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Financial Factors in Selecting Plan Investments

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Submitter Information

Name: Erica Bollerud

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

Re: Financial Factors in Selecting Plan Investments Proposed Regulation (RIN 1210-AB95)

Dear Director Canary:

I urge you to retain existing guidance and not move forward with a final rule. If implemented, this rule would impede environmental, social, and governance (ESG) consideration for workers' retirement funds and the market more broadly, which would result in suboptimal financial performance. It would result in breaches of fiduciary duties and could limit investor freedom of choice.

Funds that integrate ESG factors into their plans largely outperform their traditional counterparts, indicating that ESG factors can indeed be a material rather than non-pecuniary factor. ESG factors in investing contribute positively to financial returns. It would be counterproductive to force funds to willfully ignore ESG factors, growing hallmarks of a sound investment.

If the Proposed Rule goes into effect, it will undermine fiduciaries' ability to act in the long-term best interest of their beneficiaries. As such, please step back from this unnecessary rule: allow the existing guidance to remain in effect and do not move forward with a final rule.

Sincerely,
Erica Bollerud
Takoma Park, MD 20912