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The Honorable Eugene Scalia
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210

Rule Number: RIN 1210-AB91

Dear Secretary Scalia:

I write to you today in support of proposed rule 1210-AB91. Earlier in the year I wrote to the Labor Department in support of rulemaking to curb environmental, social, and governance (ESG) investing strategies by fund managers from private pension plans. The Department of Labor was correct to propose guidance reiterating the fiduciary duty of fund managers: to maximize returns for investors, not engage in investing strategies founded in political agendas or to further social outcomes.

As a natural progression to increasing protections for pensioners the Department should swiftly finalize and enact rule 1210-AB91 regarding proxy voting. The practice of proxy voting is an effective tool for shareholders to elicit changes in corporate behavior or strategy but in the case of pension vehicles needs Department guidance to ensure that votes are cast with integrity and with proof the vote serves a manager's fiduciary duty of maximizing returns to investors.

Language by the Department clarifying that casting shareholder votes is *not* required is an important distinction from guidance the Securities and Exchange Commission provided previously. Shareholders are free to abstain from votes and fund managers must not act with impunity and vote without consultation of investors.

Further, fund managers must be required to accept the onus of showing that shareholder proxy voting is in the best interest of pensioners. Managers must show material evidence, otherwise they risk lapsing on their duty to provide returns. I do not presume the proxy voting is done with malicious intent but investors are better served when decision-making is returned to them, not blindly granted to fund managers.

As Chair of the Pensions & Retirement Committee for the West Virginia House of Delegates, I understand the necessity of protecting pension plans. For many, robust pension returns are the primary vehicle for building a retirement savings. For others returns can supplement income lost during the COVID-19 pandemic or other economic downturns.

Moreover, West Virginians rely on productive pension plans more than many other states. We have long worked for manufacturers, coal and natural gas companies, and in the railroad business. These same industries pioneered the employee pension plans and they remain essential to our state. West Virginians cannot afford to have their pension managers using the funds for political agendas nor as a vehicle to aggregate proxy votes.

To strengthen protections for workers and retirees, the Department should seriously consider an amendment to rule 1210-AB91 prohibiting robo-voting, which relies on expensive proxy advisory firms to recommend voting directions to fund managers. The proposed rule requires evidence of benefit to the proxy vote but the Department would be wise to curb the rise of robo-voting in pension plans. The proposed rule points to the duopoly in the proxy advisor marketplace as shown by research from Ohio State University that found as many as 400 managers voted based on two firm's directive 99.5% of the time. Allowing this automatic voting to continue further removes control investors have over their investments and will ultimately be to the detriment of fund performance.

I am looking forward to the final rule publishing and hope the Department of Labor takes into consideration my comments above.

Regards,

Dianna Graves

Dianna Graves
Chair of Pensions & Retirement Committee
West Virginia House of Delegates