AMERICAN TOWER
INTERNATIONAL, INC.

By electronic submission

July 6, 2015

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549—1090
rule-comments@sec.gov

Re: **File Number S7-07-15**; Release No. 34-74835; RIN 3235-AL00; Pay Versus Performance: Proposed Rule; Amendments to Item 402 of Regulation S-K to implement Section 149i) of the Securities Exchange Act of 1934 (the "Exchange Act") as added by Section 953 (a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"); Comments.

Dear Mr. Fields:

The following constitutes our comments to the above proposed rule submitted in accordance with your notice dated April 29, 2015. We understand that these proposed rules are intended to effectuate Section 14(i) of the Dodd-Frank Act which requires registrants to disclose the relationship between executive compensation "actually paid" and the financial performance of the registrant. We note that certain parties in their comments are raising significant substantive concerns as to the various aspects of, or are identifying needed technical changes with respect to, the proposed rules, and we recognize that these may result in substantial changes being adopted.[1] The intention of our comments is not to debate the appropriate or optimal methodology for measuring the financial performance of a registrant or valuing aspects of an executive's compensation; rather, we believe certain adjustments are needed to ensure consistency in how the rules are employed.

[1] NB: We believe others, such as the U. S. Chamber Center for Capital Markets Competitiveness, have raised a number of substantive points of concern worthy of consideration as to the efficacy of the proposed rules and also identified solid ideas for "fine-tuning" them.

We note that this new proxy disclosure, coupled with the other executive compensation disclosures already required of registrants, will result in shareholders being presented with several different and varying data points on executive compensation covering a five year period when undertaking their Rule 14A-21(a) voting ("Say-on-Pay"). These shareholders (particularly investment advisors) are required to review a substantial number of proxies in the very short window of annual meeting season and this new reporting certainly will add to the complexity of their review. For that reason, we appreciate the SEC's recognition that it should "require registrants to provide disclosure that can be compared across registrants." Proposed Rules at 26331. Consistency in approach to these issues is critical. The proposed rules make several efforts at consistency by, for example, requiring that registrants (i) value options at the time of vesting; (ii) use cumulative TSR as the metric of financial performance over time; and (iii) tag certain data using XBLR to "permit data to be analyzed more quickly by investors and other end-users" which presumably would include proxy advisory firms to "facilitate comparisons among public companies." Proposed Rules at 26334. All of these requirements will provide a measure of consistency and comparability for shareholders and investment advisors. However, we believe that to ensure that desired consistency and comparability, the SEC can, and in fairness needs to, go *even further* in its proposed rulemaking.

Specifically, we believe the SEC should mandate that investment advisors, consistent with their fiduciary duties to investors, can rely on proxy advisory firms for Say-on-Pay voting, *but, if and only if,* it is confirmed that those proxy advisory firms employ the SEC's methodology being required of registrants. Language that would effectuate this consistency assurance mechanism is included on Exhibit A and could simply be added as item 402(v)(7) at the end of the proposed rules. It makes little sense to require registrants to run the numbers one way while at the same time allowing proxy advisory firms to inundate investment advisors with Say-on-Pay Voting recommendations based on an entirely different valuation of options, an inconsistent TSR computation, and/or a nonconforming peer group. As certain Commissioners noted in the lead up to issuance of Staff Legal Bulletin 20, the proxy advisory firms have obtained significant power in swaying proxy ballot items and it is very important to ensure that investment advisors relying on such firms are getting accurate and complete information.

One example of lack of consistency in the current Say-on-Pay environment comes in the valuation of options granted to executives. At present, the proxy advisory firms typically value PEO options at expiration date because they believe that PEOs tend to exercise options close to expiration. In so doing, the proxy advisory firms routinely issue Say-on-Pay recommendation reports claiming option valuations that depart significantly (upwards) from registrants' proxy compensation tables. As noted in the SEC's proposed rules, an option award should not be valued "upon its exercise," because "changes in the fair value of the award after vesting generally reflect investment decisions made by the executive rather than compensation decisions made by the registrant." Proposed Rules at 26339. Given that the Say-on-Pay vote is intended to be the investors' referendum on how the registrant has chosen to pay its executives (as opposed to a referendum on the executives' personal financial decisions), it is sensible for all of the participants in the Say-on-Pay process, including the proxy advisory firms, to be subject to the SEC's chosen methodology of a fair value at vesting (computed in accordance with FASB ASC Topic 718), which is directly correlated with the purpose of the rules themselves.

Similarly, while the proposed rules require that registrants disclose peer group TSR according to the methodology set out by the SEC, at present, proxy advisory firms are not required to use the SEC's TSR methodology or to justify their peer group selections (which often depart substantially from registrants' selected peer groups). Registrants, at considerable cost, in terms of time and expense, work to develop or maintain appropriate, compliant peer groups for their proxy filings. Directors serving on compensation committees spend extensive time with independent compensation specialists, assessing the fairness, objectivity, and compliance of the peer group as a fundamental first step, before proceeding with their compensation determinations. They are required to do so to meet the various requirements imposed by the SEC in peer group selection. At present, proxy advisory firms are not at all regulated in their selection of peer groups. As a result, investors are often presented by proxy advisory firms with a substantially different peer group from a registrant's but without any explanation for the divergence.

Ultimately, the strength, meaning, utility and fairness of the comparisons facilitated through disclosures made under the proposed rule will depend on the reasonable selection of the peer companies to the registrant. Allowing investment advisors to rely on proxy advisory firms using TSR and peer group selection methodologies that diverge substantially from the SEC's rules appears to us to be a recipe for incoherence in the Say-on-Pay voting process. At the same time, we understand that a registrant's selection of peer group may be questionable to the proxy advisory firms. Thus, our proposed additions to the rules would allow the proxy advisory firms to diverge, so long as they explain the basis for their rejection of the registrant's peer group and they do not diverge beyond certain objective financial metrics that those firms already indicate they rely on for their peer group choices (revenue and market capitalization).

In sum, we are simply asking the SEC to require that all involved parties publishing information relied on in the Say-on-Pay process by shareholders and their representatives be subject to the same rules. Equal treatment will facilitate a process that has the consistency and clarity that investors need to make rational (and speedy) decisions on Say-on-Pay during annual meeting season and/or will allow them to delegate those responsibilities to proxy advisory firms consistent with their duties of care and loyalty to the investors, which certainly must include demanding a sound and consistent approach to methodologies. With this kind of system there will be less need for the registrants to scramble under limited time conditions and attempt to explain major discrepancies with a proxy advisor's report just ahead of the annual meeting. Accordingly, we suggest, that in the spirit of what the Commission accomplished in putting forth the guidelines of SLB 20, that it incorporate into the proposed rule certain adjustments to the language of Item 402(v) that would establish this straight-forward “apples to apples” requirement. The changes are not extensive, and for convenience and your consideration, we have illustrated how consistency in approach might be achieved in the language included on Exhibit A.

We very much appreciate the opportunity to provide these comments and your consideration of same. Thank you.

Very truly yours,

Edmund DiSanto
Executive Vice President,
Chief Administrative Officer,
General Counsel & Secretary

Exhibit A

402(v):

(6) The disclosure required to be provided pursuant to this paragraph (v) shall appear with, and in the same format as, the rest of the disclosure required to be provided pursuant to paragraph (v) and, in addition, shall be electronically formatted using the eXtensible Business Reporting Language (XBRL) in accordance with the EDGAR Filer Manual (17 CFR 232.11) as an exhibit to definitive Schedule 14A (17 CFR 240.14a–101) or definitive Schedule 14C (17 CFR 240.14c–101). Each amount required to be disclosed in the table pursuant to paragraph (v)(1) must be tagged separately. The disclosure required to be provided pursuant to paragraphs (v)(3) through (5) of this Item must be block-text tagged.

(7) An investment advisor that elects to rely on a proxy advisory firm in fulfilling its voting obligations pursuant to the Rule 14a-21(a) advisory vote, may only do so consistent with its fiduciary duty if it requires the proxy advisory firm to (i) use the valuation methodologies specified in Item 402 of Regulation S-K; (ii) use the peer group selected by the registrant or explain in its report the basis for varying the peer group; and (ii) when diverging from a registrant's selected peer group, (a) select peers having market capitalization and revenues within 10% of the registrant's; and (b) select a peer group that has in the aggregate (considering all peers selected, including any overlaps) an average of revenues and market capitalization within 5% of the average of the registrant's peer group.