

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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October 9, 2013

Ms. Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

**Re: Pay Ratio Disclosure, File No. S7-07-13**

Dear Ms. Murphy:

On behalf of the International Brotherhood of Teamsters (“Teamsters Union,” “IBT,” “the Union”) representing more than 1.4 million workers in the United States, Canada and Puerto Rico, I submit the following comments in strong support of the U.S. Securities and Exchange Commission’s (SEC) proposed rule regarding disclosure of the CEO-to-worker pay ratio as required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Teamsters Union, together with its affiliated pension and benefit funds, have more than \$100 billion in assets invested in the capital markets--the majority of which invested in U.S. public equities. We believe that meaningful disclosure of CEO-to-worker pay ratios will greatly benefit investors.

The ratio of CEO-to-worker pay at individual companies is critical, material information for investors. Large disparities in compensation within a company can harm both productivity and employee morale which may negatively affect the company’s overall performance. Mandatory, annual disclosure of the median employee pay will help investors gain insight into a company’s approach to compensation as well as how the company manages human capital development.

As investors, the Teamsters Union has long engaged companies over executive compensation policies and practices—urging and voting for pay reforms that incentivize performance and align the interests of executives with those of the shareholders and other important company stakeholders.

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We believe that the SEC's proposed CEO-to-worker pay ratio disclosures will help investors evaluate CEO pay levels in the context of a company's internal compensation system; monitor how the ratio changes over time; and, provide a basis for comparing compensation practices within peer groups. The disclosures will also provide a valuable, additional measure for investors to consider as they evaluate the performance of directors serving on the board's compensation committee and deliberate how to vote on important proxy matters, such as the advisory say-on-pay vote as well as both management and shareholder-sponsored proposals on executive compensation.

To fulfill the mandate and intent of Dodd-Frank Section 953 (b), the SEC's proposed rule appropriately requires companies to disclose the median pay of their total employee base. This is important because a majority of employees working for a large number of U.S. publicly traded companies are either employed overseas or on a part-time basis. Without this requirement, a pay ratio disclosure would be a misleading metric for investors to evaluate compensation practices or conduct relevant peer comparisons.

We commend the SEC for balancing concerns of compliance costs for companies without sacrificing the benefits of the disclosure to investors. The proposed rule gives companies flexibility through sampling or using payroll data to calculate the median. The Commission's proposal to permit companies to provide supplemental disclosure on their overall workforce compensation practices is practical and sensible.

It is in the best interest of investors to act swiftly and adopt the final rule implementing Section 953(b) of the Dodd Frank Act.

Sincerely,

A handwritten signature in black ink that reads "Ken Hall". The signature is written in a cursive, slightly slanted style.

Ken Hall  
General Secretary-Treasurer

KH/lm