



November 27, 2013

Ms. Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: Comment Letter on Pay Ratio Disclosure (File No. S7-07-13)

Dear Ms. Murphy:

These comments are submitted on behalf of Semtech Corporation (Semtech), a company listed on the Nasdaq stock exchange. Semtech acknowledges that this comment letter is based in part on a comment letter template provided by the National Investor Relations Institute. However, all comments in this letter are the exclusive opinions and statements of Semtech.

By way of background, I have been employed as a U.S. public company Secretary since 1994. I have been directly responsible since that time in the preparation and filing of Annual Meeting Proxy Statements for three separate reporting companies (each being in the \$300M-\$1B annual sales range). I have managed teams involved with Proxy preparation, coordinated the applicable information gathering, prepared the narrative disclosures, and signed the Proxies in my capacity as Secretary of the applicable reporting companies. I have witnessed the evolution of reporting and regulatory requirements going back, at least, to the implementation of Regulation FD, and continuing through the Sarbanes-Oxley Act, the CD&A rules, Say-on-Pay, and Dodd-Frank's corporate governance matters. I have served as Secretary for Semtech since late 2008, and have prepared and filed five annual Proxy Statements to date for Semtech. As such, I believe I can speak from very direct and personal experience as to the work and effort involved in filing a Proxy Statement under what have been continually evolving and expanding reporting rules and requirements.

It is clear to me that compliance with the proposed rule will impose a tremendous burden on the employees at Semtech who are responsible for assisting with the filing of our Annual Meeting Proxy Statements. We implore the Commission to seek every avenue and modification of the proposed rule that will serve to minimize the burden of compliance.

We frankly have serious doubts that the resulting information that may come from whatever final rule is adopted will have much, if any, real meaning to investors. We have read comments from proponents of the proposed rule, and we are not persuaded that the proponents make rational or meaningful comments supporting the need for the statutory requirement or the proposed rule. And we fully expect that our costs of complying with the proposed rule will far exceed the benefits that our investors may receive from the resulting findings that would be reported.

Worldwide, Semtech employs approximately 1,500 full-time employees in twenty-one countries. Approximately one-third of those employees are in the U.S. We of course do not yet know, nor have we attempted to estimate, our full costs of compliance or the staff hours that would be required to prepare

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pay ratio disclosures under this proposed rule. We do know however, without question, that the cost will be substantial, the hours many, the confusion great, the stress extreme, and that the burden will fall on and only add to the workload of employees who are already fully engaged in other duties.

We concur with the NIRI recommendation that his disclosure mandate should be limited to full-time, U.S.-based employees. We believe that the SEC should not require companies to include overseas or part-time employees in calculating company pay ratios. Limiting the rule to U.S. based employees would greatly reduce the compliance costs for companies like ours. We do not have a global payroll data system that would support worldwide calculations. As such, we can say without hesitation that global data-collection will require extensive manual calculations, significant staff hours, and difficult-to-quantify costs. To produce a global disclosure, we also would need to navigate through more restrictive data privacy laws in other nations and account for foreign currency fluctuations and differences in local benefit practices.

In addition to limiting the scope of ratio calculations to only full-time, U.S. based employees, we also strongly advocate that only pure cash compensation be included in compensation calculation. Specifically, only Base Salary, Bonus, and Non-Equity Incentive Plan Compensation, as per the requirements for reporting same in the Summary Compensation Table, should be used. That approach should at least provide for a single and consistent approach for tabulating total compensation across the full-time U.S. employee base as we propose.

We do not believe that statistical sampling will reduce the costs of compliance. While such sampling may be viewed as an accommodation and means of reducing compliance costs, Semtech would still face an enormous task to gather all the global data we would need to perform statistically valid sampling.

In addition, we believe there is a high likelihood that other companies will use varying techniques to gather this data, and that these different approaches will lead to inconsistent results. Without a uniform and single methodology governing the collection and reporting of the resulting ratio comparison, we believe any final rule will be meaningless in terms of the value of the information being provided to investors. We, of course, believe that even with the proposed changes that might provide for a uniform and single methodology governing the collection and reporting of the resulting ratio comparison, the end result is still a statistic that offers no real information of value or true significance for any investor.

We believe that the C,D&A requirements, coupled with Say-on Pay requirements, have significantly enhanced the quality and scope of disclosures on executive compensation. Semtech's ownership is very heavily institutions. It is our experience that most of our investors focus their attention on the pay-for-performance incentives and results for our top five executives and do not see any need for information on the pay received by rank-and-file employees. However, on a broader scale, we think it is highly likely that any resulting pay ratio disclosure that comes from this proposed rule will result in many investors and investor advisory groups focusing their Say-on-Pay votes solely on a single pay ratio number, to the exclusion of the far more detailed and informative information that is to be found in the full C,D&A and the associated narrative information that accompanies the Summary Compensation Table. If this rule is

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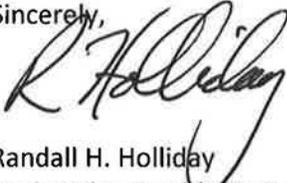
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implemented, we believe the SEC should undertake an educational effort to help all investors understand the limits of these new disclosures.

We agree with the NIRI recommendation that the SEC should delay compliance with the most onerous parts of this rule. NIRI correctly points out that assuming that this rule takes effect in 2014, our company will have trouble gathering and analyzing all our fiscal 2015 pay data before our next annual reports are due. If the Commission does not decide to exempt non-U.S. employees from this mandate, we agree with the recommendation that the SEC provide an additional two years before companies must include overseas workers in their pay ratio calculations. A two-year delay would give companies more time to refine their data collection and statistical sampling methods on a smaller pool of full-time U.S. workers. Companies also would have more time to upgrade their payroll systems around the world so that they could more easily generate this data each year.

Thank you for the opportunity to comment on this important issue. If we can provide any additional information that would be useful to the Commission or the staff in this matter, please contact me at [rholliday@semtech.com](mailto:rholliday@semtech.com) or by telephone at 805-480-2153.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Holliday", written over a faint, illegible typed name.

Randall H. Holliday  
Senior Vice President, General Counsel and Secretary