



March 3, 2017

The Honorable Michael Piwowar
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Piwowar:

I am writing to thank you for your reconsideration of the SEC's pay ratio rule implementation, and for the opportunity to provide comments.

Graco is a public, Minneapolis-based manufacturer competing in the global market with more than 3,500 employees worldwide. We are concerned the pay ratio disclosure rule will cause an unnecessary administrative burden, pulling our valuable resources away from our primary mission: producing American-made, industry-leading equipment and technology.

We are one of the largest remaining manufacturers in the City of Minneapolis, and we offer high-paying jobs with excellent benefits. We believe both employees and employers need the flexibility to define what they need in compensation and benefits programs to address their specific situations and allow businesses to be competitive in their respective markets – and we respect that the SEC does not try to hinder this flexibility in its regulatory role. So, why implement a pay ratio rule without a follow-up action? What are we gaining from this knowledge? There is no meaningful way to compare the pay ratio from company to company across industries and geographies. To Graco, these continuous workplace mandates are distractions that threaten to raise our cost of labor in the United States and hurt job security.

This rule, if implemented, is one more nail in the coffin for US manufacturers like Graco, who are already at a significant disadvantage to competitors overseas. US manufacturing is a powerful tool to address middle class wage stagnation and our national debt. Many of our competitors have opted to move their business outside of the US where there are fewer regulations and workplace mandates. We have fought for decades to keep our headquarters and the majority of our premium manufacturing jobs here in the United States. But sadly, the onslaught of burdensome, anti-competitive regulations like this pay ratio disclosure rule will make it that much harder for our company to compete against those based in China, Mexico or other developing countries.

We applaud the efforts of the SEC to create awareness around compensation best practices. However, we believe asking companies to spend time and resources pulling together salaries from countries across the globe to provide an isolated metric they won't be acting upon causes more harm than good. We encourage you to think of the future of US manufacturing when considering the implementation of the rule, and thank you again for your engagement on this topic.

Sincerely,

A handwritten signature in black ink that reads "David M. Ahlers". The signature is written in a cursive, flowing style.

David M. Ahlers
Vice President, Human Resources and Corporate Communications
Graco Inc.