PUBLIC SUBMISSION

Docket: EBSA-2020-0004
Financial Factors in Selecting Plan Investments

Comment On: EBSA-2020-0004-0002
Financial Factors in Selecting Plan Investments

Document: EBSA-2020-0004-DRAFT-0009
Comment on FR Doc # 2020-13705

Submitter Information

Name: Chris Walker

General Comment

July 1, 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: Financial Factors in Selecting Plan Investments; Proposed Regulation (RIN 1210-AB95)

Dear Director Canary:

On behalf of my firm Scaling SDGS, where I lead a project to integrate ESG into retirement plans of Higher Education Institutions, I am writing to request an extension of the comment period from 30 days to 90 days for public comments on the notice of proposed rulemaking entitled "Financial Factors in Selecting Plan Investments" ("Proposal"). The Employee Benefits Security Administration ("EBSA") announced its proposed regulation on June 23, 2020.

In the work that I lead, we are committed to integrating all financially material factors, including ESG factors, into the investment processes. ESG is a risk management strategy aimed at integrating factors such as climate change mitigation, resilience and preparedness as well as health, human rights and human capital management that the overwhelming evidence shows have a material economic impact on asset prices, especially when taking into account the risks that long-term, universal investors like pension plans face.
The Proposal mischaracterizes ESG integration and will create confusion for ERISA fiduciaries and cost to plan savers. If the Proposal is finalized in its current form, we are concerned that fiduciaries will struggle to fulfil their obligations to integrate all material risk factors while also trying to respond to the language in the Proposal that appears aimed at preventing fiduciaries from taking account of these same risks.

We encourage the DOL to provide additional opportunities and time to collect information to ensure that the Department and practitioners have a shared understanding of the impact of the rule and how fiduciaries will be required to act in response to it. As such, the 30 days is insufficient due to pandemic-related productivity challenges and economic challenges that interested parties are trying to manage. We believe that 90-120 days will provide a reasonable opportunity for interested parties to submit comments.

Thank you for taking our views into consideration. If I can be of assistance, please contact me, Chris Walker at walker@scalingsdgs.com.

Yours sincerely,

Chris Walker