

# AFL-CIO

## LEGISLATIVE ALERT

September 8, 2025

The Honorable French Hill, Chairman  
The Honorable Maxine Waters, Ranking Member  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chair Hill and Ranking Member Waters:

I am writing on behalf of the AFL-CIO to express our strong opposition to the various bills noticed for discussion at the House Committee on Financial Services' hearing on September 10, 2025 titled "Proxy Power and Proposal Abuse: Reforming Rule 14a-8 to Protect Shareholder Value." If enacted, these bills will disenfranchise the voices of working people in the companies we own through our retirement plans by limiting the ability of investors to submit shareholder proposals and cast informed proxy votes at companies' annual shareholder meetings.

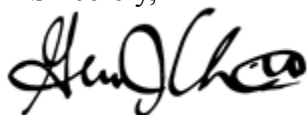
Many of these bills seek to impose burdensome regulations on proxy advisors and their clients. For example, H.R. \_\_\_\_, "a bill to amend the Securities Exchange Act of 1934 to provide for the registration of proxy advisory firms" (Steil), will require proxy advisors to comply with extensive requirements that will increase the cost of providing proxy voting advice. Remarkably, no institutional investor has requested more government regulation of proxy advisors. Rather, political support for these misguided bills has come from corporate CEOs who do not like their shareholders voting independently of corporate management's recommendations.

Of even greater concern, these misguided efforts appear to be designed to discourage investment managers from voting for shareholder proposals at annual shareholder meetings. For example, H.R. 3402, "a bill to amend the Securities Exchange Act of 1934 to require certain disclosures by institutional investment managers in connection with proxy advisory firms" (Loudermilk), would require investment managers to perform a burdensome economic cost benefit analysis before voting on shareholder proposals. Tellingly, this bill does not impose similar requirements when voting on proposals made by corporate CEOs and their boards of directors.

Other bills under consideration seek to disenfranchise investors from submitting shareholder proposals to a vote at annual shareholder meetings. For example, H.R. \_\_\_\_, the "Businesses Over Activists Act" (Norman), will eliminate the Securities and Exchange Commission's shareholder proposal rule altogether. The Securities and Exchange Commission's shareholder proposal rule has been an integral part of shareholder democracy in the United States for the past eight decades.

In conclusion, these bills represent the latest in a long line of misguided efforts to interfere with shareholder democracy and reduce corporate accountability to shareholders including workers' retirement plans. For these reasons, we urge you to protect Americans' freedom to invest, submit shareholder proposals, and vote our proxies free of government interference by voting against these bills.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calemine". The signature is fluid and cursive, with the first name "Jody" being more prominent and the last name "Calemine" following in a similar style.

Jody Calemine  
Director, Government Affairs