

International Association of Sheet Metal, Air, Rail and Transportation Workers

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Joseph Sellers, Jr.
General President

VIA EMAIL

January 15, 2020

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
rule-comments@sec.gov

Re: Request for rulemaking to amend Rule 14a-8 under the Securities Exchange Act of 1934 regarding resubmission of Shareholder Proposals [File No. 4-675]

Dear Mr. Fields,

On behalf of the 203,000 members of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART), I am writing to express our strong opposition to the petition submitted by the U.S. Chamber of Commerce requesting that the Securities and Exchange Commission (the "SEC") amend Rule 14a-8 under the Securities Exchange Act of 1934 regarding resubmission of Shareholder Proposals (the "Petition"). For the reasons set forth below, a rulemaking to modify Rule 14a-8 is a counterproductive use of the SEC's limited resources and would represent unnecessary interference in public capital markets.

SMART members' joint labor-management Taft-Hartley trusts with market values totaling \$20 billion would be disenfranchised by these proposed changes, as would millions of other investors. These rule changes have been requested by the Business Roundtable, National Association of Manufacturers and U.S. Chamber of Commerce, not by the investor community. This is a crisis manufactured by a small group of extremely ideological lobbying organizations who are not aligned with the interests of the public.

As long-term investors we know first-hand how shareholder proposals allow good ideas to emerge from the company's owners to improve company performance. Shareholder proposals facilitate communication between shareholders and promote dialogue between shareholders and companies. Approximately one third of shareholder proposals are withdrawn because they produce effective engagement between investors, management, and boards of directors.

We feel strongly that current SEC rules are effective and have proven to work for both companies and shareholders, for the following reasons:

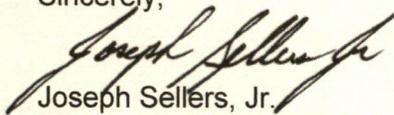
- **The Rule 14a-8 stockholding requirement of \$2,000 in shares should also be preserved, or at most, adjusted for inflation to \$3,000.** Small retail investors have long been a source of shareholder proposals that larger investors support. The marketplace for good ideas is not limited by the size of investors' portfolios.
- **The vote requirements to resubmit a shareholder proposal do not need to be increased.** It can take years for shareholder proposals to build support in the marketplace. Moreover, shareholder proposals at companies with dual class stock receive low votes despite high levels of public shareholder support.

In addition, corporate trade associations are seeking to undermine support for shareholder proposals by attacking proxy advisors. Their proposed changes to proxy advisor regulations will give companies more influence and control over the independent proxy voting recommendations that proxy advisors provide to investors. As investors who rely on proxy advisors to be independent, this would weaken our ability to be responsible investors.

For these reasons, we strongly urge the SEC to refrain from undertaking a rulemaking to amend Rule 14a-8. The SEC's shareholder proposal rule has been a longstanding feature of the U.S. capital markets and has facilitated the private ordering of companies on a variety of issues. Like previous SEC rulemakings on Rule 14a-8, a proposed rulemaking will be a long and arduous process that will likely result in only minimal changes to Rule 14a-8. Investors will be better served by deploying the SEC's limited resources on other more pressing concerns.

Thank you for considering SMART's views on Rule 14a-8.

Sincerely,



Joseph Sellers, Jr.
General President

JS/tsl

cc: Marc Norberg
Meredith Schafer
Lisa Shalett, Morgan Stanley
Craig Dobbs, Graystone Consulting