



Jay Timmons  
Executive Vice President

July 30, 2009

U.S. House of Representatives  
Washington, DC 20510

Dear Representative:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act.

The debate about executive compensation is important; effective accountability is key to preventing excessive abuses. The NAM believes that H.R. 3269 would not provide real solutions but would have serious unintended consequences. Specifically, we oppose provisions that would: 1) require an annual, non-binding shareholder vote on executive compensation; and 2) grant the government authority over employee compensation for certain companies.

By law, executive pay is already disclosed to shareholders with an extensive explanation by the compensation committee regarding the rationale behind executive pay. The NAM believes that communication between investors and management is accomplished effectively through the current process. Requiring shareholders to approve compensation packages would interfere with the directors' role in to effectively manage corporations, which includes the power to set compensation levels.

We also have significant concerns about Section 4 of the bill, which would give authority to government regulatory agencies to review and prohibit pay arrangements for a wide array of employees. We strongly oppose efforts to grant authority over internal business decisions, including employee compensation, to governmental authorities, which would set a dangerous precedent.

We believe this legislation would be excessively burdensome and disruptive to companies at a time when they are facing significant economic challenges. To that end, we request your opposition.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 3269, including potential procedural motions, may be considered for designation as Key Manufacturing Votes in the 111<sup>th</sup> Congress.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Timmons".

Jay Timmons

JT/tl

***Manufacturing Makes America Strong***