

**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.

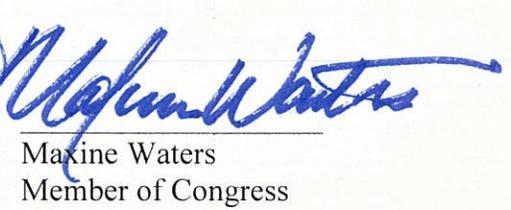
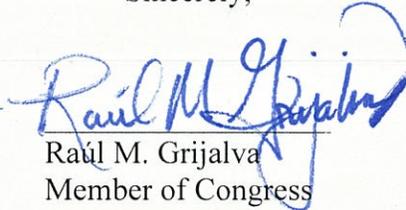
The current culture of paying CEOs hundreds of times more than the typical employees hurts working families, is detrimental to employee morale, and goes against what research shows is best for business. Management expert Peter Drucker argued that a pay ratio not exceeding 20-to-1 or 25-to-1 is ideal,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

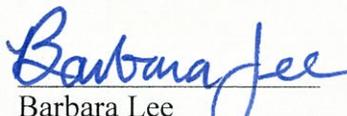


Raúl M. Grijalva  
Member of Congress

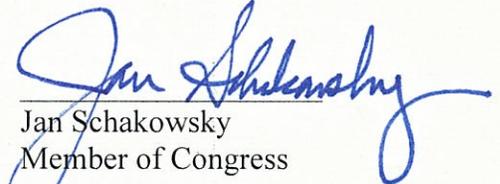
Maxine Waters  
Member of Congress



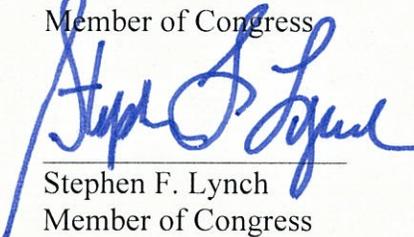
Mark Pocan  
Member of Congress



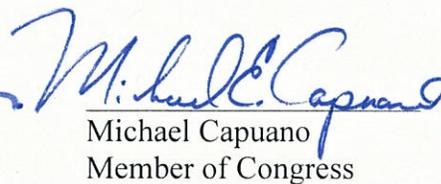
Barbara Lee  
Member of Congress



Jan Schakowsky  
Member of Congress



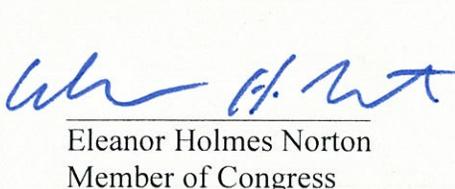
Stephen F. Lynch  
Member of Congress



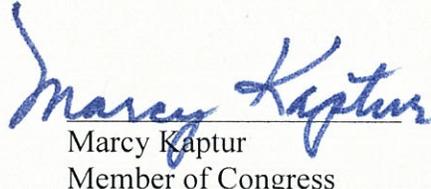
Michael Capuano  
Member of Congress



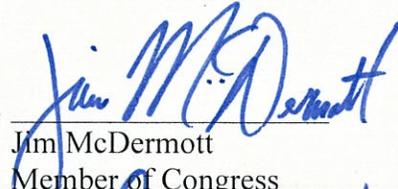
Jared Huffman  
Member of Congress



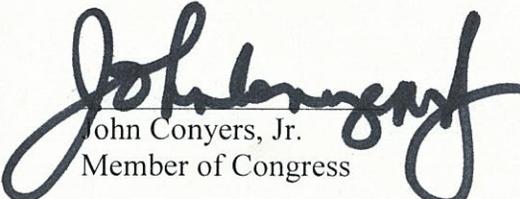
Eleanor Holmes Norton  
Member of Congress



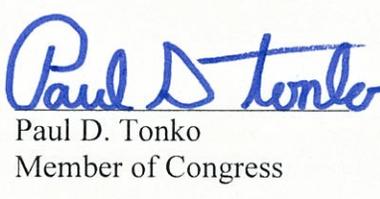
Marcy Kaptur  
Member of Congress



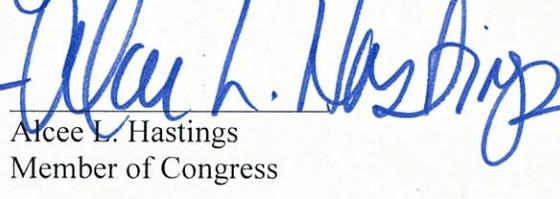
Jim McDermott  
Member of Congress



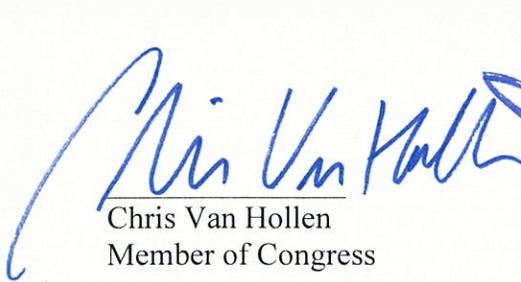
John Conyers, Jr.  
Member of Congress

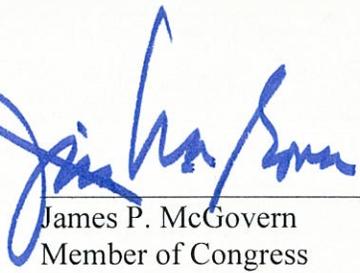


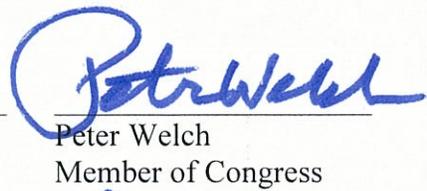
Paul D. Tonko  
Member of Congress

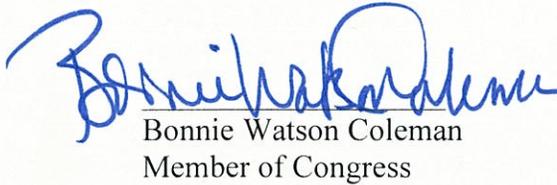


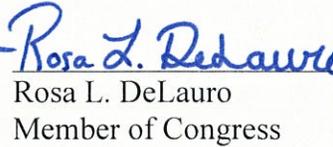
Alcee L. Hastings  
Member of Congress

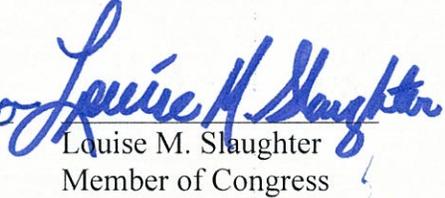
  
Chris Van Hollen  
Member of Congress

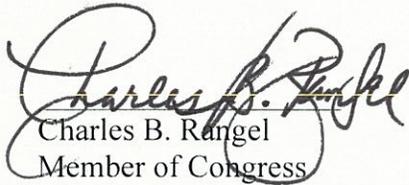
  
James P. McGovern  
Member of Congress

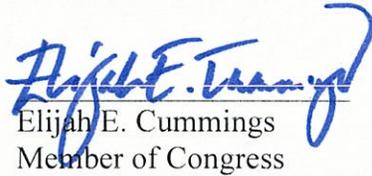
  
Peter Welch  
Member of Congress

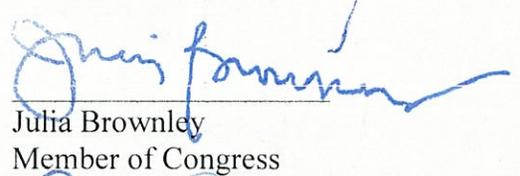
  
Bonnie Watson Coleman  
Member of Congress

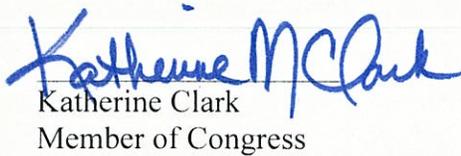
  
Rosa L. DeLauro  
Member of Congress

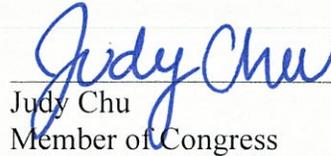
  
Louise M. Slaughter  
Member of Congress

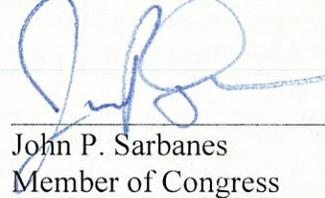
  
Charles B. Rangel  
Member of Congress

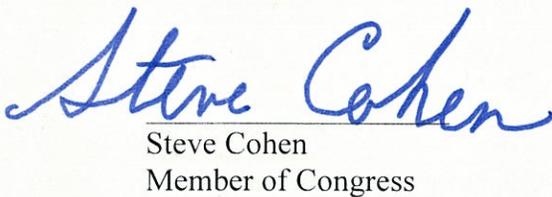
  
Elijah E. Cummings  
Member of Congress

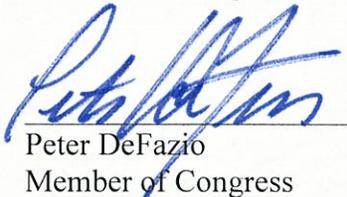
  
Julia Brownley  
Member of Congress

  
Katherine Clark  
Member of Congress

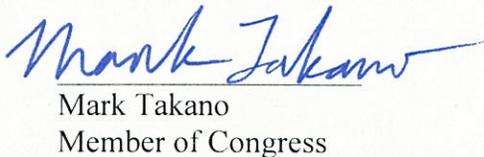
  
Judy Chu  
Member of Congress

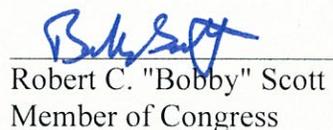
  
John P. Sarbanes  
Member of Congress

  
Steve Cohen  
Member of Congress

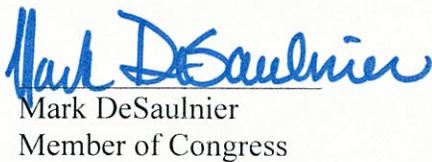
  
Peter DeFazio  
Member of Congress

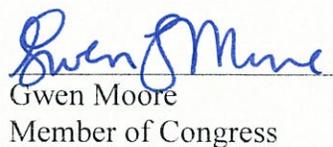
  
John Yarmuth  
Member of Congress

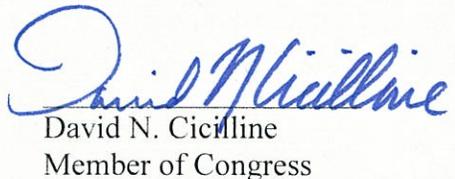
  
Mark Takano  
Member of Congress

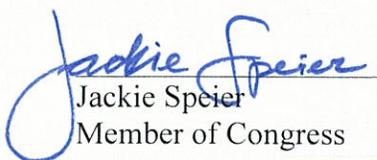
  
Robert C. "Bobby" Scott  
Member of Congress

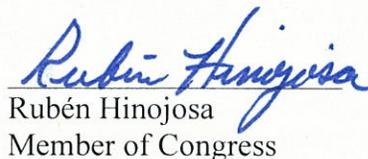
  
Zoe Lofgren  
Member of Congress

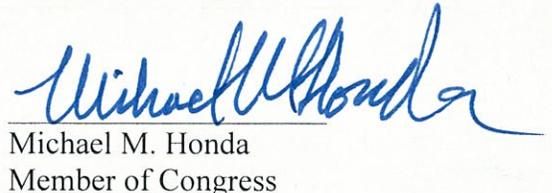
  
Mark DeSaulnier  
Member of Congress

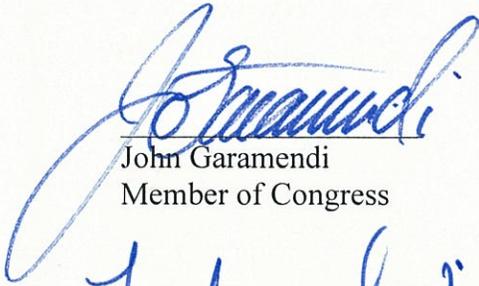
  
Gwen Moore  
Member of Congress

  
David N. Cicilline  
Member of Congress

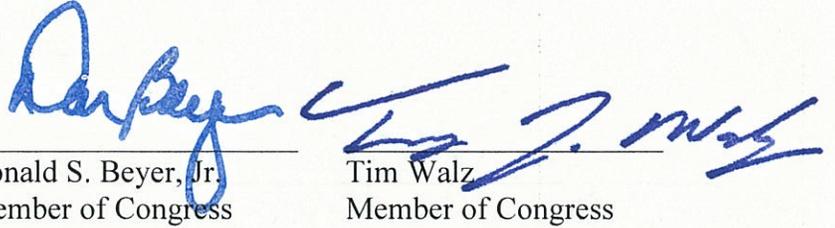
  
Jackie Speier  
Member of Congress

  
Rubén Hinojosa  
Member of Congress

  
Michael M. Honda  
Member of Congress

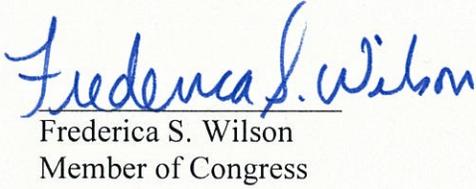


John Garamendi  
Member of Congress

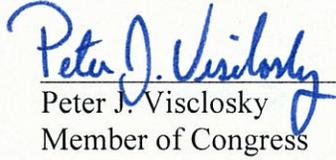


Donald S. Beyer, Jr.  
Member of Congress

Tim Walz  
Member of Congress



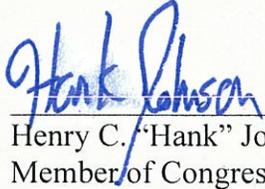
Frederica S. Wilson  
Member of Congress



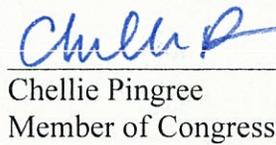
Peter J. Visclosky  
Member of Congress



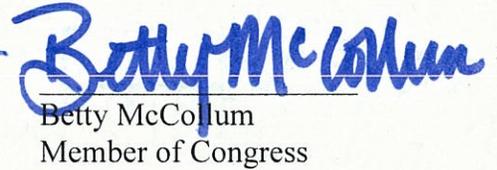
James R. Langevin  
Member of Congress



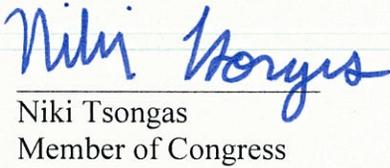
Henry C. "Hank" Johnson, Jr.  
Member of Congress



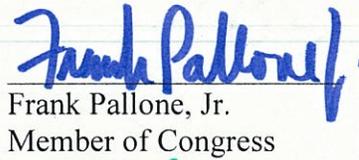
Chellie Pingree  
Member of Congress



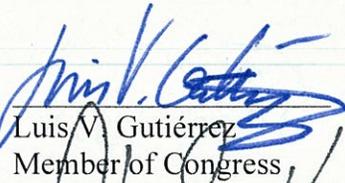
Betty McCollum  
Member of Congress



Niki Tsongas  
Member of Congress



Frank Pallone, Jr.  
Member of Congress



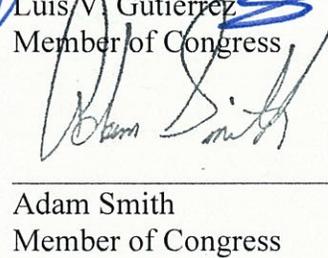
Luis V. Guterrez  
Member of Congress



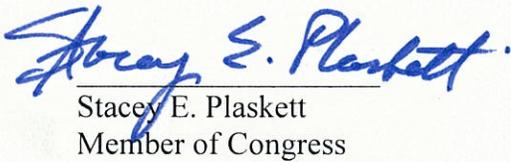
Michelle Lujan Grisham  
Member of Congress



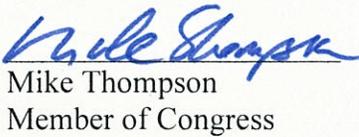
Al Green  
Member of Congress



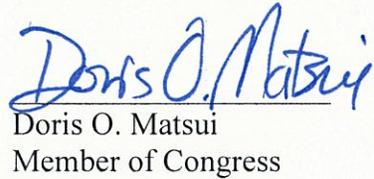
Adam Smith  
Member of Congress



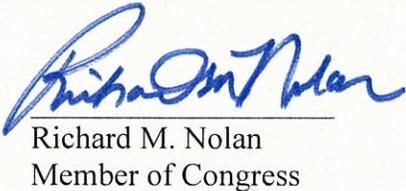
Stacey E. Plaskett  
Member of Congress



Mike Thompson  
Member of Congress



Doris O. Matsui  
Member of Congress



Richard M. Nolan  
Member of Congress