Congress of the United States
Washington, DC 20515

October 11, 2011

Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

We write to urge that the Securities and Exchange Commission use its authority to issue rules requiring full public release of corporate political spending.

The U.S. Supreme Court's misguided *Citizens United* decision gave corporations the unfettered ability to use shareholder money for partisan political purposes without ever disclosing to shareholders how corporate funds are being utilized. As a result, shareholders are now completely in the dark, unaware that their money could be funding political attack ads. Shareholders cannot hold corporate management accountable for decisions the shareholders never knew were made. The present system is undemocratic and untenable. In order to protect the rights of shareholders, the SEC should use its rulemaking authority to issue rules that would require corporations to disclose their political spending to shareholders.

Shareholders have demonstrated both a clear desire to be informed of corporate political spending, and their concern that there is a lack of transparency surrounding political activity. As indicated by the Committee on Disclosure of Corporate Political Spending in its August 3rd, 2011 petition to the SEC for rulemaking, even before *Citizens United*, a 2006 poll showed that 85 percent of shareholders believed there was a lack of transparency surrounding corporate political activity. Furthermore, according to the Sharkrepellent dataset of FactSet Research Systems, out of 465 shareholder proposals that appeared on 2011 public-company proxy statements, 50 proposals were related to political spending. There were more proposals related to political spending than board declassification, majority voting, separation of the Chairman and CEO positions, elimination of supermajority voting requirements, executives' golden parachutes, clawback of incentive compensations, and requirements that executives retain equity in the company.

Requiring disclosures of corporate political spending does not have to be overly burdensome on business. The SEC can utilize existing mediums of communication with shareholders to facilitate disclosure. Such disclosures should appear on proxy statements, quarterly and annual reports, and registration statements. Furthermore, to ensure shareholders are informed of all political spending, the disclosures should include spending on independent expenditures, electioneering communications, and donations to outside groups for political purposes, i.e. super-PACs.

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Unfortunately, the present system serves the interests of no one except corporate executives wishing to skirt accountability from their shareholders. We urge you to begin the rulemaking process so the SEC can ensure that shareholders are no longer left in the dark regarding their companies' political spending.

Thank you for your prompt attention to this growing problem.

Sincerely,

GARY L. ACKERMAN
Member of Congress

JESSE L. JACKSON, JR.
Member of Congress

JOHN W. OLVER
Member of Congress

CHELLIE PINGREE
Member of Congress

RAUL M. GRIJALVA
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