



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 17, 2007
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1257 - Shareholder Vote on Executive Compensation Act of 2007

(Rep. Frank (D) Massachusetts and 27 cosponsors)

The Administration opposes H.R. 1257, which would require public companies to hold a separate advisory shareholder vote to approve the compensation of executives. The Administration does not believe that Congress should mandate the process by which executive compensation is approved.

The Administration supports full transparency to shareholders regarding executive compensation decisions. Recent enhancements in corporate governance and disclosure have strengthened the executive compensation decision-making process of boards of directors. Corporate governance changes have made boards more independent, including through the establishment of compensation committees composed solely of independent directors. In addition, as a result of the Securities and Exchange Commission's revised disclosure rules on executive compensation, which recently became effective, shareholders are receiving comprehensive information on executive compensation. Before additional corporate governance requirements are legislated, the Administration believes that recent enhancements should be given time to take effect.

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