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Fiduciary Duties Regarding Proxy Voting and Shareholder Rights

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Fiduciary Duties Regarding Proxy Voting and Shareholder Rights

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Comment 0134 Garfield County Treasurer Carrie Couey 10012020

Submitter Information

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General Comment

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

Dear Mr. Dewitt,

I write today to voice my strong opposition to the undue influence that proxy advisors hold over pension plans, and support the Labor Departments proposed rule. This is a worrying trend, and I believe that federal oversight is necessary to protect the financial security of pensioners and working people across our nation. This rule is a step in the right direction, and will make it abundantly clear to social activists and proxy advisers that working people do not support or welcome their undue influence.

As the Treasurer of Garfield County, Colorado, I hold a fiduciary responsibility to people

of our county. I oversee expenses, and ensure that programs are adequately funded based on our budget. In my position, I do my best to ensure that the tax dollars of hardworking citizens are used for the betterment of this place we call home. Letting my own personal or political agenda motivate my decisions as County Treasurer would be a serious breach of this responsibility, and I would rightfully lose the trust of my colleagues, peers, and the people whose tax dollars I watch over.

The same holds true for pension plans. Pensions provide working people with financial security in their later years after retirement. Not many people can boast about owning expensive stock portfolios that pay large dividends; instead, they rely on their pension for their financial security, which they have built over years of hard work and dedication. It is simply immoral and irresponsible to allow external proxy advisers to play politics with peoples money. Working people deserve to enjoy the fruits of their labor.

One specific area the Labor Department should strengthen would be its oversight on automatic voting also known as robo-voting. Very frequently, private pension fund managers allow proxy firms to cast votes automatically on their behalf. This practice takes place without any transparency or due diligence. Pension holders are in effect allowing these proxy advisers to vote on issues which could undermine the protection of their retirement savings. When this takes place, robo-voting imposes costs on pension holders. This practice should therefore be restricted in the Labor Departments final rule.

Pension funds succeed when beneficiaries and fund managers work together to ensure solid returns and stable growth. When fund managers and proxy advisers abandon the goal of maximum returns, then funds usually fail. I commend the Department of Labor

for putting a halt to this dangerous practice. No longer will we allow proxy advisers use pension funds as a tool in the application of their own social agenda.

I thank you for your consideration and attention to this issue.

Sincerely,

Carrie Couey

Treasurer, Garfield County Government