

PUBLIC SUBMISSION

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Request for Information on Possible Agency Actions to Protect Life Savings and Pensions from Threats of Climate-Related Financial Risk

Comment On: EBSA-2022-0002-0001

Request for Information on Possible Agency Actions to Protect Life Savings and Pensions from Threats of Climate Related Financial Risk

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Submitter Information

Name: Mark Fowler

General Comment

Please reconsider this proposed rule.

The rule either:

1) Does nothing OTHER than impose additional regulatory burdens.

or

2) Hurts the employees that it is intended to help (as well as imposing regulatory burdens).

1) This rule might do nothing OTHER than impose additional regulatory burdens.

It is the duty of all fiduciaries to maximize the return that they deliver their clients, taking into account their situation. They are responsible for considering all risks, not just those posed by ESG factors. At a minimum, fiduciaries will have increased compliance costs to comply with this mandate, just to do what they are ALREADY required to do.

If firms are not disclosing material risks, that is a matter for the securities regulators, not the Department of Labor.

2) This rule might hurt the employees that it is intended to help (as well as imposing regulatory burdens).

By mandating that fiduciaries consider items OTHER than maximal financial return, we impose compliance costs as mentioned above.

We also introduce additional risk to the financial security of retirees.

It is the obvious intent of this rule to mandate that ESG scores be weighted higher than financial scores.

To the extent that this happens, it is a breach of fiduciary duty - at least by the current standard. It clearly financially harms the employee.

I conclude by restating: If ESG considerations deliver better financial results, fiduciaries are already mandated consider them, and this rule imposes nothing but costs. If ESG considerations impair financial results, then this rule is directly harmful AND imposes costs.