

December 1, 2014

Elizabeth M. Murphy, Secretary
US Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
Via Email: rule-comments@sec.gov

Re: File Number S7-07-13 - Dodd-Frank Act Pay Ratio Disclosure Mandate; Proposal for a Safe Harbor Disclosure Process

I write as a twenty year practitioner and an expert in human resources. I have also spent my career in various leadership roles in large public organizations. I offer my support for the proposed rule regarding the CEO Pay Ratio. Moreover, I have signed the document that NSFAM submitted and support as well its table 1 that indicates the recommended disclosures. Any effort to fully implement the parts of the Dodd-Frank Act on Executive Compensation, Risk Management, and Corporate Governance would be a great benefit to investors, employees and even consumers of the products and services of the effected companies. I come at this issue as someone who also attempted to encourage companies to become more transparent in their organizational structures and their management of workforce issues. I believe that the same entrenched organizational leaders that oppose the full expression of the Dodd-Frank Act, were largely the same leaders who quashed my efforts as well.

As the former Director of HR Standards Development for the Society for Human Resource Management and the Chair of the ISO Technical Committee 260, I oversaw the development of American National and ISO standards in human resources from 2008 to 2013. One area of inquiry we pursued was the development of an American National Standard that we called, "Investor Metrics." This standard would help public companies capture and report to their owners those material workforce management metrics that investors should know before making investment decisions. The opportunity then, as now with the Dodd-Frank Act, was to establish consistent, comparable, and credible measures that were publicly reportable to the investment community. Over 160 participants from HR, finance, accounting, and academic communities worked for 18 months to develop this document.

However, the same forces that I expect to oppose the full implementation of the Dodd-Frank Act, met at the US Chamber of Commerce in October 2012 to pressure me and those developing this standard to stop this work. The attendees, many of whom were the CHROs or government relations executives from F500 companies and non-profit associations, argued that investors were not interested in workforce performance/management data. Although many had clearly not read the draft standard, they argued that the metrics were impossible to gather, that they are not "material" disclosures, and to disclose this information would create risk for their companies. The metrics in question were similar to the Safe Harbor factors that are under discussion in File Number S7-07-13. Also note that these attendees did not want to improve the draft standard. They instead wanted the work to stop and no further mention be made about it, especially to the SEC.

In my opinion, their true desire was to stifle free inquiry into ways to create value for investors and to avoid the direct accountability to CHROs that would and should emerge from providing the investment community honest and timely information about their human resource practices, including pay. As the NSFAM document shows, having an accurate and comparable description of the management structure and the organizational architecture of public companies is essential in order to fully understand and respond to the complexity of the Dodd-Frank pay ratio. I believe reason they demanded that this meeting be "off-the-record" and that they refused to let anyone who supported these HR disclosures participate was to shield these collusive and anti-competitive views from the public. It would be a historic shame for the SEC to permit the same petty guardians of self-interest to succeed in denying investors the Safe Harbor information they need to make the wisest decisions possible about the quality of the governance practices of publicly traded companies.

Thank you for your time and consideration of my views.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lee S. Webster", with a long horizontal flourish extending to the right.

Lee S. Webster, JD/MBA
Former Director, HR Standards, SHRM
Former Chair, ISO TC 260 for HR Management

