

Congress of the United States
Washington, DC 20515

March 14, 2017

The Honorable Michael S. Piwowar
Acting Chair
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Acting Chair Piwowar:

We write to oppose any delay in the full implementation of the CEO-median worker pay ratio disclosure rule. While this rule was mandated by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, it was not finalized until 2015. The first reporting period just began this year. It would be a terrible mistake to delay or weaken the rule simply because, as you allege, some companies are having a difficult time calculating their median-worker pay.

Congress enacted the CEO-to-median worker pay ratio disclosure rule in response to public concern over high executive compensation and the need to have this information available in an understandable format. The CEO of an S&P 500 company makes, on average, \$331 for every \$1 earned by the typical rank-and-file worker. In some companies, this ratio can reach as high as \$1,000 to \$1.

Investors should be able to consider if a CEO provides hundreds of times the value of their employees prior to investing in a firm. While executives make critical decisions about the direction of their companies, quality employees ensure those decisions are properly implemented. This pay ratio information will benefit investors by giving them valuable information for ascertaining whether company employees are fairly compensated and help them decide how to cast their "say-on-pay" advisory votes on executive compensation.

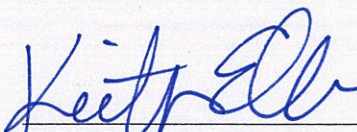
Research shows the higher the CEO to median-worker pay ratio, the more likely that CEO is to pursue the kind of risky investments that brought on the global financial crisis. The Institute for Policy Studies found that nearly 40 percent of the CEOs on the top 25 highest-paid lists over a 20-year period wound up being fired, sought a bailout, or were forced to pay fraud-related fines. Furthermore, a lower ratio of CEO to median-worker pay implies more investment in human


capital and a longer-term outlook for the corporation. According to the Center for Audit Quality's annual investor survey, 46 percent of investors say they consider CEO compensation in their decision making.

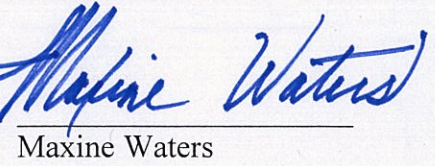
The current culture of paying CEOs hundreds of times more than the typical employees hurts working families, is detrimental to employee morale, and goes against what research shows is best for business. Management expert Peter Drucker argued that a pay ratio not exceeding 20-to-1 or 25-to-1 is ideal, and that higher pay ratios make it difficult to foster the kind of teamwork and trust that businesses need to succeed. Today's numbers dwarf that optimal ratio, contributing to stunning widening of economic inequality – 95 percent in income gains since the global financial crisis have gone to the top 1 percent while ordinary workers' pay has stagnated.

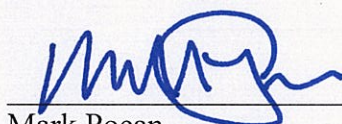
We urge the SEC to allow the full implementation of the CEO-median worker pay ratio rule without delay (Section 953(b)). The rule provides flexibility to firms to enable their compliance with the law without exemptions that undermines the intent of the law. Thank you for your attention to this matter and your prompt reply.

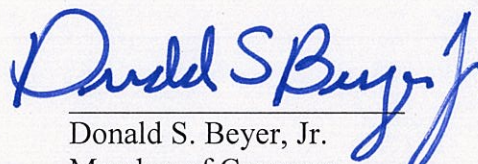
Sincerely,



Keith Ellison
Member of Congress

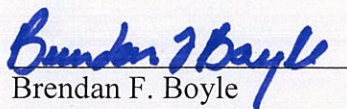

Raúl M. Grijalva
Member of Congress

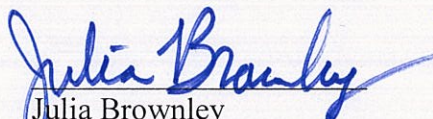

Maxine Waters
Member of Congress

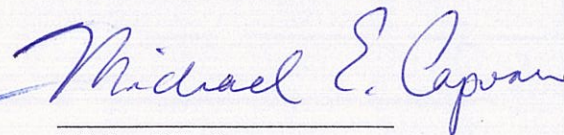

Mark Pocan
Member of Congress



Donald S. Beyer, Jr.
Member of Congress



Earl Blumenauer
Member of Congress

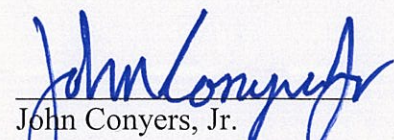

Brendan F. Boyle
Member of Congress

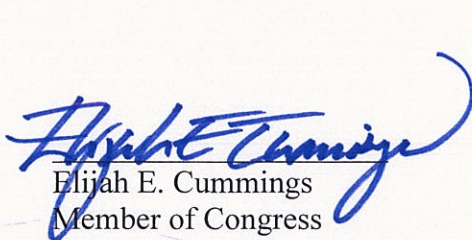

Julia Brownley
Member of Congress

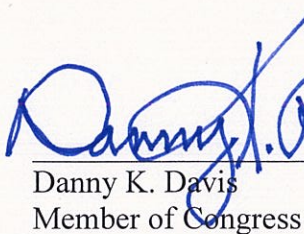

Michael E. Capuano
Member of Congress

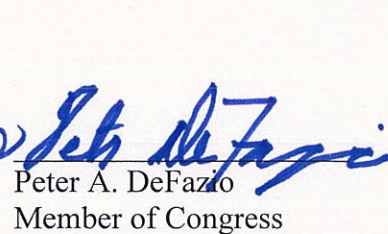

André Carson
Member of Congress

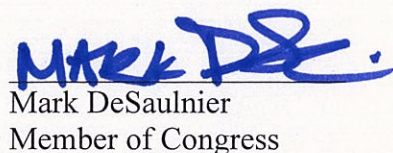

David N. Cicilline
Member of Congress

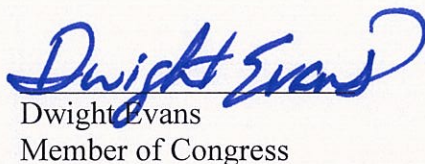

John Conyers, Jr.
Member of Congress

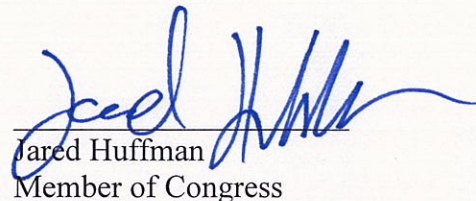

Elijah E. Cummings
Member of Congress

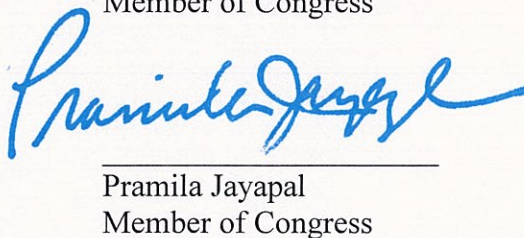

Danny K. Davis
Member of Congress

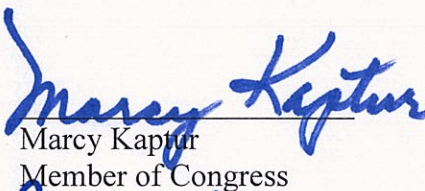

Peter A. DeFazio
Member of Congress

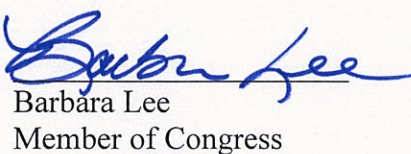

Mark DeSaulnier
Member of Congress

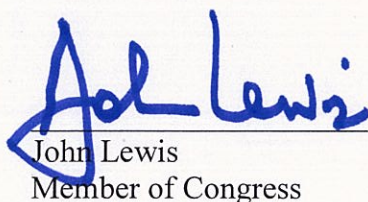

Dwight Evans
Member of Congress

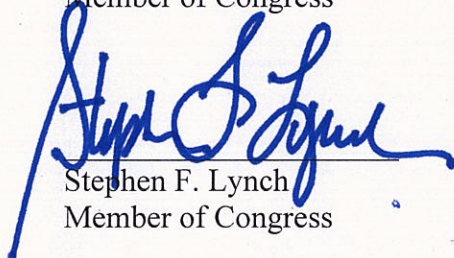

Jared Huffman
Member of Congress

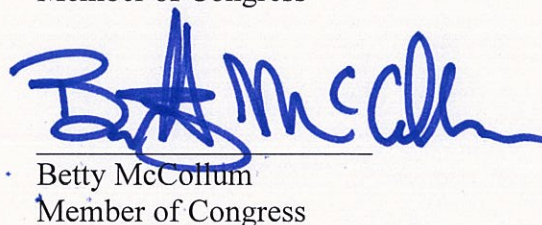

Pramila Jayapal
Member of Congress

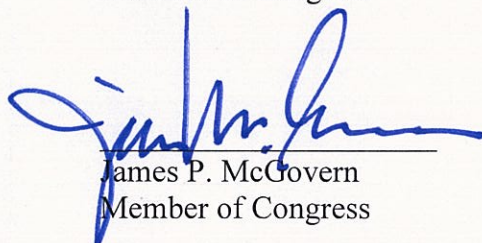

Marcy Kaptur
Member of Congress

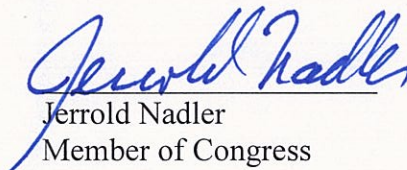

Barbara Lee
Member of Congress

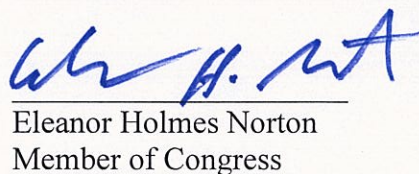

John Lewis
Member of Congress

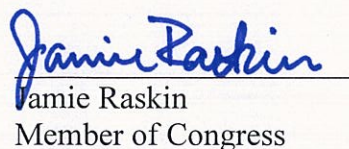

Stephen F. Lynch
Member of Congress

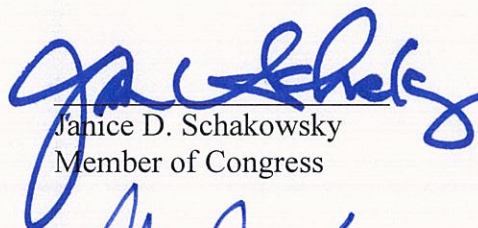

Betty McCollum
Member of Congress

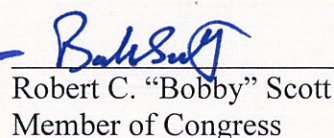

James P. McGovern
Member of Congress

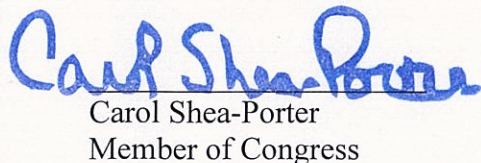

Jerrold Nadler
Member of Congress

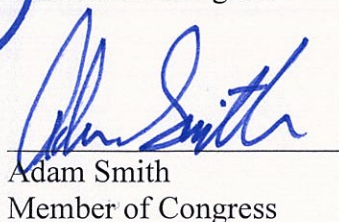

Eleanor Holmes Norton
Member of Congress

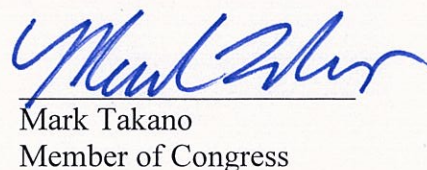

Jamie Raskin
Member of Congress


Janice D. Schakowsky
Member of Congress


Robert C. "Bobby" Scott
Member of Congress

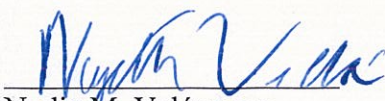

Carol Shea-Porter
Member of Congress


Adam Smith
Member of Congress

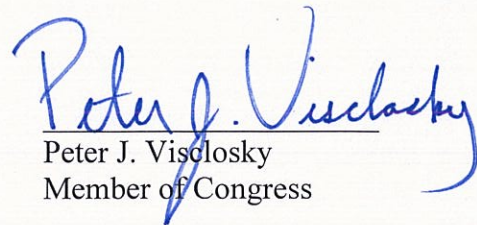

Mark Takano
Member of Congress



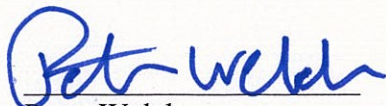
Niki Tsongas
Member of Congress



Nydia M. Velázquez
Member of Congress



Peter J. Visclosky
Member of Congress



Peter Welch
Member of Congress