



Submitted via regulations.gov

September 25, 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
RE: Proxy Voting and Shareholder Rights NPRM (RIN 1210-AB91)

To whom it may concern:

On behalf of Green Century Capital Management (Green Century), we welcome the opportunity to provide this comment letter on the “Proxy Voting and Shareholder Rights NPRM” (RIN 1210-AB91) (the “Proposal”). We strongly oppose the proposed rule.

As the investment advisor to the Green Century Funds (the Funds), Green Century votes the proxies of every company in the Funds’ holdings. We vote all of the proxies in the best interests of the Funds’ shareholders. When considering shareholder resolutions about the environment and public health, we believe that environmentally destructive practices are not just bad for society and the environment, but also create significant risks for businesses.

Our ability to assess and vote on environmental, social, and governance (ESG) proposals is an integral part of the way we bring value to our shareholders, and we feel strongly that the proposed rulemaking ignores the substantial benefits of proxy voting for ERISA plans.

First, we reject the notion that additional regulation of ERISA plan voting is needed as the existing Interpretive Bulletin 2016-01 clearly communicates the fiduciary duties of loyalty and prudence required of plan administrators.

Second, the DOL’s calculations of the costs of analyzing the economics of shareholder proposals is flawed as is its remedy of suggested “permitted practices”. DOL asserts that its analytical model of the estimated additional costs of the proposed rule is over \$535 million per year. Additionally, it claims that the “permitted practices” will save over \$1 billion annually, resulting in net savings. However, we contend that the calculations do not include the cost of analyzing an “abstain” or “against” vote, nor do they capture the costs of voting with management. While in DOL’s estimation, plan administrators should vote with management who have a fiduciary duty to the corporation, we find that directors often lack in-depth ESG experience needed to accurately address the risks (and therefore liabilities) raised in ESG proposals.

Third, proxy voting communicates to companies which issues matter to their shareholders. The proposed rulemaking's permitted practice that would allow ERISA plans to only vote on particular types of proposals (corporate mergers and acquisitions, share buybacks, stock issuances, and proxy contests) rests on the faulty assumption that only these issues are material to investors. For example, the ability to vote against directors (which make up 70 percent of all proxy votes) is an important accountability mechanism to respond to corporate scandals. Company performance is likewise impacted by any number of ESG factors.

Finally, we are concerned that the outcome of this Proposal is to limit voting rights, which is counter to the 1st Amendment rights to free speech. In essence, we believe the rulemaking will effectively disenfranchise ERISA plans from proxy voting.

Given the reasons cited above, we respectfully request that the Proposal be withdrawn.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Leslie Samuelrich". The signature is written in a cursive, flowing style.

Leslie Samuelrich,
President