

SEC Drops Political Spending Disclosure from 2014 Agenda

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There's a conspicuous absence from the Securities and Exchange Commission's new list of rules it plans to consider next year: the [proposed measure](#) that would require corporations to disclose their political spending to shareholders. The SEC's unwillingness to take this up in 2014 is a blow to the kind of transparency that is essential to keeping American democracy healthy.

The commission's decision comes as a shock because this proposal has enjoyed substantial support from a broad array of individuals and groups, including [trade associations](#), [academics](#), [elected officials](#), and [business leaders](#). The original petition that encouraged the SEC to consider the rule attracted [nearly 700,000 signatures](#) (the most in SEC history).

The rule appeared to be almost an inevitability early in 2013, when it was added to the SEC's docket and support for it was growing exponentially. Unfortunately that changed in the summer when the agency's chairwoman, Mary Jo White, appeared before the House Financial Services Committee and was [pressured to forgo implementing the disclosure rule](#). The SEC is supposed to be insulated from politics, but it now appears that the commission has succumbed to political gamesmanship by not moving forward with this popular, common sense ruling.

Earlier today, White told reporters after a speech that the 2014 rulemaking agenda represents her "best estimate" of what the commission can get done during the year.

While corporations won't need to worry about having to disclose their "dark money" in the 2014 midterms, transparency advocates are still optimistic about the future. In a [blog post by two of the original sponsors](#) of the SEC petition, Professors Lucian Bebchuk and Robert Jackson Jr. explain that despite the decision they are still "hopeful that, before too long, the SEC will consider, as it should, the merits of a rule requiring disclosure in this area." It's worth noting that the list of rulemakings the agency submitted to the Office of Management and Budget is nonbinding: Other measures could be added or substituted.

It is an absolute necessity that regulators implement comprehensive disclosure requirements in order to address the fact that, in the wake of the Supreme Court's 2010 Citizens United decision, the U.S. electoral system has been inundated by hundreds of millions of dollars in dark, untraceable funds. That's why we join the Corporate Reform Coalition to demand that the SEC reconsider its decision to put the most widely supported rule in the commission's history on the back burner.

The SEC is still continuing to accept signatures on the petition. If you'd like to add your name to it and voice your reaction to the SEC's recent decision, click [here](#).