



Via Hand Delivery

March 11, 2013

The Honorable Tim Johnson
Committee on Banking, Housing and Urban Affairs
136 Hart Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Committee on Banking, Housing and Urban Affairs
239 Dirksen Senate Office Building
Washington DC, 20510

Re: Nomination of Mary Jo White to be chair of the Securities and Exchange Commission

Dear Mr. Chairman and Ranking Member Crapo:

On behalf of the Council of Institutional Investors (“CII”), I am writing to respectfully suggest several key issues for the Senate Banking Committee to consider exploring at tomorrow’s confirmation hearing for Mary Jo White to be chair of the United States (“U.S.”) Securities and Exchange Commission (“SEC” or “Commission”).

CII is a nonprofit, nonpartisan association of pension funds and other employee benefit funds, foundations and endowments with combined assets of over \$3 trillion.¹ Our mission is to educate our members, policymakers and the public about corporate governance, shareowner rights and related investment issues, and to advocate on members' behalf.

The integrity of the U.S. capital markets is critical to CII because our members have a significant commitment to those markets. The average CII fund invests about fifty-five percent of its portfolios in U.S. stock and fixed income securities. And CII members invest for the long-term, with member funds indexing, on average, nearly half of their domestic portfolios.

¹ For more information about the Council of Institutional Investors (“CII”), including its members, please visit the CII’s website at <http://www.cii.org/CIIMembers>.

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Since the SEC is the sole independent federal agency explicitly charged with protecting investors, maintaining confidence and integrity in the securities markets, and overseeing more than 30,000 entities participating in those markets, CII members are keenly interested in ensuring that the most qualified and committed individual is selected to serve as SEC chair. That individual must have the ability to effectively represent the Commission before the U.S. Congress, to work in a collegial manner with his or her fellow commissioners, and to inspire the SEC staff.

Perhaps most importantly, the SEC chair must possess an unshakable commitment to protecting investors and preserving the independence of the Commission. In that regard, the SEC chair must be willing to stand firm and aggressively pursue the Commission's mission in the face of tremendous pressure from powerful special interest groups, who far too frequently, are willing to place their own short term self-interests before the long-term interests of investors and the U.S. capital markets.

The challenges facing the next Chair of the Commission are daunting. The markets, securities products, and related technologies continue to grow more sophisticated, complex, and global. Ensuring that the U.S. capital markets remain the fairest, most competitive, most transparent, and most efficient in the world leads to an ever tougher balancing act.

Investors need and demand a thoughtful, forceful, and articulate advocate to lead the Commission forward and to set its agenda to address today's and tomorrow's challenges. That agenda must include tough, but fair enforcement of the securities laws, effective implementation of corporate governance reforms, and the preservation and enhancement of shareowner rights.

The attachment to this letter briefly summarizes several key Commission related issues of interest to CII members, with suggested questions for Ms. White. We respectfully request that the Senate Banking Committee include those items on its list of issues to be raised during tomorrow's hearing.

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Please feel free to contact me with any comments or questions.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Mahoney". The signature is written in black ink and is positioned to the left of the typed name and title.

Jeff Mahoney
General Counsel

Attachment