

Office of Regulations and Interpretations
US Department of Labor
Room N-5655
200 Constitution Avenue NW
Washington, DC 20210

RE: Proposed rule on Fiduciary Duties Regarding Proxy Voting and Shareholder Rights (RIN 1210-AB91)

To whom it may concern:

I write to provide comments in response to the U.S. Department of Labor's ("OL") proposed rule, "Fiduciary Duties Regarding Proxy Voting and Shareholder Rights" (RIN 1210-AB91) (the "Proposal"). The proposal represents an answer in search of a problem that does not exist and would ultimately result in more harm than good to individuals trying to save for retirement.

The Proposal's requirement that fiduciaries document the calculations behind each proxy vote is onerous and unworkable. The Proposal will require fiduciaries to calculate the economic impact of each vote on the proxy ballot, including proxy proposals addressing the election of directors, independent auditors, say on pay and shareholder Proposals. Plan fiduciaries would ultimately need to spend significant time and plan resources to fulfill this new obligation. This is costly, represents an imprudent use of plan assets, and will ultimately result in significant harm to individuals trying to save for retirement - the exact thing the DOL should be protecting against.

As with the Department's ESG Proposal announced June 23rd, the proxy voting Proposal relies on scant evidence and a fundamental misunderstanding of the importance fiduciaries and other investors place on voting proxies in order to communicate their preferences to company management in order to increase shareholder value. Without it, the investor voice is greatly diminished.

The DOL states that the rule is needed because of "the recent increase in the number of environmental and social shareholder proposals introduced. It is likely that many of these Proposals have little bearing on share value or other relation to plan interests..." Yet, no data is provided to support this assertion. In reality, on average, only 13 percent of Russell 3000 companies received a shareholder Proposal in any one year between 2004 and 2017. In other words, the average Russell 3000 company can expect to receive a Proposal once every 7.7 years.¹

Further, the notion that environmental and social proposals represent a problem to issuers is not borne out by the fact that such efforts have resulted in significant improvements in the way that companies conduct business which has, in numerous cases, represented an increase in shareholder value.

I respectfully request that the Proposal be withdrawn.

Thank you for your consideration of these comments.

¹ CII Letter to Senators Michael Crapo and Sherrod Brown (Dec. 4, 2018), available at https://www.cii.org/files/issues_and_advocacy/correspondence/2018/December%205%202018%20Letter%20to%20Senate%20Banking.pdf