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

Re: File No. 4-725: SEC Staff Roundtable on the Proxy Process

Dear Mr. Fields:

Pensions should not be used for political and social causes. Instead, pension fund managers should be required to make investment decisions that ensure maximum returns. For public school teachers, like myself, who depend on our pension as the main source of retirement income, ensuring maximum returns is the only assurance we have of a secure retirement. The retirement that we have been promised for our many years of hard work.

I depend on the Pennsylvania Public School Employees Retirement System (PSERS). A recent push was made for our pension fund to divest from outdoor companies because of a gun tragedy in another state. While we in Western Pennsylvania also faced a similar recent event, there are much more appropriate venues and ways to address these issues than to use hardworking Pennsylvanian's pension to correct societal problems. PSERS made the correct choice by choosing against divestment, with the pension fund's spokesperson stating, "PSERS fiduciary obligations prevent the fund from strictly divesting on moral grounds, no matter how worthy the cause."

Individuals who wish to use their personal investments to make political and social investment decisions are perfectly fine to do so. However, pension funds made up of thousands and hundreds of thousands of investors, with a broad array of political beliefs, should not be forced for their retirement savings be used for political or moral causes, hurting returns. Proxy advisory firms disagree with this and the SEC should provide greater oversight of them and their advice in order to ensure that pensioners and investors alike, are provided the opportunity for a secure retirement.

Two firms, Institutional Shareholder Services (ISS) and Glass Lewis, who combined, control 97 percent of the proxy advisory industry. Both firms have a great propensity for conflicts of interest to impact their advice. For example, ISS has a consulting arm that calls many major corporations their clients. Both provide proxy advice that could have a direct impact (positive and negative) on their existing clients. Under the current system, nothing ensures that these conflicts do not have an impact on their recommendations.

The SEC has a very important role to play, ensuring that the necessary oversight is applied to this industry, diminishing the probability that pensions and other retirement funds are not following advice that will produce lesser returns. Registration with the SEC should be mandated, including disclosure of potential conflicts. Additionally, firms providing advice on proxy votes should be forced to promote their responsibility as fiduciaries in order to promote investment returns as opposed to political causes.

This is not to say that I oppose political, social, and moral causes favored by pro-ESG investors. It is just to say that ESG oftentimes produces lesser financial returns, which hurt pension funds and workers' retirement security.

Thank you for the SEC's interest in this issue. Pension funds, whether public or private, are governed in different ways. The Employee Retirement Income Security Act of 1974 (ERISA), obviously governs private pensions; however, the SEC's actions through this process, which will hopefully involve rulemaking, will affect public pensions, like PSERS, in a positive way because they vote in proxy processes like other investment funds. Increased oversight in this area will ensure greater security of pension investments, which will have a positive impact on public workers.

Sincerely,

David Kania
President
American Federation of Teachers Local 2088
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