AFL-CIO
AMERICA'S UNIONS

American Federation of Labor and Congress of Industrial Organizations

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April 13, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Statement on Reforming Regulation S-K (File Number CLL-15)

Dear Ms. Countryman:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO"), I am writing to provide comments to the Securities and Exchange Commission (the "SEC") on Chairman Paul Atkins' Statement on Reforming Regulation S-K (the "Statement"). The Statement calls for public comment on how Regulation S-K could be amended "to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information." We strongly urge the SEC to maintain its existing Regulation S-K disclosure rules because investors are looking for more, not less, information from public companies.

The AFL-CIO is a federation of 65 national and international labor unions that represent nearly 15 million working people. Union members participate in the capital markets as individual investors and as participants in pension and employee benefit plans. Union members and their pension and employee benefit plans routinely use the information provided by Regulation S-K disclosures to inform their investment and proxy voting decisions. Decreasing the scope of required Regulation S-K disclosures will hurt the retirement security of working people by reducing the availability of information that investors have long depended on. Reducing public company disclosures will also impede capital formation by undermining investor confidence and will diminish capital market efficiency by impairing the price discovery process.

The world has changed dramatically since Justice Thurgood Marshall warned that disclosure might "bury the shareholders in an avalanche of trivial information" in his 1976 majority opinion in *TSC Industries v. Northway*. Notably, Justice Marshall drafted his opinion before the commercial adoption of personal computers and the Internet. The SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) database was adopted in 1996, effectively eliminating the paper filing of SEC forms twenty years after the *TSC Industries v. Northway* decision. Today, an estimated 60 to 70 percent of all stock trades are algorithmic

trades where computer programs make buy and sell decisions.[1] And with the development of Artificial Intelligence, proxy votes also will be increasingly cast by computer algorithms.[2]

Thanks in large part to advances in information technology, computer science and artificial intelligence, today's investors simply do not face an "information overload" under the existing Regulation S-K disclosure rules. These technological advances allow investors to quickly zero in on company disclosures that are material to their investment and proxy voting decision-making. If anything, investors are asking for more information from their portfolio companies than is currently required to be disclosed under Regulation S-K. For example, investors have repeatedly petitioned the SEC to update and modernize Regulation S-K by improving its human capital management disclosure requirements.[3] Rule 14a-8 shareholder proposals routinely request enhanced disclosure by companies on a wide range of topics.[4]

If the SEC is concerned about information overload, the SEC should consider expanding the standardization of Regulation S-K filings to better automate the collection, collation, and analysis of corporate disclosures. The increase in machine readership of SEC filings is already motivating public companies to prepare filings that are more amenable to parsing, processing, and evaluation by artificial intelligence agents.[5] To facilitate this trend, the SEC should require that proxy statement disclosures be made machine readable through the use of XBRL (eXtensible Business Reporting Language) as is currently required for Form 10-Ks and Form 10-Qs. Requiring machine readable proxy statements will go a long way towards reducing institutional investor dependence on proxy advisors to analyze proxy statements.

We oppose any effort to eliminate Regulation S-K's bright line rules in favor of an entirely principles-based disclosure system. Principles-based disclosure gives broad flexibility to corporate management to decide what needs to be disclosed. However, corporate management may misjudge what information should be disclosed or even intentionally withhold unfavorable

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[1] Maximilian Goehmann, "AI and The Stock Market: Are Algorithmic Trades Creating New Risks?," London School of Economics and Political Science, September 23, 2025, https://www.lse.ac.uk/research/research-for-the-world/ai-and-tech/ai-and-stock-market.

[2] Jesse Pound, "J.P. Morgan Asset Management Eliminates Use of Proxy Advisers in Favor of AI Tool," Pensions & Investments, January 07, 2026, https://www.pionline.com/asset-management/pi-jpmorgan-proxy-advisers-iss-glass-lewis/.

[3] Working Group on Human Capital Accounting Disclosure, "Rulemaking Petition to Require Public Companies to Disclose Public Companies' Investments in Their Workforce," June 7, 2022, https://www.sec.gov/files/rules/petitions/2022/petn4-787.pdf; Human Capital Management Coalition, "Rulemaking Petition to Require Issuers to Disclose Information About Their Human Capital Management Policies, Practices and Performance," July 6, 2017, https://www.sec.gov/files/rules/petitions/2017/petn4-711.pdf.

[4] Interfaith Center on Corporate Responsibility, The Shareholder Rights Group, and USSIF, "Shareholder Proposals: An Essential Investor Right," February 2025, https://www.iccr.org/reports/shareholder-proposals-an-essential-investor-right/.

[5] Sean Cao, et. al., "How to Talk When a Machine Is Listening: Corporate Disclosure in the Age of AI," The Review of Financial Studies, Volume 36, Issue 9, September 2023, https://doi.org/10.1093/rfs/hhad021.

information. In contrast, a rules-based approach to disclosure provides investors with the uniform and consistent presentation of information by all companies. Combining these two approaches allows public companies to tailor their disclosures to their specific business circumstances while also providing investors with consistent and comparable information. The SEC's longstanding hybrid approach to rules-based and principles-based disclosure requirements has helped to make the U.S. capital markets the envy of the world.

Reducing disclosure requirements for public companies will not "make IPOs great again." The relative decline of the number of public companies has not diminished the importance of public companies in the real economy. Today's U.S. total stock market capitalization as measured by the Wilshire 5000 Index is more than 200 percent of U.S. gross domestic product, twice as high as during the 1996 dot-com bubble peak in the number of U.S. listed companies. Weak antitrust enforcement has allowed today's public companies to grow in size through mergers and acquisitions, and loopholes in our securities regulations have allowed private companies to stay private longer. For these reasons, today's stock market valuations are dominated by the "Magnificent Seven" tech companies and this year's expected IPOs are larger than ever.

Public companies are rightfully held to the highest levels of transparency because they access public capital markets that include the retirement savings of working people. To paraphrase Justice Louis Brandeis, "sunlight is the best disinfectant" to protect investors against fraud and corruption in the capital markets. Reducing disclosure requirements for public companies will also impede capital formation by undermining investor confidence and promoting capital flight to non-U.S. markets. And finally, making public companies less transparent will also reduce capital market efficiency by hindering price discovery. For these reasons, we respectfully urge the SEC to preserve its existing Regulation S-K disclosure requirements. Please contact Brandon Rees at (202) 637-5152 if the AFL-CIO can be of further assistance regarding this matter.

Sincerely,

Carin Zelenko
Director of Capital Strategies