

Bachus Letter To SEC Chairman Cox

July 18, 2007

House Financial Services Committee Ranking Member Spencer Bachus (AL) sent a letter to Securities and Exchange Commission Chairman Christopher Cox regarding the Commission's terrorism-information webpage.

Full text of the letter follows:

July 17, 2007

The Honorable Christopher Cox

Chairman

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549

Dear Chairman Cox:

I am writing to associate myself with the concerns articulated by Chairman Frank in his July 12, 2007, letter to you regarding the Securities and Exchange Commission's terrorism-information webpage, which was launched on June 25. This webpage purports to provide investors with a list of public companies the SEC believes may have investments in terrorist-financing states.

While I know that the SEC acted out of good intentions, this initiative appears to have been ill-conceived and poorly implemented. The list was seemingly created by performing a cursory word-search using the SEC's EDGAR database. This had the effect of listing companies with no apparent link to terrorist-financing states, while leaving off the list other publicly traded companies that have significant operations in countries designated by the Secretary of State as "State Sponsors of Terrorism."

While I fully agree with your comments that investors should not have to guess whether their investments are supporting

terrorism or genocide, I hope that the Commission will devote the additional time and resources necessary to develop a comprehensive list based on materiality; until it does so, it should remove the link to the webpage from the Commission's website entirely. When the issue is as serious as whether a company does business with state sponsors of terrorism, the SEC must exercise proper due diligence to ensure that companies are treated fairly.

Thank you for your prompt attention to Chairman Frank's and my concerns over this issue, and I look forward to your response.

Sincerely,

Spencer Bachus
Ranking Member

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