

May 23, 2016

Dear Member:

We, the undersigned organizations, ask you to oppose harmful riders to the Financial Services and General Government (FSGG) fiscal year 2017 appropriations that would hinder the Securities and Exchange Commission's (SEC) ability to protect investors. In particular, we urge you to oppose language mirroring an inappropriate rider included in the FY16 omnibus budget deal which limited 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 in fiscal year 2016. While this rider does not foreclose preliminary work on the issue at the agency, such a policy rider does halt rule completion in 2016 and is an impediment to this important policy.

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. Shareholders have a legitimate interest in knowing how their money is being spent and how those expenditures may impact the value of their investments. 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.

Stakeholders have expressed overwhelming support for such disclosure. 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. The result is that investor demand for this information has only increased, as the magnitude of the problem and the potential for abuse has skyrocketed.

For the above reasons, we urge you to protect the integrity of the SEC and reject efforts to insert such a policy rider. Poison pill riders are inappropriate and should have no part in any budget bill.

Sincerely,

Agenda Project Action Fund

American Family Voices

Americans for Financial Reform

American Federation of State, County and Municipal Employees
(AFSCME)

Brennan Center for Justice

California Clean Money Campaign

Campaign for Accountability

Campaign Legal Center

Center for Biological Diversity

Center for Media and Democracy

Center for Science and Democracy at the Union of Concerned Scientists

Citizens for Responsibility and Ethics in Washington (CREW)

Common Cause

Communications Workers of America (CWA)

Courage Campaign

Daily Kos

Democracy 21

Demos

Greenpeace

Harrington Investments, Inc

Interfaith Center on Corporate Responsibility (ICCR)

International Brotherhood of Teamsters (IBT)

Issue One

Main Street Alliance
New Progressive Alliance

Newground Social Investment

NorthStar Asset Management, Inc

PaxWorld Management, LLC

Public Citizen

Represent.Us

Rootstrikers Project at Demand Progress

Sierra Club

U.S. Public Interest Research Group (U.S. PIRG)

Union for Reform Judaism

Voices for Progress

West Virginia Citizen Action

Women's Donors Network

Zevin Asset Management, LLC