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Office of Regulations and Interpretations
U.S. Department of Labor
Washington, DC 20210

Attention: Proposed rule on Financial Factors in Selecting Plan Investments (RIN 1210-AB95)

To whom it may concern:

We are writing to provide comments in response to the Department of Labor's proposed rule, "Financial Factors in Selecting Plan Investments," which relates to ERISA-regulated retirement plans. We are a 501c3 non profit with a mission to demonstrate that waste is preventable not inevitable. We believe this rule should be withdrawn, as it goes against the ethos of free and fair market principles. A free and fair competitive marketplace is crucial to a strong economy and strong society. Failure to allow fiduciaries to consider all material risk factors, including ESG criteria, would be to the detriment of plan participants.

ESG criteria has been shown in numerous studies to produce investment performance superior or in line with non-ESG investments. This is because ESG criteria acts as a positive screen for superior funds and does not in any way dissuade from plan managers' pecuniary priorities.

ESG investing is one way mission aligned companies, non-profits, and religious organizations seek to amplify their beliefs and meet their fiduciary responsibility to its employees.

There are any number of studies as well as actual investments that show the long-term outperformance of ESG funds over their traditional counterparts. One study from Morningstar - https://bit.ly/3eZUc3W - examined the outperformance of 745 Europe-based sustainable funds over their traditional counterparts. Does the US really want to lag in comparison to what Europe is doing?

The proposed ruling correctly emphasizes the need to focus on returns so that Americans can retire with dignity. Why would it then seek to eliminate a type of investment that can reduce performance risk? For example, it is possible that ESG screening might have kept British Petroleum and Royal Dutch Shell out of portfolios. Their recent write-down (https://on.wsj.com/32S56GM and https://bit.ly/3fbExQ7) has resulted in their stock prices dipping (BP, -43% off the 52 week high as of today's closing, Shell, -49%, same time period). How does negative performance help Americans retire with dignity?

I respectfully ask that the US Department of Labor withdraw this rule and continue to allow plan managers to operate within a free and fair marketplace.

Sincerely,

Kate Davenport
Co President
Eureka Recycling