



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

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September 4, 2020

Submitted electronically to www.regulations.gov

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

Re: Fiduciary Duties Regarding Proxy Voting and Shareholder Rights
Proposed Regulation (RIN 1210-AB91)

Dear Director Canary:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO"), I am writing to request an extension of the public comment period from 30 days to 120 days on the notice of proposed rulemaking entitled "Fiduciary Duties Regarding Proxy Voting and Shareholder Rights" (RIN 1210-AB91). We also request that the Employee Benefits Security Administration ("EBSA") schedule a public hearing on the rulemaking to be conducted virtually due to the COVID-19 pandemic.

EBSA published the proposed regulation in the Federal Register on September 4, 2020 with a brief 30-day comment period that is inadequate in length for public comment on a major rulemaking. Executive Orders 12866 and 13563 state: "To the extent feasible and permitted by law, each agency shall afford the public a meaningful opportunity to comment through the Internet on any proposed regulation, with a comment period that should generally be at least 60 days."¹

A 30-day comment period is an unreasonably short amount of time for working people and their pension plans to provide comments to EBSA. Many of the pension plans and their investment advisors who will be impacted by the proposed regulation are small entities with limited staff resources. An abridged

¹ Executive Order 12866, 58 FR 51735, October 4, 1993, and Executive Order 13563, 76 FR 3821, January 21, 2011.

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30-day comment period is particularly challenging in light of the continuing economic impact of COVID-19 on both pension plans and workplaces.

We also request that EBSA schedule a public hearing on the proposed rulemaking to be conducted virtually to follow COVID-19 public health guidelines. As is customary for U.S. Department of Labor rulemakings, the public hearing should be accompanied by the opportunity for participants and observers to submit post-hearing comments. Accordingly, the comment period on the proposed rulemaking should remain open after the public hearing.

The proposed rulemaking addresses longstanding issues regarding the fiduciary duties of pension plans when making investments. As noted by the proposed rulemaking, the U.S. Department of Labor first issued interpretive guidance on this subject in 1994. Given that this matter has been the subject of EBSA interpretive guidance for over 25 years, a hastily finalized rulemaking is neither warranted nor likely to result in a successful rulemaking.

Working people deserve a genuine opportunity to have their voices heard in EBSA's rulemaking process. Extending the comment period to 120 days and scheduling a public hearing on the proposed rulemaking will provide a more reasonable opportunity to provide substantive comments to EBSA. For these reasons, we respectfully request that EBSA extend the comment period from 30 days to 120 days and provide a public hearing for the proposed rulemaking.

Thank you for taking the AFL-CIO's views into consideration. If the AFL-CIO can be of further assistance, please contact me at 202-486-2187 or brees@aflcio.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon J. Rees', written in a cursive style.

Brandon J. Rees
Deputy Director,
Corporations and Capital Markets