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 Secretary Scalia,

Thank you for the opportunity to show my support for the new Department of Labor rule that clarifies fiduciaries can make proxy decisions based solely on economic considerations. As a dedicated public servant, successful business owner and a citizen concerned with being able to retire, I know that this rule is both long overdue and necessary to hold proxy-firms accountable. Maximizing returns should be the only goal of pension fund managers and proxy firms. The current rules give them an easy way out of their job responsibilities, and as a result hardworking people, who have entrusted their life savings and retirement to these funds, get hurt. This new rule is a praiseworthy step to hold accountable a select group of people whose decisions affect the futures of so many.

As a seasoned state legislator, I am a member of the critical Joint Budget Committee in the Colorado General Assembly. Between my business background and my role on this committee, I have earned a reputation of having a strong knowledge of finance in the Colorado Legislature. More importantly however, this role has allowed me to better understand the financial issues that are of concern to a wide variety of Coloradans. I have spoken to the single mother working three jobs to save for her children's future. I have sat at the table with the rancher whose livelihood has been passed down for generations, and wonders if he will be able pass it to his grandchildren. I have worked with the small business owner whose future is increasingly uncertain. All of these people have one thing in common: a desire for a stable retirement, to spend more time with their families, and not have to worry about their financial future. Pensions are designed to be invested in, grown and managed with the purpose of granting hardworking people dignity in their later life. This means that maximizing returns is, and should be, the only priority for mangers entrusted with this money. To put anything else, including lower performing ESG funds, in front of this, is deeply irresponsible, and an insult to all Americans.

Throughout my career, I have seen proxy firms stray from this stated purpose. They do not place the pension holder at the center of their decisions, often prioritizing political agendas and making what they call "socially responsible" decisions. For example, Harvard University's Joseph Kalt recently found that ESG-related shareholder activism does not enhance shareholder value, and in fact can divert resources from other goals, including maximizing returns. Further, ESG investing has been found to produce 43.9 percent less than standard S&P 500 index funds, according to Wayne Winegarden with the Pacific

Research Institute, empirically demonstrating the misplaced priorities of ESG principled investors.

More specially, in Colorado, I have seen the misguided pressures placed on Colorado PERA by political activists. While many argue the benefits of ESG investing, the reality is it costs the average person more, both short and long term. At the start, fund managers and proxy firms can charge higher fees for ESG funds than standard index funds. Then, the risk of a lower payout is higher, adding insult to injury. The constant usage of PERA for people's own agendas is just another example of the need for change.

I strongly believe we must nip this practice in the bud and therefore suggest that the Department of Labor go further with this rule. Primarily, there must be more accountability with the robo-voting process. Personally, I believe we must prohibit the practice all together. The Labor Department cannot follow through with their objective for a cost-benefit analysis for proxy votes on the front-end if they also allow automatic voting to take place on the back-end. Eliminating robo-voting is the only option to ensure full accountability of these firms.

Secretary Scalia, you and your department are taking laudable steps in the right direction. You clearly see the urgent need to act against ESG funds in order to save the futures of so many honest Americans. I know just how hard it can be to propose new regulation that has tangible effects, but you are on the verge of a great victory here. I urge you to look past your progress and push this rule further to ensure it has credibility and sustained impact for the people that need it most.

Thank you for this opportunity and your time.

Best,
Senator Bob Rankin
Senate District 8
Colorado