

April 2, 2013

The Honorable Bill Huizenga  
United States House of Representatives  
1217 Longworth House Office Building  
Washington, DC 20515

RE: Support of H.R. 1135 Seeking Repeal of the Dodd-Frank Act Pay Ratio Requirement

Dear Representative Huizenga:

On behalf of the Center On Executive Compensation, I am writing to express our strong support the Burdensome Data Collection Relief Act (H.R. 1135) that would repeal the pay ratio disclosure mandate in Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

As you know, the Center On Executive Compensation is a research and advocacy organization that seeks to provide a principles-based approach to executive compensation policy from the perspective of the senior human resource officers of leading companies. The Center is a division of HR Policy Association, which represents the chief human resource officers of over 340 large companies, and the Center's Subscribers represent a broad cross-section of industries.

Section 953(b) requires the SEC to draft implementing regulations that would require companies to disclose the ratio of the median pay of all employees to the total pay of the CEO. Although the requirement may seem simple on its face, it will be excessively burdensome and costly to companies, without providing useful insight to investors. To determine the median pay of all employees, global companies must calculate the pay of every individual employee – domestic, global, full- and part-time – in the same manner as compensation is calculated and disclosed in a proxy statement for the top five named executive officers. Companies do not collect employee data or calculate total compensation in this way. In addition, companies will be forced to conduct this time-consuming calculation twice for named executive officers because the provision requires the ratio to be calculated in accordance with the SEC's rules as of the date Dodd-Frank was enacted, regardless of whether the SEC changes its disclosure rules.

This information is not useful for investors, nor has it been requested or supported by the vast majority of shareholders, as evidenced by the lack of support in shareholder proposals. Proxy disclosures are intended to help investors determine whether a company is a good investment; the pay ratio mandate does not do this. Rather, it is a complicated, expensive distraction that will divert corporate resources from activities that will allow companies to grow in this time of economic recovery.

For these reasons, we strongly support H.R. 1135, the Burdensome Data Collection Relief Act, and look forward to working with you to achieve its enactment. Please do not hesitate to contact me if you have any questions.

Sincerely,



Timothy J. Bartl  
President

cc: The Honorable Scott Garrett, Chairman, Subcommittee on Capital Markets and Government  
Sponsored Enterprises

Members of the Subcommittee on Capital Markets and Government-Sponsored Enterprises