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# United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

April 9, 2013

Ms. Mary Jo White  
Chairman  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

*Chairman White,*  
Dear Chairman White,

Congratulations on receiving unanimous support in the Senate for your confirmation as Chairman of the Securities and Exchange Commission. Unanimous support rarely happens and is a reflection of the impressive qualifications you bring to the SEC.

Almost two years ago, I wrote to your predecessor regarding the need for the SEC to issue guidance on when companies are obligated to disclose to investors their cybersecurity risks, including material cyber incidents they experience, and the steps they are taking to manage that risk. I requested this guidance because I was concerned about inconsistencies in disclosures, investor confusion, and the fact that many corporate leaders did not fully recognize the relationship between their companies' cybersecurity measures and financial success.

In October 2011, the SEC responded to my request and announced that it was issuing staff guidance on disclosure obligations regarding cybersecurity risks and cyber incidents. I applauded this decision as an important first step in the right direction, and it certainly made a positive impact on disclosures. However, given the growing significance of cybersecurity on investors' and stockholders' decisions, the SEC should elevate this guidance and issue it at the Commission level as well. While the staff guidance has had a positive impact on the information available to investors on these matters, the disclosures are generally still insufficient for investors to discern the true costs and benefits of companies' cybersecurity practices.

For years, I have been working to advance cybersecurity legislation in the United States Senate because cyber attacks represent one of the greatest threats to our national and economic security. In recent months, we have become accustomed to reading about cyber attacks on the country's critical infrastructure in the news. Reports have confirmed that hackers are targeting companies that control critical infrastructure, including those in the oil and gas industry and the financial sector. As the President recently stated in his State of the Union address, cyber hackers steal our intellectual property, perhaps the country's greatest treasure, with alarming regularity. This threat to our country's economic and national security, and to companies' bottom line, is real and it is growing.

Investors deserve to know whether companies are effectively addressing their cybersecurity risks – just as investors should know whether companies are managing their financial and operational risks. This information is indispensable to efficient markets, and as a country, we need the private sector to make significant investments in cybersecurity. Formal guidance from the SEC on this issue will be a strong signal to the market that companies need to take their cybersecurity efforts seriously.

Over the past two years, the importance of cybersecurity and its impact on our country's future has only grown. For that reason, I strongly urge you to address this issue as one of your highest priorities as SEC Chairman. Thank you for your assistance in this critical effort.

Sincerely,

A handwritten signature in blue ink, appearing to read "John D. Rockefeller IV", with a long horizontal flourish extending to the right.

John D. Rockefeller IV  
Chairman