

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

March 9, 2016

The Honorable Carolyn Maloney
U.S. House of Representatives
Washington, DC 20515

Dear Representative Maloney:

The U.S. Chamber of Commerce (the “Chamber”) is the world’s largest business federation representing the interests of more than three million businesses and organizations of every size, sector and region, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America’s free enterprise system. The Chamber welcomes the introduction of the Gender Diversity in Corporate Leadership Act of 2016.

The bill’s goal of promoting gender diversity in the boardroom of American businesses reflects the reality that women, who historically have been statistically underrepresented among corporate boards of directors, possess invaluable insights, experiences, and management skills that can and should be deployed to support the corporate goals of our nation’s producers, innovators, and employers. In our American system of corporate governance, the role of the director is critically important not only to the management of the firm but also to its investors who are seeking a return. Directors must, therefore, have diverse skills, expertise, and experience to execute these duties and fulfill their statutory fiduciary duties. The Chamber supports efforts to increase gender diversity on boards of directors.

Today’s gender diversity efforts should focus on ideas to increase the participation of women in the boardroom organically. Some jurisdictions have attempted to achieve diversity through quotas which have been counterproductive to the ultimate goal. The Chamber believes that the process envisioned in the Gender Diversity in Corporate Leadership Act of 2016 is an appropriate path forward. The legislation would establish a diversity advisory group at the Securities and Exchange Commission made up of representatives of different stakeholders which would study and issue a report on gender diversity among corporate directors. While the Chamber looks forward to the results of the study, the process itself will create important, meaningful dialogue among regulators, businesses, investors and other stakeholders, bringing them all together to identify best practices and outline a path forward to increase board diversity and ensure that board members fulfill their fiduciary duties. In this way, the goal of gender diversity can be achieved by consensus while also promoting the long-term interests of businesses and their investors.

Thank you for introducing this bill and the Chamber looks forward to working with you to pass the Gender Diversity in Corporate Leadership Act of 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" clearly visible.

R. Bruce Josten