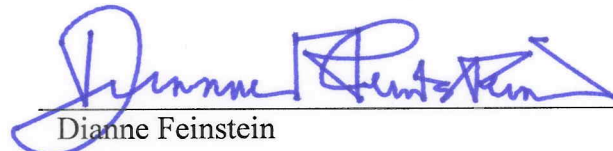

Sherrod Brown

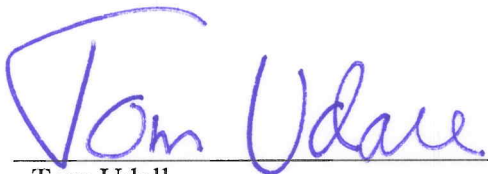

Jack Reed

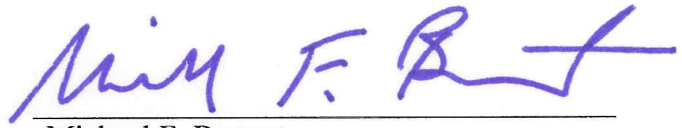

Kirsten Gillibrand

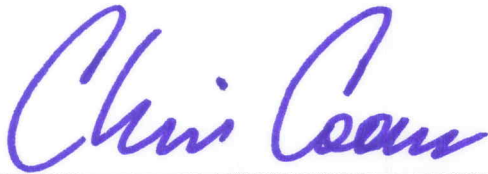

Edward J. Markey

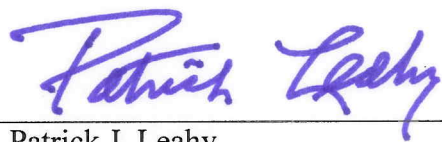

Sheldon Whitehouse



Dianne Feinstein

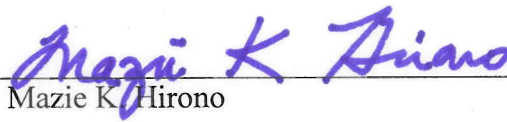

Tom Udall

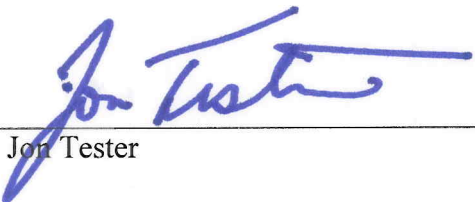

Michael F. Bennet

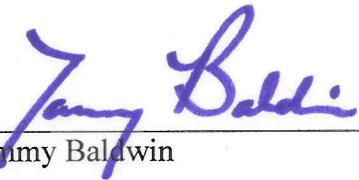

Christopher A. Coons



Patrick J. Leahy



Thomas R. Carper

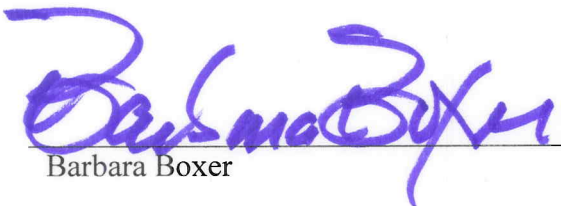

Mazie Hirono

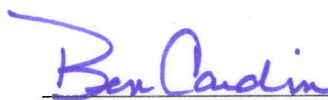

Jon Tester


Tammy Baldwin



Maria Cantwell

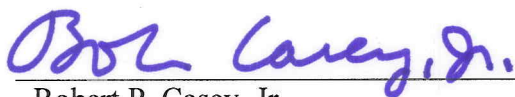

Richard Blumenthal

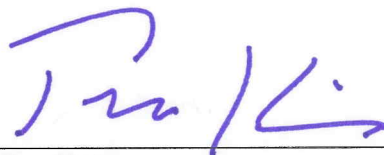

Barbara Boxer

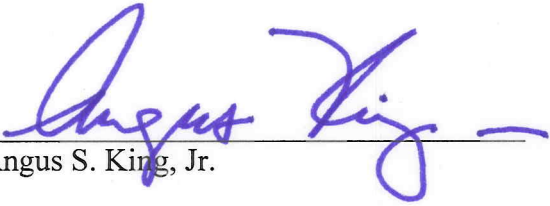

Benjamin L. Cardin


Bernard Sanders

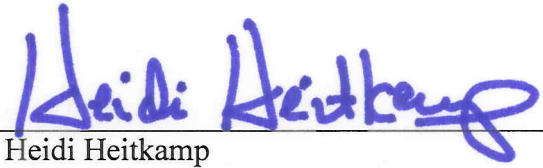

Amy Klobuchar


Robert P. Casey, Jr.


Tim Kaine



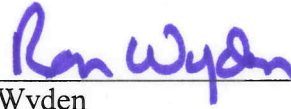
Angus S. King, Jr.



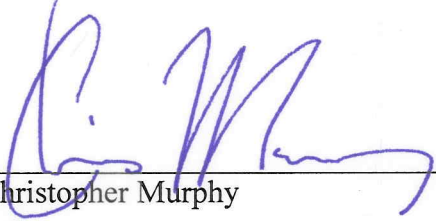
Heidi Heitkamp



Jeanne Shaheen



Ron Wyden



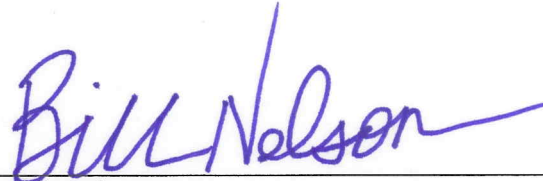
Christopher Murphy



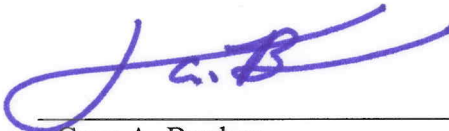
Mark R. Warner



Gary C. Peters



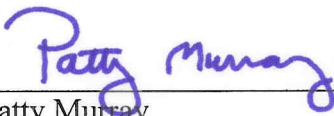
Bill Nelson



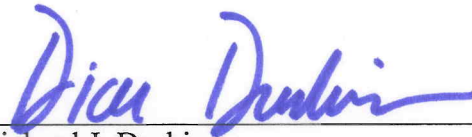
Cory A. Booker



Claire McCaskill



Patty Murray



Richard J. Durbin



Al Franken



Martin Heinrich



Debbie Stabenow