

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

NEIL L. BRADLEY  
EXECUTIVE VICE PRESIDENT &  
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February 26, 2020

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The U.S. Chamber of Commerce opposes the following bills that the Committee is expected to mark up on February 27.

**H.R. 5930, the Workforce Investment Disclosure Act (Rep. Cynthia Axne)**

The Workforce Investment Disclosure Act would require specific line-item disclosures in Securities and Exchange Commission (“SEC”) mandated reports on information that in many cases is not material to a reasonable investor, and would preempt the SEC’s flexible, principles-based approach on human capital disclosures.

There has been increasing pressure on public companies to incorporate Environmental, Social and Governance (ESG) information into Securities and Exchange Commission (“SEC”) mandated reports—including data points on human capital management. Many businesses already voluntarily disclose ESG information, with 86% of companies in the S&P 500 publishing such reports. Human capital management, one of the more prevalent ESG issues, is a term that is still debated as to its definition and scope. Last year, the SEC included a human capital component in its proposal to modernize Reg S-K by encouraging companies to take a flexible, principles-based approach to disclose certain measures that management focuses on and that it deems material to understanding a registrant’s business.<sup>[1]</sup> The Chamber is supportive of the SEC’s approach. Instead of building on this workable solution by the SEC, this bill would mandate disclosure.

**H.R. 5929, the Shareholder Political Transparency Act of 2020 (Rep. Bill Foster)**

The Shareholder Political Transparency Act would require public companies to disclose their political spending activity. There is an ongoing effort by activists to silence the business

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<sup>[1]</sup> <https://www.sec.gov/news/press-release/2019-148>

community's voice in political and public policy debates by using the federal securities laws to compel disclosure of activity, not for the purposes of investor protection, but instead to glean information to advance other interests through name-and-shame tactics.

Companies are already required to disclose political contributions. Further, for other political activity and lobbying disclosures, the shareholder proposal process through SEC Rule 14a-8 exists as a way for shareholders to seek information or to influence the companies they own. Over the years, shareholder proposals requiring political and lobbying disclosures have consistently been rejected by shareholders. From 2010 to 2019, of the 510 political and lobbying spending disclosure proposals submitted to Fortune 250 companies, only two have ultimately received majority support (0.3%). Additionally, in 2019, support for these proposals only averaged around 32%.<sup>[2]</sup>

It is increasingly clear that a super-majority of shareholders, when given the opportunity, reject the disclosure of this information as not material.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a large, stylized flourish at the end.

Neil L. Bradley

cc: Members of the Committee on Financial Services