WORKER OWNER COUNCIL
of the Northwest

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February 3, 2020

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8 [File No. S7-23-19]

Dear Ms. Countryman,

On behalf of the Worker Owner Council of the Northwest, I am writing to provide comments on the US Securities and Exchange Commission's proposed amendment to Rule 14a-8 on shareholder proposals (File No. S7-23-19). The Worker Owner Council of the Northwest is a member organization whose members are labor organizations whose members work in the construction industry. Our charter is to represent the ownership interest of union members on whose behalf, funds have been invested in securities. We monitor and engage public companies headquartered or operating in the Northwest for purposes of encouraging best practices of corporate governance and the implementation of strategies likely to succeed in the creation of long-term corporate value.

Since its founding in 2002, Our Council has assisted pension funds associated with affiliated organizations in their submission of shareholder proposals. At certain times that work has merely involved the presentation of a proposal at a shareholder meeting. At other times we (or I) have been delegated by the proponent of the proposal to manage communications with the proposal recipient and to conduct negotiations aimed at the complete or partial implementation of the proposal. As a result of our work, Northwest companies have adopted corporate governance practices that are generally regarded as "best practices" by experts in the field. These include:

- Shareholder ratification of the company's selection of auditor
- Majority vote requirement for the election of directors

- More extensive reliance on the use of restricted shares in compensation packages for senior executives
- Elimination of post-employment "golden parachutes" for senior executives who have left company service.

These reforms have been implemented voluntarily through a process of private ordering.

Other reforms we have proposed, such as the practice of recording the expense of stock option grants to employees, have been implemented voluntarily, initially , by early adopters, but have later been universally adopted as corporate accounting standards have been revised in a way that affects companies across the board. It is our opinion that the changes that have resulted from our work have been beneficial not only to the pension funds sponsored by our member organizations but also to all those who place investments in shares of US companies.

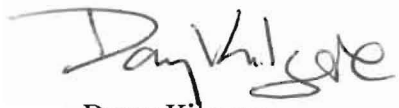
We believe that the proposed changes to procedural requirements and resubmission thresholds would do nothing to improve the status quo with respect to the process by which shareholders engage companies on these issues or other issues of concern to investors. I will comment briefly on some of the subjects of the proposed rule change that are of concern to our Council.

- We agree with others who have observed that the Commission's proposed amendments to Rule 14a-8 will effectively disenfranchise many shareholders from putting proposals before corporate directors or up to all shareholders for a vote.
- We believe that the proposed rules limiting re-submission based on "momentum" are unduly complicated and vulnerable to other known "plumbing" problems with the system by which shareholder votes are counted.
- We are also concerned that the proposed additional requirement requiring shareholders using a representative to submit a proposal for inclusion in a company's proxy statement to provide documentation attesting that the shareholder supports the proposal and authorizes the representative to submit the proposal on the shareholder's behalf to be burdensome and redundant. If a representative is duly authorized, they are authorized and should not be required to produce other redundant declarations from principals. What if we were to extend this practice to the entire legal profession and require attorneys to supply client declarations to support filings and statements on their clients' behalf? We agree with others who have observed that the matter of agency is governed by state law and that the SEC would be exceeding its authority if it were to implement such a requirement.
- With respect to the question; should shareholder proposal proponents be required to meet with company representatives to discuss their proposal, our own experience of company engagement is illuminating. First, I should note that our engagement of companies using shareholder proposals has on many

occasions resulted in meaningful dialogue from which adoption of meaningful reforms in whole or in part. Many company's have responded to our proposals with an invitation to meet to discuss the proposals. It is just as common, however for companies to refuse such dialogue while they incur expense of outside counsel to secure a "no action" letter from Commission staff. If the Commission wishes to encourage dialogue it would make more sense to impose some dialogue requirement on both parties. The Commission could also increase the chances of meaningful communication by withdrawing its proposed submission and resubmission requirements and allowing the current system to work at least as well as it currently does.

We hope you will take our thoughts into consideration as you decide how to proceed with this matter.

Sincerely,



Doug Kilgore

Executive Director