US SIF
The Forum for Sustainable and Responsible Investment

July 16, 2014

John Boehner
Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, DC 20515

Eric Cantor
Majority Leader
U.S. House of Representatives
404 Canon House Office Building
Washington, DC 20515

Nancy Pelosi
Office of the Democratic Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

Dear Speaker Boehner and Representatives Cantor and Pelosi:

On behalf of US SIF: The Forum for Sustainable and Responsible Investment, I am writing to oppose HR 5016, the "Financial Services and General Government Appropriations Act." This measure provides inadequate funding for the Securities and Exchange Commission (SEC) and contains several provisions that are concerning.

US SIF is the national membership association of investors, firms, institutions and organizations engaged in sustainable and responsible investing (SRI). US SIF members advance investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact. Our members include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, broker-dealers, community investing organizations, non-profit associations, and pension funds, foundations and other asset owners. For more information, see www.ussif.org.

In particular, we highlight three provisions of HR 5016 that are of paramount concern to us:

SEC BUDGET - HR 5016 provides $1.35 billion for the SEC. We believe this is inadequate. Our investor members support $1.7 billion in funding for the SEC as proposed under President Obama's fiscal 2015 budget plan. This funding would allow the SEC to hire additional staff and improve its technology systems to accomplish several key priorities critical to protecting investors, including proposing and finalizing the rules under the Dodd-Frank Wall Street Reform Act.

The SEC's funding mechanism is deficit-neutral, which means that the amount Congress appropriates to the agency will not have an impact on the nation's budget deficit, nor will it impact the amount of funding available for other agencies. The appropriation also does not count against the caps set in the bi-partisan Congressional budget framework for 2014 and 2015. We urge members of the House to reject this appropriation as insufficient to fund an agency responsible for the integrity of American financial markets and protection of investors.

POLITICAL CONTRIBUTIONS DISCLOSURE
Section 626 states that none of the funds authorized for the SEC be used to "*finalize, issue, or implement any rule, regulation, or order regarding the disclosure of political contributions."* This policy declaration blatantly disregards strong investor support for political spending disclosure rulemaking. US SIF and its members, along with more than 900,000 citizens, have signed a petition calling for the SEC to implement a rule, a record at the agency.

Increasingly, company executives are also recognizing the benefits of political spending disclosure. Many major companies already have disclosure policies on political spending. While this number is encouraging, it should not be used as a substitute for the benefits of uniform disclosure by all publicly traded companies. Instead we should look to these companies as confirming the feasibility and legitimacy of this rulemaking. Corporate political spending is risky business and opacity in corporate political spending only heightens these risks. Political spending disclosure is simply good risk management. The SEC should hold all publicly traded companies to the same standard of disclosure. Investors have no other means to achieve timely, uniform disclosures. Only an SEC rule can provide investors with the information needed to assess the issuer-level and system-level risks and opportunities of corporate political spending.

This provision of the appropriations measure should be rejected both on policy grounds and as far beyond the scope of what should be included in a funding bill.

CONSUMER FINANCIAL PROTECTION BUREAU
Sections 502 and 503 sever the Consumer Financial Protection Bureau's funding tie to the Federal Reserve and subject it to the annual Congressional appropriations process. This is inappropriate as it makes the CFPB different than the other bank regulators whose budgets remain independent of Congressional control. Congress created the CFPB with a single mandate to protect consumers. Preserving the independence of the CFPB is critical to protect it from political pressure.

Thank you for taking our views into consideration and for the opportunity to comment. If you have any questions regarding the contents of this letter, please contact me directly at lwoll@ussif.org or 202-872-5358.

Sincerely,

Lisa N. Woll

Lisa N. Woll
CEO