September 4, 2020

Office of Regulations and Interpretations
Employee Benefits Security Administration, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Attention: Proxy Voting and Shareholder Rights NPRM

Re: Proposed Rule - RIN 1210-AB91

To Whom It May Concern:

Thank you for the opportunity to provide comment on the proposed rule. The U.S. Impact Investing Alliance ("the Alliance") and our members have significant concerns with the Department of Labor’s ("the Department") proposed rule regarding changes under the Employee Retirement Income Security Act ("ERISA") regarding proxy voting and exercises of other shareholder rights.

The Alliance is an organization committed to catalyzing the growth of impact investing in the United States. Members of our boards and councils include individual and institutional investors collectively owning hundreds of billions of dollars of invested assets, in addition to asset and fund managers collectively managing trillions of dollars in assets. We define impact investing broadly to include those investments that create financial returns alongside measurable and positive social, economic or environmental impacts across asset classes.

The Alliance is concerned that the proposed rule will arbitrarily discourage fiduciaries from voting proxies on critical issues that are material to investor decision-making, such as environmental, social and governance ("ESG") issues. We believe this is out-of-step with broader trends regarding the preferences of shareholders and their understanding of the financial relevance of ESG factors. We also oppose the proposed rule’s apparent bias toward corporate management recommendations on proxies and believe this will fundamentally subvert the shareholder engagement process.

Further, the Department has yet to resolve critical issues related to the proposed rule surrounding “financial factors in selecting plan investments”, which will create undue burdens for fiduciaries considering financially material ESG factors.\(^1\) An analysis of the over 8,700 public comments in response to that proposed rule, found that 95% were in opposition.\(^2\)

Considering that these two rulemakings from the Department appear to be rushed and not widely supported, the Alliance urges the Department to suspend this rulemaking until well after the COVID-19 pandemic and economic crisis have passed.

\(^1\) RIN 1210-AB95
This is in line with the recommendations of several Members of Congress who have urged the Administration to suspend all rulemaking not directly related to the pandemic and recovery.

Even absent the pandemic, the proposed changes have complex implications for plan fiduciaries and beneficiaries requiring substantially more time to analyze than the 30 days offered for public comment.

Thank you for your consideration of our request.

Sincerely,

\[Signature\]

Fran Seegull
Executive Director, U.S. Impact Investing Alliance