



April 21, 2026

The Honorable French Hill  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

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

Dear Chairman Hill and Ranking Member Waters:

The U.S. Chamber of Commerce appreciates the Committee's continued work to advance capital formation legislation, improve the proxy process for public companies, and modernize the financial regulatory architecture in the United States.

The Chamber strongly supports the policies to reform corporate governance practices for public companies contained in H.R. 8286 and we commend Rep. Steil for his ongoing leadership to reform the proxy process and to enhance transparency and accountability within the proxy advisory industry.

We remain deeply concerned over the influence that proxy advisors have on corporate governance in the United States. Two proxy advisory firms control over 90% of this market and both have a historical track record of committing errors when developing vote recommendations, issuing "one size fits all" vote recommendations, and failing to address serious conflicts of interest within their business models.

Entities involved in the proxy process are generally subject to oversight and regulation by the SEC, and for good reason. Yet proxy advisors have escaped even modest SEC oversight for years. This legislation would require proxy advisor firms to register with the SEC to mitigate conflicts of interest within their business and to provide companies and investors with greater transparency over how recommendations are developed. Proxy advisors would also be held accountable under the SEC's antifraud provisions for any false or misleading statements contained in vote recommendations.

The Chamber also strongly supports Section 101 of the bill, which would enshrine the Supreme Court's definition of materiality into law.<sup>1</sup> This standard is meant to determine what information public companies must disclose to investors based on what information those investors need to make informed investing

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<sup>1</sup> *TSC Industries vs. Northway* (1976) 426 USC 438

decisions. Enshrining the materiality standard into the SEC's rulemaking process would help prevent regulations from being politicized.

In addition, we support a requirement that the SEC study the impacts of the European Union's Corporate Sustainability Reporting Directive ("CSRD") and the Corporate Sustainability Due Diligence Directive ("CS3D"). Both initiatives will impose substantial burdens upon U.S. based businesses and will create legal complexities for businesses to comply with.

We appreciate the work of the Financial Services Committee on these critical issues and urge all members of the Committee to support these reforms.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Flood', is centered on the page.

Mike Flood  
Senior Vice President  
Center for Capital Markets Competitiveness  
U.S. Chamber of Commerce