

THOMAS P. DiNAPOLI  
STATE COMPTROLLER

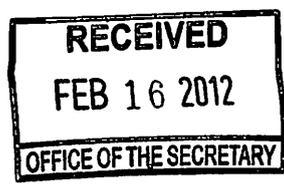
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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

February 2, 2012

Elizabeth M. Murphy, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NW  
Washington, DC 20549



RE: File No. 4-637 - Petition to Require Public Companies to Disclose Political Spending

Dear Ms. Murphy:

As the New York State Comptroller, I am Trustee of the New York State Common Retirement Fund (the "Fund") and am responsible for the investment of its assets, currently valued in excess of \$146.5 billion. The Fund is a significant long term shareholder in more than 1,500 U.S. corporations. I am writing both in support of the Petition for Rulemaking dated August 3, 2011, submitted by the Committee on Disclosure of Corporate Political Spending and to register my own views on the level of transparency that should be required of public companies.

Full disclosure of political expenditures will provide shareholders with an improved basis to evaluate the potential risks to which companies may be exposed as a result of their political spending. The majority opinion in the Supreme Court's *Citizens United* decision recognized the importance of political spending disclosure when it stated, "disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way."<sup>1</sup>

As a fiduciary, it is my responsibility to obtain relevant risk-related information in order to make informed voting and investment decisions for the Fund. To that end, my Office has been actively seeking political spending disclosure from the Fund's portfolio companies. In 2010, together with twenty-four other institutional investors affiliated with the Council of Institutional Investors, I wrote to 430 domestic corporations, urging them to disclose their political spending. My Office has also been engaging companies in coalition with other investors, and filing shareholder proposals at the Fund's portfolio companies. In the 2011 proxy season, my Office filed five of the fifty shareholder proposals requesting increased disclosure of political expenditures that went to vote at annual meetings. In addition, we withdrew three proposals only after the companies agreed to increase their level of disclosure.

<sup>1</sup> *Citizens United v. FEC*, 130 S.Ct. 876 (2010).

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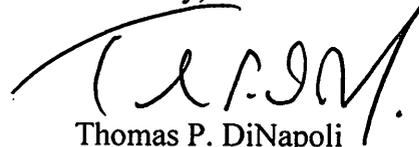
While our efforts have resulted in some successes, the Fund cannot rely on shareholder engagement with each of its 1,500 companies individually to obtain adequate disclosure of political spending. Only a uniformly applied disclosure requirement promulgated by the SEC can assure that investors will have the level of disclosure of political spending necessary for informed decision-making on a portfolio-wide basis. Therefore, I would ask the Commission to adopt a new rule to require companies to disclose:

- Monetary and non-monetary contributions and expenditures used to participate in, or intervene, in any political campaign on behalf of (or in opposition to) any candidate for public office, and expenditures used in any attempt to influence the public with respect to elections or referendums;
- The title of the person or persons in the company who are responsible for making the decisions to make political contributions or expenditures; and
- Corporate payments made to trade associations and other organizations that made independent expenditures that were used for political purposes. In addition, candidates supported by trade associations and other organizations should be disclosed, along with the amounts spent by the recipient organizations.

As to the last point, I believe that it is particularly important that any rule proposed by the Commission in this area provide for full disclosure of company payments to trade associations and other organizations that are used for political purposes. The omission of such a mandate in any new rule would create a giant loophole, which could render other disclosure requirements meaningless by allowing companies to funnel their political spending through organizations whose corporate contributors are unknown and undisclosed.

Considering the fact that the 2012 election season is now upon us, it is vitally important that the Commission move quickly to rectify this serious lack of information about corporate expenditures which have the potential of creating significant material risks to our investments. I would greatly appreciate your careful attention to this matter.

Sincerely,



Thomas P. DiNapoli  
State Comptroller