

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

Rule Number: RIN 1210-AB91

I believe that this proposed rule change is one that will not only benefit myself and my employees, but everyone in Colorado and around the nation who has money in retirement funds. It is especially important in the aftermath of what the COVID-19 shutdowns have done to our economy that those managing our retirement plans uphold their fiduciary duty to best serve the financial interests of plan participants.

As a third generation Coloradan, I have been lucky to work for more than 40 years in the energy business. More than 25 years ago, I founded Mercator Energy, where I have been both a marketer of natural gas throughout North America and an employer to hundreds of people. I have my own pension fund and I also offer one for my employees – benefits which I hope let them know I appreciate the work they do, and that I want to ensure they enjoy a comfortable retirement. With the Department of Labor now clarifying that ERISA pension plans no longer need to vote on all proxy issues – only those which concern financial benefits or losses – I am optimistic that the costs associated with all of these proxy votes will be reduced, in turn helping to keep more money in my employees' plans.

While this proposed rule provides clarity, I urge the Department of Labor to simultaneously act to curtail "robo-voting," also known as automatic voting, for proposals moving forward. Plan managers who blindly support whatever a proxy advisor suggests, without consideration of the financial risks, betray the commitment they made when I chose them to oversee my pension plan as well as those of my employees. Plan managers must be expected to do their due diligence and carefully research what is being proposed in order to avoid potentially life-changing economic harm to plan participants.

I commend the Department of Labor for also recently prohibiting environmental, social, and corporate governance (ESG) investments from plans when they are made without financial considerations. ESG investments can be

used to limit energy firms' access to investment dollars since even the cleanest and most responsible energy firms are routinely excluded by ESG. ESG investments harm businesses which are unjustly the target of ideological activist investors. Many of these firms are smaller, and do not have the luxury of being able to invest a significant amount of time researching their investment advisers. All that that is asked for is a level playing field, and I am happy to say that the Department of Labor's new rule will provide many responsible and financially sound companies a fair chance by avoiding exclusion from ESG investment firms.

While I am appreciative and supportive of the proposed rules, I am simultaneously inspired that the Department of Labor could do more to clarify proxy voting. For example, why should proxy votes not have to meet the same requirements as ESG investing by having investment validation conducted by experts who can determine whether a vote would result in a financial benefit or loss? Also, what guidelines are there to give plan managers or experts clarity on how exactly to determine whether a vote would result in an economic change? If the Department of Labor were able to offer greater clarity, my employees' pension plans might be able to be spared from more unnecessary expenses.

Thank you for providing the transparency that this rule offers and I am hopeful that additional proposals will be made based off of my suggestions – providing greater opportunities for my company and better protection for my employees' pension plans.

Best,
John Harpole
CEO, Mercator Energy