CENTER FOR CAPITAL MARKETS
COMPETITIVENESS

TOM QUAADMAN
EXECUTIVE VICE PRESIDENT

1615 H STREET, NW
WASHINGTON, DC 20062-2000
(202) 463-5540
tquaadman@uschamber.com

June 7, 2021

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

**Re: Reopening of Comment Period for Universal Proxy (86 FR 24364; File No. 27-24-16)**

Dear Ms. Countryman:

The U.S. Chamber of Commerce's Center for Capital Markets Competitiveness ("CCMC") welcomes this opportunity to provide comments on the 2016 proposed rulemaking from the Securities and Exchange Commission ("SEC" or "Commission") mandating the use of universal proxies in contested director elections. ("Proposal")[1] Attached to this letter are comments the CCMC submitted to the SEC in January 2017 regarding the Proposal.

As outlined in our previous comments, there is no compelling reason for the SEC to mandate the use of universal proxy ballots. Doing so would increase the frequency and ease of proxy fights at public companies, favor large activist investors and their agendas at the expense of Main Street investors, balkanize the boards of public companies by allowing activists to "mix and match" between nominees from different slates of directors, and ultimately provide another disincentive for companies to go public in the United States.

The SEC's sudden and unwarranted reconsideration of the Proposal is fundamentally at odds with the deliberative and holistic process the Commission recently used when promulgating rules related to proxy advisory firms and the shareholder proposal process. These rules – finalized in 2020 – were informed by a years-long examination of the proxy process by the SEC and will help promote the interests of the vast majority of retail investors and the long-term performance of public companies. The Proposal would reverse the major progress made by these reforms and help tilt the scales back in favor of special interests - including activist investors and proxy advisory firms - that seek to impose their idiosyncratic views on public company shareholders.

The current system of proxy voting for directors is well-understood by the marketplace and has been the basis for tens of thousands of orderly director elections (including countless

---

[1] 81 FR 79122 (November 10, 2016)

proxy contests) over many years. It is worth noting that to date, the SEC has failed to provide any compelling economic or other analysis to show that mandating universal proxies would be good for investors as a whole. We urge the SEC to permanently table the Proposal and instead focus its efforts on implementation of the 2020 reforms and protecting the interests of Main Street shareholders over activist investors.

Sincerely,

Tom Quaadman