



February 25, 2020

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The American Securities Association¹ writes to express our support for H.R. 5932 and our opposition to H.R. 5929, both of which the House Financial Services Committee is expected to markup this week.

Chinese Debt Transparency Act of 2020

The ASA is strongly supportive of H.R. 5932, the “Chinese Debt Transparency Act of 2020.” This legislation would ensure greater transparency with respect to financing provided by the Chinese government. The lack of transparency in China’s financial arrangements makes it tremendously difficult for the United States, and other global actors, to accurately monitor global financial risk. H.R. 5932 would give U.S. officials at international financial bodies an important mandate to use their voice and vote in support of practices that will hold China accountable. We also recommend that the committee think about having the Treasury department relabel China from a “Developing Country” to a “Developed Country” for purposes of assessing its eligibility to receive World Bank loans.

We strongly urge members of the Committee to support H.R. 5932.

Shareholder Political Transparency Act of 2020

The ASA would also like to express our strong opposition to H.R. 5929, the “Shareholder Political Transparency Act of 2020.” While the bill’s title seems innocuous, H.R. 5929 represents a direct threat to the First Amendment rights of American citizens that wish to express their freedom of speech and engage in political activity. The legislation arbitrarily targets businesses – whose First Amendment rights have been affirmed by the Supreme Court – with a regulatory regime that ultimately seeks to silence their speech. Supporters of this legislation have been crystal clear about its intent: it would allow politicians and special interest groups to keep track of political opponents and target them for future boycotts and harassment. The bill is incompatible with the Constitutional rights of Americans and would lead to even greater political polarization throughout our country.

Moreover, the requirement for public companies to disclose certain political spending in their quarterly reports violates the Supreme Court’s longstanding “materiality” standard for corporate disclosure. This information does not help shareholders make informed investment and voting decisions and would simply impose another costly reporting burden upon businesses and shareholders.

¹ The ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The ASA’s mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. The ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.



We strongly urge members of the Committee to oppose H.R. 5929.

Sincerely,

Christopher A. Iacovella

Christopher A. Iacovella
Chief Executive Officer
American Securities Association