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Business Roundtable Welcomes SEC Decision to Review CEO Pay Ratio Rule

The CEO pay ratio rule provides no material information to shareholders or investors, Business Roundtable (BRT) said this week in welcoming the announcement by Acting Securities and Exchange Commission (SEC) Chairman Michael Piwowar that the SEC would reconsider that provision of the Dodd-Frank Act. “Public companies provide significant disclosures that are meaningful for market participants,” BRT President & CEO Joshua Bolten said [in a statement](#). “Reconsidering the CEO pay ratio rule is consistent with the SEC’s mission to focus on rules that protect investors, maintain fair and orderly capital markets and facilitate the creation of long-term shareholder value.” ([Piwowar statement](#).)

Business Brief Asks for Supreme Court Review of Class-action Certification in Antitrust Case

Business Roundtable has filed an *amicus* brief ([here](#)) asking the U.S. Supreme Court to review a case that could dramatically expand class-action liability. *International Paper Company et al. v. Kleen Products et al.* is an appeal from the Seventh Circuit Court of Appeals, which allowed a class-action suit against containerboard manufacturers based on claims of price-fixing. But the court’s ruling rested on a presumption that changes in a price index are sufficient to justify class-action certification in an antitrust case. In recent years, courts have weakened the standards for class certifications. In this case, the prospect of treble damages and joint-and-several liability under antitrust law multiplies the stakes for defendants. Joining BRT in the *amicus* brief are the National Association of Manufacturers, the American Forest and Paper Association, and the American Tort Reform Association. (See [Scotusblog case page](#).)

BRT Letter Urges Senate to Invalidate ‘Blacklisting’ Executive Order on Federal Contractors

In [a letter to U.S. Senators](#), Business Roundtable urged passage of a Congressional Review Act resolution ([S.J.Res. 12](#)) to overturn regulations enacting a 2014 Executive Order ([EO 13673](#)). These Department of Labor “blacklisting” regulations expanded reporting requirements for federal contractors that may have violated labor laws. The letter from Wes Bush of Northrop Grumman, Chair of BRT’s Education and Workforce Committee, stresses BRT’s support for responsible federal contracting, while detailing specific problems with the “costly and flawed” rules. The House of Representatives last week voted [236-187](#) to adopt the resolution.

CEOs Stress Importance of Early Literacy in Addressing Need for Skilled Workforce

Improving third-grade reading proficiency is a powerful lever to address the skills gap over the long term, a new BRT report concludes. “Early literacy is the foundation for building the highly skilled workforce required for our knowledge-based economy,” said SAS CEO Jim Goodnight, who led BRT’s CEO task force that developed the report. “Current low reading proficiency among young students is deeply troubling; we must take steps now to address the problem.” The report, [Why Reading Matters and What to Do About It](#), was released Thursday in North Carolina. (See [news release](#).) Brian Moynihan of the Bank of America also participated in the task force.