

# PUBLIC SUBMISSION

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Fiduciary Duties Regarding Proxy Voting and Shareholder Rights

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## Submitter Information

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## General Comment

The Honorable Eugene Scalia  
U.S. Department of Labor  
200 Constitution Ave., N.W.  
Washington, DC 20210

Rule Number: RIN 1210-AB91

Dear Secretary Scalia:

I am writing to you today to praise you and the Department of Labor for protecting our pensions! And I encourage you to continue to reiterate that objective through the new rulemaking on proxy voting. The purpose of pensions is to maximize the returns to participants, not serve the political interests or urges of others. For myself the pension money from my teaching career and time at Raytheon is essential to my well-being and I know many other pensioners with similar feelings.

For years I have been investing through employer offered pension plans and it has been of huge benefit to me financially. For the longest time it was clear that fund managers and financial professionals were in charge of our money and led with the priority of getting the best returns for us. In the past few years though it appears to me that that priority has fallen by the wayside in some ways.

I first started to see this slip when ESG investing became popular. From the beginning it was

clear to me that corporations and investors (or in my case fund managers) were comfortable eschewing returning money to shareholders through stock value for signaling their social feelings through the environmental, social, and governance investing fad. I was excited to see the Department curb some of that behavior and put the onus back on financial planners to show materially that these funds will benefit us.

The other half of that coin has to do with proxy voting. In my view it is wrong for fund managers to vote on behalf of investors when issues are politically charged or controversial. Pension fund managers should not be forced to vote for every proxy, and proxy voting should be prohibited if this voting imposes costs on pension beneficiaries. To me, proxy voting puts another barrier between investors and performance, wherein the objective of the Department's rulemaking should be to remove as many of the said barriers as possible.

It is commendable that the Department clearly stated in the proposed rule that voting is no required. That distinction is important and more impactful than similar but more brief language the SEC captured in its guidance.

To fully encompass proxy voting and protect investors the Department should also prohibit the automatic voting practice of proxy advisor firms for fund managers, often called robo-voting. Again, this is another opportunity for barriers to decision-making and fund direction to be raised between investors and financial planners. Two major proxy advisory firms have a duopoly on the private pension plans and their managers. To me this gives them undue and improper influence over the movement of pension plans, which could create incentives for bad behavior or breaking of fiduciary duties. To avoid all potential mishaps, robo-voting should be prohibited. At the same time, the Department should increase its scrutiny of the proxy advisory firms. If this is happening with private pensions, then it seems likely that others are losing out in other investment vehicles and scenarios.

I look forward to reviewing the final rule when it is published! I hope to see my thoughts and comments here incorporated.

Regards,  
Deborah Wheeler