

Congress of the United States
Washington, DC 20515

March 17, 2015

The Honorable Mary Jo White
Chair
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chair White:

We write to urge the Securities and Exchange Commission (SEC) to move quickly to finalize rules implementing section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Wall Street Reform Act"). This section requires publicly traded companies to disclose the ratio of the compensation of their CEOs to the compensation of their median worker. We were supportive of the SEC's proposed rule to implement section 953(b) believing it reflects the legislative intent of the statute and effectively addresses any concerns regarding compliance costs.

As the Wall Street Reform Act was enacted more than four years ago, we believe it's long past the time for the SEC to finalize this rule. Boards of directors, investors, and other stakeholders need this information to better understand and assess CEO compensation. CEO pay must be analyzed within the context of a comparison with the median employee pay at each firm. Disclosure of this information will help investors evaluate the reasonableness of CEO pay levels relative to other company employees when casting "say-on-pay" advisory votes as is required by the Wall Street Reform Act.

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 highest-paid CEOs were fired, sought a bailout, or 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. According to the Center for Audit Quality's annual investor survey, 46 percent of investors say they consider CEO compensation in their decision making.

Congress enacted the CEO-to-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 a 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 information will allow investors to ascertain whether company employees are fairly compensated.

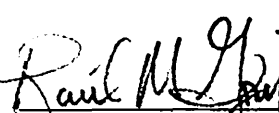
The current culture of paying CEOs hundreds of times more than the typical employees hurts working families, is detrimental to employee morale, and goes against what research shows is best for business. Management expert Peter Drucker argued that a pay ratio not exceeding 20-to-1 or 25-to-1 is ideal, 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 finalize its strong proposed rule in early 2015. 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



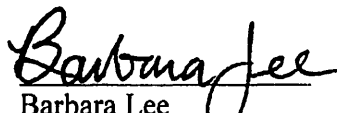
Raúl M. Grijalva
Member of Congress



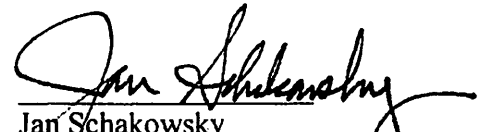
Maxine Waters
Member of Congress



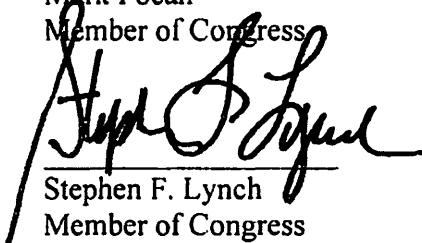
Mark Pocan
Member of Congress



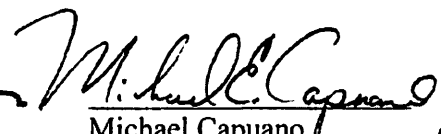
Barbara Lee
Member of Congress



Jan Schakowsky
Member of Congress



Stephen F. Lynch
Member of Congress



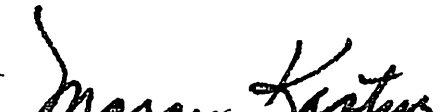
Michael Capuano
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Jared Huffman
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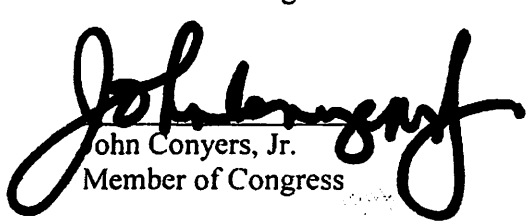
Eleanor Holmes Norton
Member of Congress



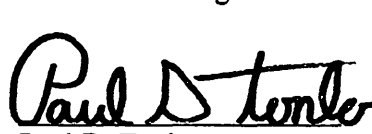
Marcy Kaptur
Member of Congress



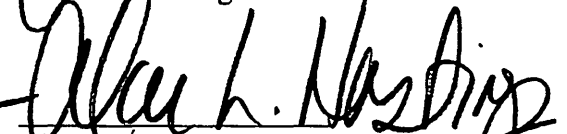
Jim McDermott
Member of Congress



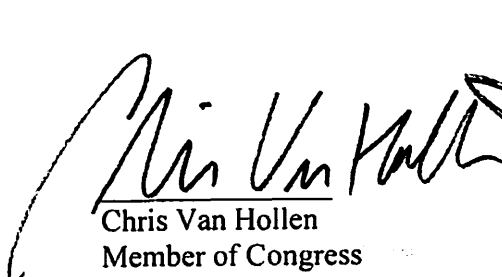
John Conyers, Jr.
Member of Congress

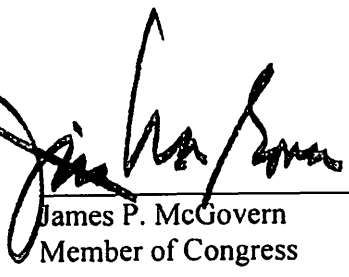


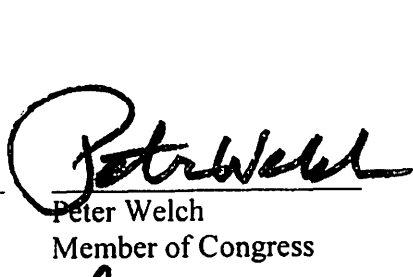
Paul D. Tonko
Member of Congress

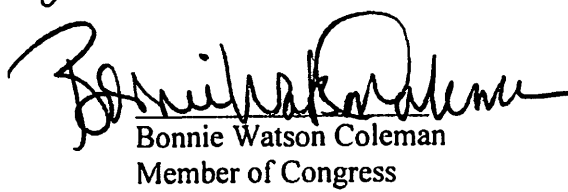


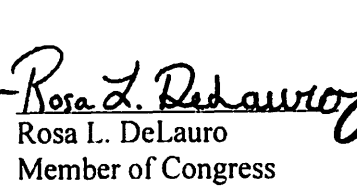
Alcee L. Hastings
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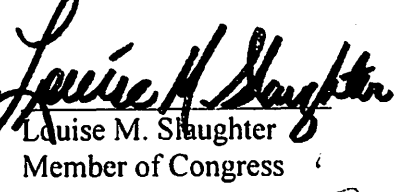

Chris Van Hollen
Member of Congress

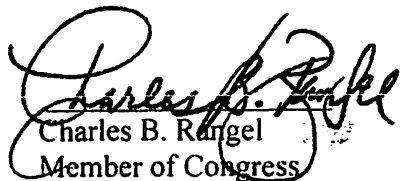

James P. McGovern
Member of Congress

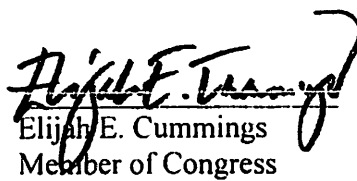

Peter Welch
Member of Congress

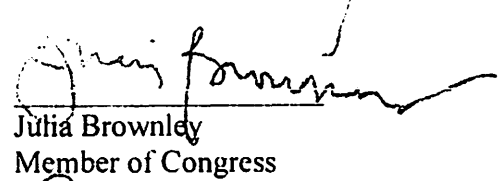

Bonnie Watson Coleman
Member of Congress

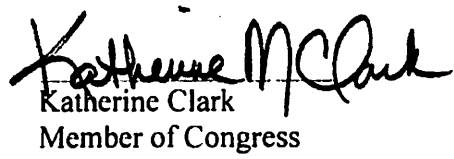

Rosa L. DeLauro
Member of Congress

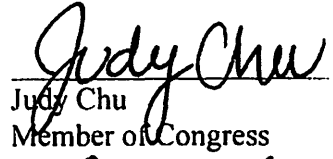

Louise M. Slaughter
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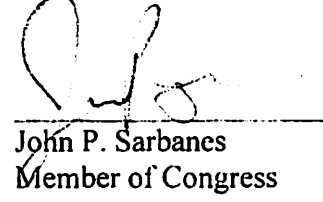

Charles B. Rangel
Member of Congress

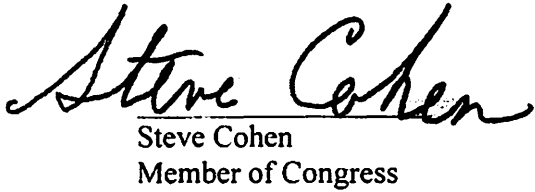

Elijah E. Cummings
Member of Congress

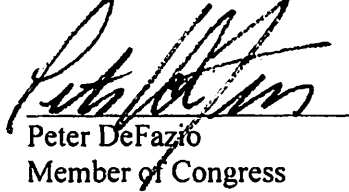

Julia Brownley
Member of Congress

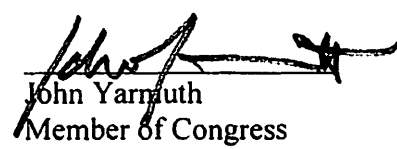

Katherine Clark
Member of Congress

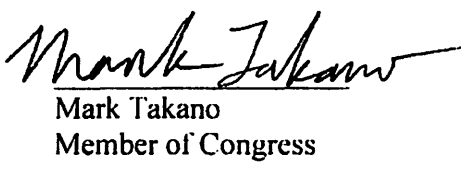

Judy Chu
Member of Congress

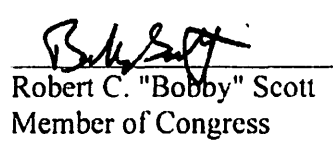

John P. Sarbanes
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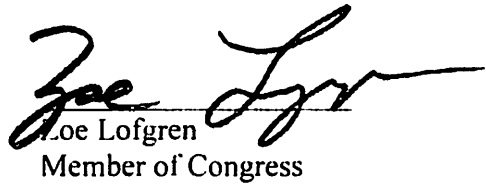

Steve Cohen
Member of Congress

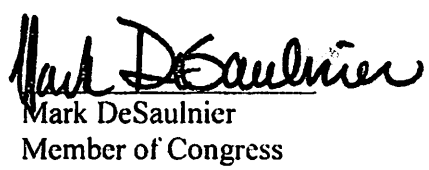

Peter DeFazio
Member of Congress

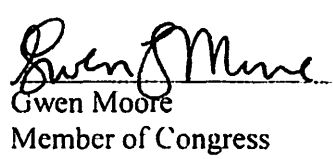

John Yarmuth
Member of Congress

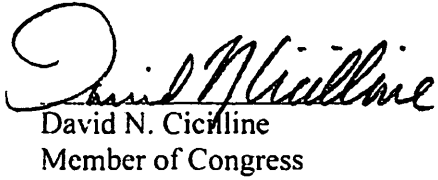

Mark Takano
Member of Congress

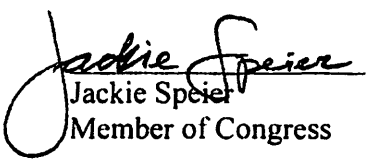

Robert C. "Bobby" Scott
Member of Congress

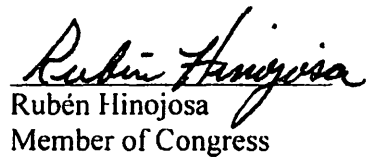

Loe Lofgren
Member of Congress

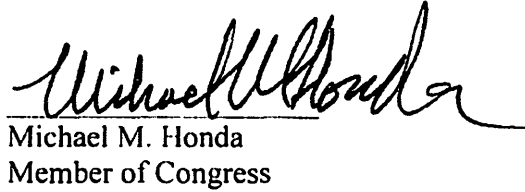

Mark DeSaulnier
Member of Congress

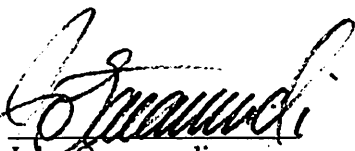

Gwen Moore
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David N. Cicilline
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Jackie Speier
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Rubén Hinojosa
Member of Congress

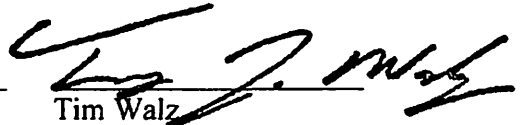

Michael M. Honda
Member of Congress



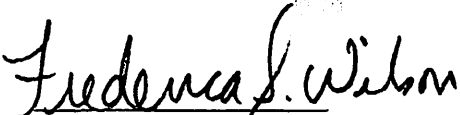
John Garamendi
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Donald S. Beyer, Jr.
Member of Congress



Tim Walz
Member of Congress



Frederica S. Wilson
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Peter J. Visclosky
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James R. Langevin
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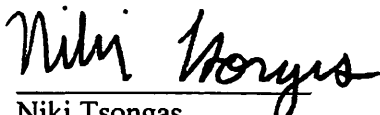
Henry C. "Hank" Johnson, Jr.
Member of Congress



Chellie Pingree
Member of Congress



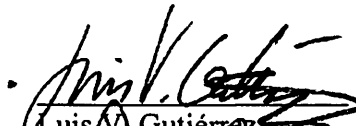
Betty McCollum
Member of Congress



Niki Tsongas
Member of Congress



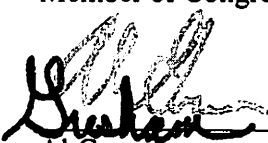
Frank Pallone, Jr.
Member of Congress



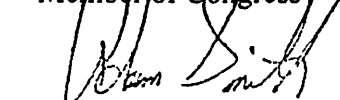
Luis V. Guterres
Member of Congress



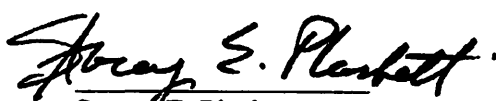
Michelle Lujan Grisham
Member of Congress



Al Green
Member of Congress



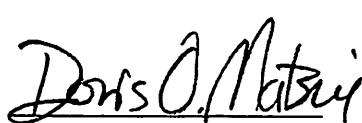
Adam Smith
Member of Congress



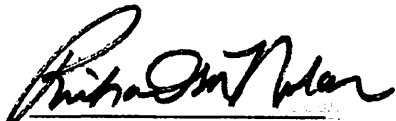
Stacey E. Plaskett
Member of Congress



Mike Thompson
Member of Congress



Doris O. Matsui
Member of Congress



Richard M. Nolan
Member of Congress