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July 20, 2018

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Via e-mail: rule-comments@sec.gov

Re: File Number 4-675: Rule 14a-8 Regarding Shareholder Resolution Resubmissions

Dear Mr. Secretary:

I am writing on behalf of the Union of Concerned Scientists (UCS) to indicate our support for the letter from the Council of Institutional Investors (CII), dated August 21, 2017, which expressed opposition to the July 17, 2017 "Request for rulemaking to amend Rule 14a-8 under the Securities Exchange Act of 1934 regarding resubmission of Shareholder Proposals" submitted by the Corporate Governance Coalition for Investor Value and several other trade associations.

With the support of more than a half million scientists and other people, UCS is the leading science-based nonprofit working for a healthy planet and safer world. As an active member of several networks of sustainable and responsible investors, UCS provides scientific advice and analysis to shareholder advocates and promotes climate action and corporate transparency.

Shareholder engagement on climate change and corporate disclosure of political activities at large are integral to widespread recognition of climate science and the urgent need to prepare our nation and the world for a carbon-constrained future. Yet the shareholder resolution process is currently being contested by the Business Roundtable and the U.S. Chamber of Commerce, groups that claim the current resubmission thresholds allow non-material issues to appear frequently and waste company resources. We could not disagree more.

The current shareholder proposal process provides a well-organized, reasonable, and cost-effective way for investors to engage in valuable and constructive dialogues with companies on issues of corporate governance, policy, and profit decisions. As climate change becomes increasingly important to consumers and increasingly costly for some private sector actors, shareholder engagement can meaningfully help companies respond and prepare by employing science-based metrics.

Issues that stand at the forefront of today's market considerations, such as climate change and corporate transparency on lobbying and political spending, began as shareholder proposals with only modest support. The year 2017 saw the historic passage of shareholder proposals calling for reports on climate-related risk at a number of large companies with a history of promoting misinformation, most notably ExxonMobil. Proposals that win the support of more than 50 percent of shareholders cannot be considered immaterial or tangential to a company's business.

A fossil fuel company's response to climate change, given international emissions reduction agreements, the rise of climate liability litigation, and regulatory action, has a huge impact on its strategy and business model, and thus, is of the utmost relevance to shareholders. The current resubmission thresholds allow for issues such as these to be discussed within the general shareholder community and provide opportunities for regular engagement between companies and their investors.

Shareholder proposals also engage corporate boards and management over gaps in legislation and regulation. On the issue of political and lobbying disclosure, for example, the SEC has received over one million comments in support of regulating corporate spending on so-called "dark money" groups, such as the Business Roundtable and U.S. Chamber of Commerce. Trade and business associations like these are able to spread climate change disinformation and stoke doubt in the minds of the public and decisionmakers without ever tarnishing the reputations of those who fund them. In the absence of regulatory action, shareholder advocates have rightfully requested, via shareholder proposals, that companies improve disclosures of political spending and lobbying. The frequency of proposals calling for such disclosures over the last two years speaks to their importance.

Shareholder proposals are one of the few ways for investors to bring corporate conduct to light and have created an environment of stronger accountability, which benefits shareholders, companies, and the private sector as a whole. These requests, for example, have forced corporations to disclose their stance on climate science, their long-term acceptance or denial of climate impacts, and their outside affiliates on climate issues. The Task Force on Climate-related Financial Disclosures recommends shareholder engagement as a necessary tool for a better understanding of a company's climate-related risks and opportunities[1]. An active and engaged shareholder base benefits not just corporate governance but also the overall economy, including full consideration of climate-related risks and opportunities by the private sector.

The Union of Concerned Scientists supports the CII's position that it is not necessary to open rulemaking for Rule 14a-8, as the petition does not provide a compelling case that the current rules need revision. If rulemaking is opened, we urge the Commission to seek input from a broad range of investors, consumers, and communities affected by the policies and practices of publicly held corporations.

Sincerely,

Nicole Pinko
Corporate Analyst and Engagement Specialist
Climate and Energy Program

[1] Task Force on Climate-related Financial Disclosures (TCFD). June 2017. "Recommendations of the Task Force on Climate-related Financial Disclosures," Online at *https://www.fsb-tcfd.org/publications/finalrecommendations-report/*, accessed July 6, 2018.