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Congress of the United States
House of Representatives

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RANKING MEMBER
SUBCOMMITTEE ON REGULATORY AFFAIRS,
STIMULUS OVERSIGHT AND GOVERNMENT
SPENDING

COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM

COMMITTEE ON EDUCATION AND THE
WORKFORCE

August 9, 2011

Mr. Harold McGraw, III
Chairman and CEO
The McGraw-Hill Companies, Inc.
1221 Avenue Of The Americas
New York, NY 10020

Dear Mr. McGraw:

The 2010 Annual Report of McGraw-Hill reveals that your company held approximately \$1.5 billion in “cash and equivalents” as of December 31, 2010. I assume that McGraw-Hill, like other U.S. corporations, invests a substantial portion of its “cash and equivalents” in securities of the United States or in money market funds that invest in U.S. securities. However, unlike other U.S. corporations, investments by McGraw-Hill in U.S. securities, whether direct or indirect, pose an inherent conflict of interest, because McGraw-Hill’s Standard & Poor’s division issues evaluations of the creditworthiness of those securities. Those evaluations have the potential to affect the price of those securities and, consequently, the value of McGraw-Hill’s investment portfolio.

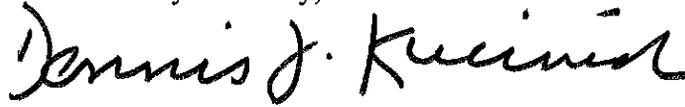
Until very recently, this inherent conflict of interest has not been an issue, because all credit rating agencies have consistently given U.S. securities their highest rating. Last Friday, Standard & Poor’s alone decided to lower its credit rating of the United States for the first time in history. I am concerned that this decision, which stands in sharp contrast to the actions of Moody’s and Fitch, may have been influenced by the financial concerns of McGraw-Hill. Your company publicly asserts that it has constructed a “firewall” between itself and its Standard & Poor’s subsidiary. I want to make certain that such a firewall exists and that it is working effectively.

I am, therefore, requesting that, within the next two weeks, you provide documentation of all investments by McGraw-Hill or its subsidiaries in treasury notes and other securities of the United States, or in money market funds that invest in those securities, including documentation of the amounts of those investments owned at the end of each of the last five calendar years, the amounts of those investments owned at the end of each of the last seven calendar months, and all transactions in U.S. securities, or in money market funds

that hold U.S. securities, that have occurred from July 1, 2011 through the date of your response.

I look forward to receiving that documentation. If I do not, I will have to conclude that there is something that McGraw-Hill is hiding, and that a thorough investigation of this inherent conflict of interest is warranted.

Very Sincerely,

A handwritten signature in black ink that reads "Dennis J. Kucinich". The signature is written in a cursive style with a large initial "D" and a prominent "K".

Dennis J. Kucinich
Member of Congress