



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

THE CHAIRMAN

May 1, 2013

The Honorable John D. Rockefeller IV
Chairman
Committee on Commerce, Science, and Transportation
United States Senate
254 Russell Senate Office Building
Washington, DC 20510-6125

Dear Chairman Rockefeller:

Thank you for your April 9, 2013 letter urging me to take steps to expand public company disclosure regarding cybersecurity practices and cybersecurity risk. In your letter, you suggest that the Commission should elevate the existing staff guidance on disclosure obligations regarding cybersecurity risks and cyber incidents and issue it at the Commission level. I appreciate your thoughts and recognize this is a very important issue that is of increasing concern for public companies, our financial markets, and the nation.

Existing disclosure requirements under the federal securities laws impose an obligation on public companies to disclose risks and events that a reasonable investor would consider material. As you know, information generally is considered material if there is a substantial likelihood that a reasonable investor would consider it important in deciding how to vote or make an investment decision. As with other business risks, cybersecurity risks are among the factors a public company would consider in evaluating its disclosure obligations. The guidance issued by the Division of Corporation Finance, which you urged and reference, was intended to assist companies in their determinations of what, if any, disclosures should be provided about cybersecurity matters in light of their own facts and circumstances.

I agree that the guidance has had a positive impact on companies' disclosures, and I want to highlight efforts of the Commission's Division of Corporation Finance that have occurred since the guidance was issued. Beginning in early 2012, staff in the division undertook a review of public company disclosures concerning cybersecurity for compliance with the guidance. As part of this review, the staff issued comments addressing cybersecurity matters to approximately 50 public companies of varying size and in a wide variety of industries. The staff continues both to prioritize this important matter in its review of public company disclosures and to issue comments concerning cybersecurity. In addition, Commission staff is actively engaged in discussing publicly both cybersecurity matters and the guidance to remind public companies of the staff's view of the importance of cybersecurity disclosure. Staff is using the information gathered through these efforts to evaluate the efficacy of the guidance. I have asked the staff to provide me with a briefing of the current disclosure practices and overall compliance with the guidance, as well as any recommendations they have regarding further action in this area.

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Thank you again for taking the time to share your concerns on this important issue. Thank you also for your support with respect to my confirmation, and your kind words regarding my qualifications for this important position. I am honored to be leading this agency on behalf of investors and our markets. Please do not hesitate to contact me at [REDACTED] or have a member of your staff contact Tim Henseler, Acting Director of the Office of Legislative and Intergovernmental Affairs, at [REDACTED] if we can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Mary Jo White".

Mary Jo White
Chair