

May 19, 2015

**Re: File No. 4-637, Petition to Require Public
Companies to Disclose to Shareholders the Use
of Corporate Resources for Political Activities**

The Honorable Mary Jo White
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman White:

We are writing today representing the undersigned foundations to voice our strong support for the petition before the Securities Exchange Commission supporting a rulemaking requiring corporate political spending transparency. The rulemaking petition was submitted on August 3, 2011 by the Committee on Disclosure of Corporate Political Spending, a group of prominent law professors specializing in the areas of corporate and securities law. The petition reflects our desire to see the SEC create a Rule requiring such disclosure.

Our foundations invest substantial funds in the market. As investors we believe there is a clear and obvious necessity to require public and accessible information regarding political spending by corporations. We are deeply concerned about how our political system is being negatively impacted by huge inflows of company funds following the Supreme Court's *Citizens United* decision. We are also concerned about the impact on companies in which we invest if they are involved in questionable or controversial political expenditures.

Currently, over 110 major companies already publicly disclose their political spending policies and their direct political payments, including more than half of the S P 100. These companies include Microsoft, Wells Fargo, Merck and Aetna. Additionally major pension funds such as Calpers and CalSTRS recently adopted policies supporting this type of disclosure.¹

¹ Calpers Political Spending Policies:
<http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/201111/item03b.pdf>

These are important precedents, but we need this type of disclosure across the board, and so we urge the Securities and Exchange Commission (SEC) to promulgate rules requiring public disclosure of corporate spending in elections. Such disclosure should include spending on independent expenditures, electioneering communications, and donations to outside groups for political purposes, i.e. super-PACs and politically active trade associations.

As you know, the *Citizens United* decision changed the face of electoral campaign finance by authorizing, for the first time, unlimited political spending by corporations, which the Supreme Court understands to fall under the definition of "person." While the FEC undoubtedly has jurisdiction over election matters, the SEC has the authority to promulgate rules regarding the procedures through which publicly held corporations spend corporate funds (shareholders' money) for political purposes, as well as disclosure of that spending as material information to shareholders.

We urge the SEC to take up this rulemaking and to hold roundtable discussions with experts on the topic of corporate political spending disclosure. The *Citizens United* decision heavily impacted the 2012 election cycle through the preponderance of entities such as so-called super-PACs, many of which do not disclose funding. Shareholders and the American public have a compelling interest in knowing how corporate funds are being spent in the electoral process.

We urge you to take steps to ensure proper public disclosure of corporate political spending.

Sincerely,

Vartan Gregorian
President
Carnegie Corporation of New York

Stephen Heintz
President
Rockefeller Brothers Fund

Darren Walker
President
Ford Foundation

Gary Bass
Executive Director
Bauman Foundation

Melissa Beck
Executive Director
Educational Foundation of America

Jay Beckner
President
Joyce Mertz Gilmore Foundation

Jane Brown
President and Executive Director
Robert W. Deutsch Foundation

Stuart Clarke
Executive Director
Town Creek Foundation

Alan Davis
President
The Leonard and Sophie Davis Fund

Vic de Luca
President
Jessie Smith Noyes Foundation

Ellen Dorsey
Executive Director
Wallace Global Fund

Farhad Ebrahimi
President
Chorus Foundation

Michael V. Finley
President/Treasurer
The Turner Foundation

Stephen A. Foster
President CEO
Overbrook Foundation

Ellen Friedman
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Compton Foundation

Tim Greyhavens
Executive Director
Wilburforce Foundation

Denis Hayes
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Bullitt Foundation

Lukas Haynes
Executive Director
David Rockefeller Foundation

Phil Henderson
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Ruth Hennig
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