



Janet Cowell  
State Treasurer  
North Carolina



Seth Magaziner  
State Treasurer  
Rhode Island



James McIntire  
State Treasurer  
Washington



Beth Pearce  
State Treasurer  
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Ted Wheeler  
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Oregon

April 21, 2015

Mr. Brent J. Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: File No. 4-637, Committee on Disclosure of Corporate Political Spending, Petition for Rulemaking

Dear Secretary Fields:

As State Treasurers we have an obligation to make sure public funds are invested responsibly and accountably. The last election underscored a persistent flaw in our investment system – anonymous corporate political spending. As elected officials representing funds with assets under management totaling more than \$300 billion, we call on the Commission to stand up for shareholders by embracing disclosure for all publicly traded corporations.

Secret political spending continues to be a top issue in the investment world. Since the petition to add political spending to the list of information available to shareholders was filed in 2011, the Commission received well over a million comments on the petition. And the number one shareholder proposal to American companies each of the past three years has been disclosure of political and lobbying activities. As shareholders representing hundreds of billions of dollars in funds, we frequently vote on those proposals in support of disclosure that could have bearing on the company's bottom line.

In the absence of action on the petition over the past three years, the trend continues to be toward greater accountability. In addition to successful shareholder activism, many companies have voluntarily agreed to disclose political spending. A recent survey of the top 300 companies in the S&P 500 found that 61% of companies disclose direct political spending and 43% disclose payments made to trade associations that engage in political spending.<sup>1</sup> The sunlight is steadily expanding, prompting the question: when will the SEC realize the shift and turn the lights on for all companies?

Amid the encouraging signs are grim realities about the need for comprehensive reform. The patchwork adoption of various disclosure policies leaves shareholders like us with a complex system of partial and disjointed information to consider. This has a substantial financial implication. After last November's

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<sup>1</sup> Freed, Bruce et al. "The 2014 CPA-Zicklin Index of Corporate Political Disclosure and Accountability: How Leading Companies are Making Political Disclosure a Mainstream Practice." Center for Political Accountability 2014.

election, the Center for Responsive Politics noted a jump in dark money spending from \$135 million to \$170 million since the previous mid-term election. Far too many companies can cloak donations from shareholders behind the anonymous 501(c)(4) groups and other intermediaries that have grown in prominence the past several election cycles. A comprehensive system of disclosure is needed to complete the shift towards disclosure to all companies and along a uniform structure.

Respectfully,



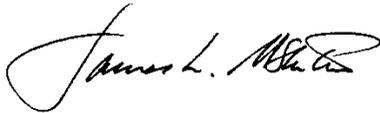
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