United States Senate
WASHINGTON, DC 20510

Dec. 16, 2014

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

Dear Chair White:

As you know, in September 2013, the Securities and Exchange Commission proposed rules to implement section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Wall Street Reform Act"), which requires publicly traded companies to disclose the ratio of what they pay their CEO to the compensation of their median worker.

Because it has now been more than a year since the SEC issued its proposal and more than four years since the Wall Street Reform Act became law, we ask for your assurance that the SEC is still planning to finalize the rule in the very near future. In particular, we ask for your commitment to bring this rule before the Commission for a vote before the end of the first quarter of 2015.

While CEOs can create value for companies, so can ordinary workers. Pay ratio disclosure helps investors evaluate the relative value a CEO creates, which facilitates better checks and balances against insiders paying themselves runaway compensation. When a company's performance improves but only the CEO is rewarded, for example, investors should know, so they can ask what kinds of incentives this creates for the company's future performance. Or when a CEO asks for a raise while giving other employees a pay cut, investors should have this information to help them evaluate whether this is value creation or simply value capture by insiders – especially in an environment where incomes for the top 1 percent have grown by more than 86 percent over the last 20 years while incomes for everyone else have grown by less than 7 percent.

As you know from comment letters filed with the SEC, a range of investors have expressed that they would find companies' pay ratio information to be material and useful. Some of the comments opposing the disclosure requirement, however, seem to express the mistaken view that its implementation is optional, which is not the case – as you know, the rulemaking is mandatory under the statute. While some opponents may prefer not to disclose this information, Congress already enacted and the President already signed the requirement into law more than four years ago. All that remains is for the implementing rules to be finalized, as the statute requires.

To this end, we appreciate the balanced proposal the SEC issued last year. Notably, the proposed rule provides companies with flexibility in how they make and report the required calculations, in order to address any concerns regarding compliance costs. It also importantly does not include exemptions (such as for non-U.S. or part-time workers) that could, in conflict with the legislative intent, dilute the disclosure's effectiveness or create troubling incentives to offshore jobs or otherwise undermine job quality.

We urge the SEC to move forward with a final rule as soon as possible. Thank you for your attention to this matter and your prompt reply.

Sincerely,