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December 12, 2016

The Honorable Mary Jo White
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0100

Dear Chair White:

I am writing regarding the Security and Exchange Commission's (SEC) actions related to the short sale of stocks and public disclosure requirements.

As you know, Section 929x(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) authorized the SEC to promulgate rules requiring investors to publicly disclose their positions when short selling stocks. This disclosure, which would be similar to that required by investors taking long positions, was intended to ensure greater transparency. However, six years later, the SEC has taken no apparent action to set such rules.

Additionally, last year, Nasdaq, Inc. and NYSE Group, Inc. submitted petitions urging the SEC to fulfill its duties under Section 929x(a) to require stricter disclosure rules for short sellers. The companies suggested that the lack of transparency by short sellers inhibits the ability of investors to make sound investment decisions and may decrease fairness in the markets.

The SEC is responsible for ensuring fairness in the markets and protecting investors. For that reason, I respectfully request answers to the following questions:

1. Does the SEC perceive any particular benefits or adverse impacts to creating stricter public disclosure rules for short sellers?
2. Is the SEC considering undertaking the rulemaking authorized by Section 929x(a) of Dodd-Frank? If so, what is your proposed timeline?
3. If the SEC does not plan to promulgate such rules, what is your reasoning?

Thank you for your attention to this matter. I look forward to your response.

Sincerely,



Ted W. Lieu
Member of Congress