



The Commonwealth of Massachusetts

OFFICE OF THE STATE TREASURER

STATE HOUSE, ROOM 227

BOSTON, MASSACHUSETTS 02133

DEBORAH B. GOLDBERG

TREASURER AND RECEIVER GENERAL

TEL: (617) 367-6900

FAX: (617) 248-0372

July 14, 2020

VIA ELECTRONIC FILING

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: RIN 1210-AB95, *Financial Factors in Selecting Plan Investments* proposed rule

Dear Assistant Secretary Wilson,

I am writing regarding the Department of Labor Employee Benefits Security Administration's proposed rule, *Financial Factors in Selecting Plan Investments*, Regulatory Identifier Number (RIN) number 1210-AB95. As Treasurer of Massachusetts and Chair of the Pension Reserves Investment Management (PRIM) fund, this rule change is deeply concerning.

I have reviewed the Ceres letter submitted on this subject on June 30 and support their recommendations. The proposed rule would dissuade fiduciaries from assessing ESG risks and opportunities in their investments. Much evidence suggests that ESG factors can impact returns, and fiduciaries should be given the option when developing their investment strategy.

I urge the Department to withdraw, or substantially modify the proposed rule. Specifically, I call on The Department to:

- (1) Acknowledge that ESG issues may in fact pose material short, medium and long term financial impacts and risks;
- (2) Clarify that when ESG issues present material risks or opportunities, the fiduciary duties under the U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA), would compel qualified investment professionals to treat such ESG issues as economic considerations;

(3) Retain the existing interpretation of the “tie-breaker” test, which allows for ESG factors to be considered for *non-pecuniary* reasons; and (4) Rely upon its existing, protective framework in whether a ESG fund (pecuniary or non-pecuniary) may constitute a QDIA or component of a QDIA.

Again, I urge the Department to reconsider this proposed rule.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah B. Goldberg". The signature is fluid and cursive, with the first name being the most prominent.

Deborah B. Goldberg
Treasurer and Receiver General