



May 6, 2026

Chairman Paul Atkins
Securities and Exchange Commission
100 F St. N.E.
Washington, DC 20549

Dear Chairman Atkins,

I am writing to you as president of the AFT, on behalf of the 1.8 million education, healthcare and public sector workers we represent. The retirement security for many of these workers relies upon defined-benefit and/or defined-contribution plans, which are exposed to broad swaths of the public equities market. It is with concern for the security of their retirements that I write to you to raise potential issues relating to an initial public offering (IPO) for Space Exploration Technologies Inc. (SpaceX), reportedly under review by the Securities and Exchange Commission.

By all indications, the SpaceX IPO will be the largest in U.S. history, surpassing the 2019 Aramco IPO. I have significant concerns about the degree to which this extremely large offering will comply with the securities laws' requirements concerning full disclosure of material information and fair treatment of investors—both in light of the prior conduct of the SpaceX officers and board and the press accounts of the offering itself. I respectfully request that the commission look into a series of specific significant issues associated with the SpaceX offering as part of the SEC review process. These issues are cross jurisdictional within the commission—affecting the work of Corporation Finance, Trading and Markets, Investment Management, the Chief Accountant's Office, and are thus properly your responsibility as chairman.

Our concerns are driven by the potential impact of the IPO on the 1.8 million education and healthcare professionals represented by the AFT. Our members participate in retirement and other benefit funds with approximately \$3 trillion in assets, and many of our members also invest in the capital markets as individuals. The breadth of the disclosure, accounting and governance issues associated with the SpaceX offering will significantly affect AFT members and their benefit funds, given the size of the offering and the degree to which it is being marketed to retail investors, who are

The AFT is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

AFT, AFL-CIO

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AFT PSRP
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AFT Public Employees
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estimated to be receiving 30 percent of the offering. We are also concerned about how this offering is being treated by the listing exchange Nasdaq—reportedly also being considered by S&P—that effectively means our members will be compelled to invest in SpaceX in a manner disproportionate to its real market capitalization.¹

To address these concerns, I ask that the commission subject the offering to scrutiny in the following areas:

1st Disclosure of risk factors around the core issue of how and when SpaceX will generate sufficient earnings to support its current reported offering price of approximately 200 times cashflows—Such risk factors should include business risk, including but not limited to the risk of competition, total addressable markets for the products, science and engineering risk, and political risk. Business plans that depend on currently nonexistent or speculative technologies must be disclosed as such.

2nd Accounting Practices. There are extensive press accounts describing aggressive and possibly non-GAAP accounting practices at SpaceX—particularly in relation to revenue recognition, related party transactions that have driven the company’s private valuations to date, capitalization of expenses, and depreciation of capital assets. Both SpaceX’s internal financial accounting practices and its independent auditor’s audit of those practices require the most rigorous and thoroughgoing review by the commission prior to approving the financial statement portion of SpaceX’s offering documents.

3rd Governance. Three of four known pre-offering board members at SpaceX are close personal friends of Elon Musk, and investors in other companies owned by Musk and his brother, Kimbal. Particularly in light of the reported dual-class share structure and limitations on actionable shareholder rights under recent Texas state securities law changes, a truly independent board is critical.² The commission must ensure that the disclosures associated with SpaceX’s corporate governance are complete, particularly with respect to the background and qualifications of SpaceX’s directors. The commission should be working with NASDAQ to ensure that

¹ <https://www.bloomberg.com/news/articles/2026-03-12/s-p-weighs-rule-changes-that-would-speed-spacex-s-p-500-entry>

² <https://www.reuters.com/world/musk-insiders-retain-voting-control-spacex-after-ipo-filing-shows-2026-04-21/>

SpaceX is in compliance with both the provisions of the Sarbanes-Oxley Act and NASDAQ's listing standards with respect to director expertise and independence.

While not directly related to the IPO, the SEC should examine the question of forced investment. Due to changes to indexes made in advance of the SpaceX IPO, retail investors holding broad index funds will be forced to invest in SpaceX just days after the IPO. NASDAQ's "fast entry" rule enacted at the end of March and taking effect May 1, eliminated the float requirement, and dropped the waiting period for newly listed securities for companies. This rule change allows companies in the top 40 of the NASDAQ 100 to be included in indexes after just 15 days, rather than three months, a timeframe we fear is woefully insufficient for the market to accurately price the potentially significant risks inherent in the concerns outlined above. In addition, NASDAQ has changed its rules so that the weight given to SpaceX in the index will be based on the company's total implied market capitalization, not the actual number of shares available to the public. This will magnify forced holdings in SpaceX by a factor of 10, in apparent disregard for the financial logic of indexing. All of these changes should be strictly scrutinized by the Divisions of Trading and Markets and Investment Management.

Again, it is important to re-emphasize why from an investor protection perspective the commission should engage in extraordinary scrutiny of the SpaceX initial public offering. SpaceX is not a startup; it is 24 years old, has been active in its various component businesses for years and in some cases more than a decade, and has substantial revenues. Nonetheless, the reported valuation contemplated in the IPO appears unsupported by the company's fundamentals and based on highly speculative future revenue projections based on key operational milestones that may never be met, let alone in the immediate future.³

At a reported target valuation of \$1.75 trillion, SpaceX is angling to be the largest IPO in history. But with revenues of only \$18.5 billion, SpaceX would be trading at roughly 95x trailing revenue. At peak, Nvidia traded at a revenue multiple of 40-50 times. SpaceX would also be valued at least 270 times consolidated adjusted EBITDA, more than twice that of Palantir and 16

³ <https://www.reuters.com/world/spacex-says-unproven-ai-space-data-centers-may-not-be-commercially-viable-filing-2026-04-21/>

times the public company average.⁴ Assuming the entirety of the firm's reported \$18.5 billion revenues in 2025 came from sales, SpaceX would have a price-to-sales ratio of 95 times. For comparison, Twitter's 2013 IPO shares were priced at 12.4 times sales. Finally, despite artistic accounting, press accounts report that from a GAAP earnings perspective, SpaceX has never been profitable.

Public reporting about SpaceX's accounting practices also raise questions about whether investors should have confidence in the company's accounting. A 2024 article in *Bloomberg* claims that individuals "familiar with the finances" of SpaceX subsidiary Starlink have described the company's accounting as "more of an art than a science."⁵ However, in a development reminiscent of the analyst scandals during the dot-com bubble, there is reason to doubt there will be independent sell-side research into this offering, given that 21 banks reportedly have some role in underwriting, raising the concern of potential widespread conflicts.⁶ This makes it even more important that the SEC thoroughly review this proposed listing.

Finally, governance and board composition play a larger role in SpaceX than at most public companies because SpaceX: (1) is reported to be contemplating a dual-class voting structure that would weaken direct shareholder oversight and (2) derives material revenues from sensitive activities on behalf of the intelligence community, the National Reconnaissance Office and NASA.

So, in addition to general business and financial risk associated with governance issues and compliance with the Sarbanes-Oxley Act, NASDAQ listing rules and state law, it would appear to be material to an investment decision to know whether there were facts about the companies' directors that could endanger those customer relationships or otherwise jeopardize SpaceX's ability to operate, in light of its customer concentration with government entities.

⁴ <https://multiples.vc/public-comps/palantir-valuation-multiples> ;
<https://praxisrock.com/insights/ebitda-multiples-by-industry>

⁵ <https://www.bloomberg.com/news/features/2024-04-10/is-elon-musk-s-starlink-profitable-spacex-satellites-are-money-losers>

⁶ <https://www.cnbc.com/2026/04/01/spacex-lines-up-21-banks-for-mega-ipo-code-named-project-apex.html>

To take two examples of partially publicly available information, according to an FBI report from April 3, 2025, SpaceX board member Steve Jurvetson is reportedly being blackmailed by former Draper Fisher Jurvetson staffer Frank Moyle Creer, over activity that reportedly occurred at a "a private, high-end, high-initiation-fee sex/swingers club in Los Angeles and Northern California called 'Sanctum.'" Jurvetson left Draper Fisher Jurvetson after accusations surfaced that he had acted inappropriately toward women at the firm, allegations that Jurvetson has publicly denied.

A second board member, Antonio Gracias, oversaw the Social Security Administration as a representative of the Department of Government Efficiency, at a time when Social Security data was unlawfully transferred to a conservative social welfare organization. A federal judge has ordered discovery into this transfer, and the SSA has referred two unnamed DOGE staffers for potential Hatch Act violations in connection with the transfer. The commission should insist on complete disclosure of all material facts about these two and all other directors of SpaceX in the S-1.

In conclusion, the SpaceX IPO is no ordinary offering. Its size, pricing, listing process and governance background raise numerous cautions relating to the commission's investor protection mandate. I urge the SEC to thoroughly examine the S-1 and require SpaceX, its independent auditor, NASDAQ, and NASDAQ index fund managers to fully comply with all of the provisions of the securities laws affecting this offering. AFT members, our benefit funds and all other investors' interests must be fully protected, as they are entitled to be under our nation's securities laws.

My staff and I are available to the commission if we can be of any further assistance in this matter. Please email AFT's Center for Workers' Capital at cwc@aft.org if you have any questions or would like to discuss our concerns further. Thank you for your attention.

Sincerely,



Randi Weingarten
President

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