Petition for Disclosure on Political Spending Gains

Support

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By Emily Chasan
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The Big Number: 643,599

That’s the number of comment letters the SEC has received on a petition calling for a corporate disclosure rule on political spending.

Companies have gotten more politically active in the wake of a 2010 U.S. Supreme Court ruling that removed restrictions on their political contributions.

In 2011, a group of 10 corporate- and securities-law professors, including Harvard Law School’s Lucian Bebchuk and Columbia Law School’s John Coffee, petitioned the Securities and Exchange Commission to write a rule requiring public companies to disclose their political activities, including campaign donations and lobbying efforts.

Since then, the agency has received about 641,799 form letters and 1,800 other letters commenting on the petition, according to Felicia Kung, chief of the rule-making office in the SEC’s corporation-finance division.

“It’s garnered more comments than even our most controversial rules, which is saying a lot these days,” Ms. Kung said at a securities regulation conference in New York last week.

The overwhelming majority of comments support the call for a disclosure rule.

Many companies already disclose political spending voluntarily but, since the Supreme Court decision, large corporations are receiving double the number of proxy proposals each year urging them to adopt a policy, according to ProxyMonitor.org, a website sponsored by the Manhattan Institute for Policy Research.

The SEC’s corporation-finance division hasn’t decided whether to recommend that the SEC propose a rule on political spending, Ms. Kung said. The agency still is tied up with rule making required by the Dodd-Frank Act of 2010 and the Jumpstart Our Business Startups Act of 2012.