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November 20, 2026

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

Re: Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4 (Release No. 34-106383; File No. S7-2026-32)

Dear Ms. Countryman:

The U.S. Chamber of Commerce ("Chamber") appreciates this opportunity to comment on the proposal from the Securities and Exchange Commission ("SEC" or "Commission") to rescind Exchange Act Rule 14a-8 and to amend Rule 14a-4 ("Proposal").[1] The Chamber is the world's largest business federation, representing businesses and organizations of all sizes, sectors, and regions, including many issuers subject to the Commission's proxy rules.

The Chamber has been a leading voice regarding issues surrounding the U.S. proxy system and the need to enact reforms that prioritize the long-term performance of businesses and the interests of all investors. Reforming the proxy system is a critical step towards strengthening the public company model and encouraging more businesses to go and stay public.

The SEC's shareholder proposal rules were originally intended to provide shareholders with the same rights they are typically afforded under state law.[2] Unfortunately, over the course of decades and various administrations, Rule 14a-8 has devolved into the preferred path of politically and socially motivated activists, without significant stock ownership, to submit immaterial or frivolous proposals during proxy season. The proxy system as it currently stands imposes direct costs on shareholders

[1] Securities and Exchange Commission, Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4 (September 16, 2026), https://www.sec.gov/files/rules/proposed/2026/34-106383.pdf.
[2] Testimony of Hon. Ganson Purcell, SEC Chairman. Hearings on H.R. 1493, H.R. 1821, H.R. 2019 before the House Committee on Interstate and Foreign Commerce (1943).

and distracts boards and management of companies from focusing on long-term strategy.

Accordingly, the Chamber supports the Commission's proposal to rescind Rule 14a-8 and return the regulation of shareholder proposals to state law. In addition, the Chamber urges the SEC to amend Rule 14a-4 to ensure that once Rule 14a-8 is rescinded, a federal entitlement to include shareholder proposals as part of a "zero-slate" campaign does not remain.

The Chamber wishes to provide the following views and recommendations that are discussed in greater detail throughout this letter.

1. The Chamber supports the Commission's plan to rescind Rule 14a-8 and return the regulation of shareholder proposals to state law;

2. A permanent fix to the longstanding Rule 14a-8 problem is necessary;

3. Allowing states to develop their own approaches to shareholder proposals, along with private ordering, will be beneficial long-term;

4. The Commission should amend the Rule 14a-4 provisions of the Proposal to adequately address consequences stemming from zero-slate solicitations;

5. The Commission should address the expanded need for preliminary proxy statements;

6. The Commission should amend Rule 14a-2(b) and 14a-2(b)(2); and

7. The proposed amendments are expected to generate aggregate cost savings that benefit issuers and shareholders.

Discussion

The Chamber supports the Commission's plan to rescind Rule 14a-8 and return the regulation of shareholder proposals to state law.

The shareholder proposal system, as governed by Exchange Act Rule 14a-8, goes beyond the SEC's statutory mission to promote investor protection, competition, and capital formation. The Chamber therefore supports the Commission's conclusion that Rule 14a-8 exceeds the Commission's authority under Section 14(a) and should be

rescinded, leaving determinations about the role of shareholder proposals to state law and company governing documents.

As the Proposal states, "neither the text nor legislative history of section 14(a) contains any indication that the statute authorizes the Commission to interfere with shareholder rights established under State law."[3] Yet by dictating when companies must include, or may exclude, shareholder proposals in their proxy statements, Rule 14a-8 has become a de facto federal standard governing shareholder voting rights, an intrusion into corporate governance that requires express authorization from Congress.

Separate from the issue of statutory authority, there are several policy reasons for repealing Rule 14a-8. The SEC originally took the position that proposals dealing with personal grievances, or those of a social or political nature, were not proper subjects on which shareholders should vote under Rule 14a-8, largely because such proposals sought to advance goals other than operating the business more efficiently and profitably.[4] As a result, the SEC's reasonable approach helped to prevent abuse of the system while still affording shareholders a voice in the management of the companies in which they invested.

Early in the history of Rule 14a-8, the SEC recognized the potential for the proposal process to be inappropriately usurped by – in the words of SEC Chairman Ganson Purcell in 1943 – "either the nuisance man or the man with a particular idea or even an 'ism' or something he wants to advance."[5] Multiple rule amendments and incremental changes to the rule over the years have led to a broadening of the SEC's role and the subjects deemed appropriate for inclusion with a company's proxy materials.

Rule 14a-8 has forced the Commission into a role Congress never designed for it to play. The SEC lacks the statutory authority, capacity, and capability to serve as a subjective governmental arbiter of how the capital markets should assess social issues. In a representative democracy, establishing policy based on social topics is and should be the purview of the political process. By inappropriately requiring the staff to make determinations about the significance of social policy issues, the SEC has been viewed as taking a position on the worthiness of an issue, even in cases where doing so may be neither the Commission's intention nor its mission.

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[3] Proposal at 19.

[4] See Proposal at 21-22, discussion of 1945 letter from Division of Corporation Finance Director Baldwin B. Bane stating it was not the intent of Rule 14a-8 predecessor (Rule X-14A-7) to "permit stockholders to obtain the consensus of other stockholders with respect to matters which are of a general political, social or economic nature. Other forums exist for the presentation of such views."

[5] Supra note 2.

In 2023, Commissioner Uyeda quoted now Chairman Paul Atkins in remarking that the shareholder proposal system promotes the "tyranny of the minority."[6] The evidence supports that claim. During the 2025 proxy season, for example, one individual was responsible for over one-third of all shareholder proposal submissions at public companies.[7] Other proxy seasons have been similarly influenced by a small group of individuals who collectively submit far more proposals than any other entity.[8] The most frequent proponents include activist investors that have explicit social missions that often have no economic relevance to the company's business.

The subject matter of shareholder proposals has increasingly tilted towards topics that have little or nothing to do with the performance of a particular company. In some instances, supporting statements from proponents do not even reference the underlying company. From 2012 to 2023, the number of proposals dealing with topics of a social or political nature increased by more than 100%.[9] During the 2024 proxy season, social and political proposals made up the largest category of shareholder proposals submitted to companies in the S&P Composite 1500 index.[10] These proposals inappropriately turn annual general meetings into political debating societies and invoke issues that are better addressed through the U.S. political processes.

Shareholder proposals impose significant costs on companies and, by extension, their shareholders. In 2020, the SEC estimated that companies can incur direct costs of up to $150,000 to process *one* shareholder proposal.[11] Legal and other fees, however, may exceed $150,000 for proposals that involve multiple rounds of correspondence with a proponent. To further put these costs into context, during the 2025 proxy season proponents submitted over 800 proposals at public companies.[12]

Commissioner Uyeda also notes that "this amount does not include opportunity costs associated with the board's and management's time that could have been spent

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[6] Remarks at the Society for Corporate Governance 2023 National Conference, Commissioner Mark Uyeda (June 21, 2023) (citing data from Proxy Analytics LLC), https://www.sec.gov/newsroom/speeches-statements/uyeda-remarks-society-corporate-governance-conference-062123.
[7] Sullivan and Cromwell 2025 Proxy Season Review: Part 1 (August 11, 2025), https://www.sullcrom.com/SullivanCromwell/_Assets/PDFs/Memos/2025-Proxy-Season-Review-Part-1.pdf.
[8] Kobi Kastiel & Yaron Nili, "The Giant Shadow of Corporate Gadflies" (April 21, 2021), https://corpgov.law.harvard.edu/2021/04/21/the-giant-shadow-of-corporate-gadflies/.
[9] Sullivan and Cromwell 2024 Proxy Season Review at 8 (August 13, 2024) https://www.sullcrom.com/SullivanCromwell/_Assets/PDFs/Memos/2024-Proxy-Season-Review-Part-1.pdf.
[10] Id.
[11] Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8 (September 23, 2020), https://www.sec.gov/news/press-release/2020-220.
[12] Gibson Dunn: Shareholder Proposal Developments During the 2025 Proxy Season (August 2025) https://www.gibsondunn.com/wp-content/uploads/2025/08/DC-Shareholder-Proposal-Developments-Proxy-Season-080625.pdf.

on value-creating activities for the company."[13] Many companies regularly receive multiple proposals each year.

The costs to companies are not merely financial. Frivolous proposals can serve as a distraction for boards and management, whose responsibility is to focus on the long-term economic interests of the company and all of its shareholders, not just a small activist minority.

The broken Rule 14a-8 system is yet another burden on companies and their shareholders that only serves to foster short-termism and make the public company business model less attractive to the next generation of entrepreneurs. Repeal of this costly rule and system will improve the regulatory environment for public companies in the United States.

A permanent fix to the longstanding Rule 14a-8 problem is necessary.

SEC staff has found itself increasingly called upon to weigh in on shareholder proposals driven by social and political objectives. Given the tight timelines for printing proxy materials and the potential cost of litigation as an alternative to seeking SEC staff advice, the no-action letter process became the primary means for excluding proposals that had little to do with corporate performance or shareholder return.

However, the no-action process has been neither durable nor consistent over the years. The staff's position on certain contentious topics has tended to swing wildly between different administrations. Expecting companies and shareholders to adapt to starkly different interpretations of Rule 14a-8 every four years highlights deep flaws within the existing system.

As an example, the SEC for years took the position that certain social policy issues raised in a shareholder proposal must have some kind of nexus to the underlying company. In 2021, the SEC departed from this longstanding policy with its issuance of Staff Legal Bulletin 14L ("SLB 14L") and stated that a proposal would not be excludable so long as it raised an issue that has a "broad societal impact" – an undefined term that put SEC staff in the position of determining whether controversial issues raised by a myriad of activist proponents met this standard.[14] In the wake of SLB 14L, the Chamber wrote to the SEC to express its concern with the SEC's new direction:

[13] Supra note 6.
[14] Shareholder Proposals: Staff Legal Bulletin No. 14L (CF) (November 3, 2021), https://www.sec.gov/rules-regulations/staff-guidance/staff-legal-bulletins/shareholder-proposals-staff-legal-bulletin-no-14l-cf.

> At best, SLB 14L fails to provide companies, boards, and investors with any certainty. At worst, the SEC has now positioned itself as a subjective governmental arbiter of how the capital markets should assess social issues. By moving forward with SLB 14L, the SEC will be out of its depth both operationally and conceptually.[15]

The results were unsurprising: SLB 14L led to a sharp increase in shareholder proposals from 2021 to 2023, including a 40% increase in proposals that made it to a vote. The increase was especially noticeable amongst proposals dealing with social or environmental issues, which experienced a 52% increase in overall proposals and a 125% increase in proposals going to a vote.[16]

Staff rejection of no-action requests based on the ordinary business exception more than doubled from 2021 to 2022, after SLB 14L was issued.[17] As one expert noted, "the decline in no-action relief suggests that the issuance of SLB 14L transformed the shareholder proposal process."[18] Companies and shareholders lost confidence in the no-action process as the floodgates opened for proposals to deal with any topic an individual proponent might care about – even if that topic had nothing to do with the underlying company's performance.

The SEC has since wisely rescinded SLB 14L. While the Chamber welcomed rescission of SLB 14L, that staff bulletin remains an important example of the pendulum swing from administration to administration, and it raises more fundamental questions about the SEC's role as "referee" when it comes to deciding whether certain shareholder proposals should go to a vote during proxy season.

In addition, staff guidance is subject to retraction or amendment at any time with each change of administration. As a consequence, businesses and shareholders face ongoing uncertainty in understanding how the SEC plans to approach the no-action process each proxy season. For example, after the SEC recently stopped responding to no-action requests,[19] companies that make good-faith determinations to exclude certain proposals may still find themselves subject to costly and time-consuming litigation by proponents. Allowing Rule 14a-8 to remain in effect while the

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[15] Letter from Tom Quaadman, U.S. Chamber of Commerce, to Chair Gary Gensler (November 16, 2021), https://www.uschamber.com/assets/documents/ccmc/21.11.16_-Comments_StaffLegalBulletin14L_SEC.pdf.
[16] Supra note 6.
[17] Supra note 6.
[18] Testimony of Dr. Joshua White, "Reforming the Proxy Process to Safeguard Investor Interests," Subcommittee on Capital Markets, U.S. House of Representatives (July 13, 2023), https://docs.house.gov/meetings/BA/BA16/20230713/116207/HHRG-118-BA16-Wstate-WhiteJ-20230713.pdf.
[19] Updated Statement Regarding the Division of Corporation Finance's Role in Exchange Act Rule 14a-8 Process (August 14, 2026) https://www.sec.gov/newsroom/speeches-statements/corpfin-statement-rule-14a-8-process-081426.

SEC has removed itself from the no-action process is not sustainable; full rescission of Rule 14a-8 is necessary and appropriate to provide lasting certainty for issuers.

Incremental reform by the Commission in the past has been welcomed, but insufficient to address the core problems with Rule 14a-8. The Chamber strongly supported reforms adopted by the SEC in 2020, which modestly increased shareholder resubmission thresholds for the first time since 1954.[20] Yet within two years, SLB 14L and subsequent proposed amendments to the resubmission and duplication exclusions provided a path for activist shareholders to circumvent those important and modest reforms.

The Chamber appreciates that the Commission is seeking a long-term solution to these problems through notice-and-comment rulemaking. The SEC should make explicitly clear that rescission of Rule 14a-8 leaves companies free, where state law permits, to establish their own ownership and holding period requirements, submission deadlines, proof of ownership requirements, representative authorizations, and limits on the number of proposals a person may submit without running afoul of any of the remaining proxy rules.

Allowing states to develop their own approaches to shareholder proposals, along with private ordering, will be beneficial long-term.

The rights of shareholders to bring matters before a company's annual meeting have historically been governed by state corporate law and a company's governing documents. Matters such as vote counting and a shareholder's ability to act through a representative are properly left to state law. As the Commission recognizes, the presence of a federal rule has inhibited the development of state law and private ordering in this area.[21] Indeed, since the Proposal was issued, the Delaware State Bar Association has released a whitepaper outlining what a Delaware state law regime for precatory shareholder proposals could look like in the wake of Rule 14a-8's rescission.[22]

In contrast to a federal regime that changes every four years and can be re-interpreted through staff guidance without any warning, returning these questions to the states will allow for the development of state approaches that are tailored to the needs of companies and their investors. In addition to Delaware, other states are

[20] Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8. Final Rule. (September 23, 2020) https://www.sec.gov/rules-regulations/2020/09/procedural-requirements-resubmission-thresholds-under-exchange-act-rule-14a-8#34-89964final.
[21] Proposal at 50.
[22] See Gibson Dunn Securities Regulation and Corporate Governance Monitor (November 9, 2026) https://themonitor.gibsondunn.com/delaware-becomes-first-state-to-respond-to-the-proposed-rescission-of-rule-14a-8-corporation-law-council-releases-white-paper-and-discussion-draft-on-stockholder-proposals/.

already acting. In 2025, Texas enacted a provision permitting Texas-incorporated companies to adopt bylaws setting ownership and solicitation requirements for shareholder proposals.[23] Other states can and will adopt their own approaches, and companies and shareholders can choose a proxy framework that best suits them. As Chairman Atkins noted, the United States is currently experiencing "an exciting period of increased competition amongst states for corporate domicile."[24]

Rescission of Rule 14a-8 will not chill communication between companies and their shareholders, as proponents of the current system claim. Instead, after many years in which the system has been abused, the Proposal would restore balance and return these decisions to where they belong – with the states. Investors who hold positions in public companies will continue to have avenues to submit proposals, according to thresholds set by or under state law and company governing documents.

As standards governing shareholder proposals shift to the states, the SEC should be aware of the potential for proxy advisors to exert their influence over companies incorporated in certain states and which have adopted bylaws that do not comport with the proxy advisors' own views. Glass Lewis has already announced that it may recommend against governance committee members at companies that adopt bylaws limiting shareholder proposals.[25] The Commission should keep proxy advisors' outsized influence in view as it finalizes the rule, so that state law and private ordering, not proxy advisor voting policies, determine how shareholder proposals are governed.

The Commission should amend the Rule 14a-4 provisions of the Proposal to adequately address consequences stemming from zero-slate solicitations.

As the Commission described in the Proposal, under the Commission's universal proxy rules a proponent conducting a proxy solicitation for its own shareholder proposals can include the company's director nominees on the proponent's proxy card, even when the proponent does not present its own competing director nominees. This strategy is often referred to as a "zero-slate" campaign. In these circumstances, if the company does not also include the proponent's proposals on the company's proxy card, shareholders may be more likely to use the proponent's proxy card to vote their shares instead of the company's proxy card, given that the proponent's card would provide shareholders the ability to vote on both the company's

[23] Tex. Bus. Orgs. Code § 21.373.
[24] Statement on Proposals to Rescind Rule 14a-8, Amend Rule 14a-4, and Modernize Proxy Solicitation. Chairman Paul Atkins. (September 16, 2026) https://www.sec.gov/newsroom/speeches-statements/atkins-statement-proposals-rescind-rule-14a-8-amend-rule-14a-4-modernize-proxy-solicitation-091626.
[25] See Glass Lewis 2026 Benchmark Policy Guidelines, https://resources.glasslewis.com/hubfs/2026%20Guidelines/Benchmark/Benchmark%20Policy%20Guidelines%202026%20-%20Shareholder%20Proposals.pdf.

nominees and the proponent's proposals. As the Proposal notes, instances of companies including shareholder proposals with their proxy materials, even when not required to, have increased since adoption of the universal proxy rule in 2021.[26]

The rationale behind adopting the universal proxy rule was unrelated to the submission of shareholder proposals, and the SEC never considered the consequences of the universal proxy rule being used in such a manner. Investors and companies will be harmed if a small minority of activists continues to exploit universal proxy for a purpose for which it was not intended. The Chamber opposed adoption of the universal proxy rule five years ago and continues to be alarmed by the manner in which activists are using it today.[27]

There is significant concern that, upon the rescission of Rule 14a-8, shareholder proponents will increase their use of "zero-slate" campaigns, leaving companies in a worse position, as they would no longer be able to rely on the exclusions built into Rule 14a-8. Accordingly, once Rule 14a-8 is rescinded, it is critical that the proxy rules do not still contain a federal entitlement for proponents to combine shareholder proposals with a company's director slate under Rule 14a-4 in a zero-slate campaign. The Proposal seeks to address this issue by ostensibly granting companies expanded authority to use discretionary voting authority when proposals are received outside of the Rule 14a-8 process.

However, the Proposal also contains a "check box" mechanism that would allow shareholders to prevent companies from exercising such voting authority, very likely resulting in scenarios where companies feel compelled to include proposals with their proxy materials, thereby undermining the purpose of the Proposal. The "check box" provision is also predicated on an assumption by the SEC that institutional investors by and large will be comfortable granting discretionary authority to the issuer – an outcome that our members consider unlikely in most instances since institutional investors may adopt policies or have fiduciary obligations that prevent them from granting companies discretionary voting authority on shareholder proposals.

The most complete solution to zero-slate campaigns would be a targeted amendment to Rule 14a-4(d)(1), the bona fide nominee rule, whereby a proponent could include a company's director nominees on its proxy card only when it is soliciting its own director nominees. More specifically, Rule 14a-4(d)(1)(i) could be amended to explicitly state that a company director nominee's consent to being listed on a company proxy card does not also constitute consent to being named in a proponent's opposing proxy card, unless that proponent is soliciting in support of its

[26] Proposal at 67.
[27] U.S. Chamber of Commerce, Letter in opposition to the proposed universal proxy rule (June 7, 2021), https://www.sec.gov/comments/s7-24-16/s72416-8888029-240839.pdf.

own (non-company) director nominees. This approach would address zero-slate solicitations directly and prevent the misuse of naming company director nominees in an opposing proxy card that is unrelated to a director election contest.

At the very least, the Commission should drop the "check box" option from the Proposal. When a similar "check box" idea was proposed by the SEC in 1997, it received substantial criticism from commenters and the SEC ultimately declined to adopt such a mechanism.[28] The Chamber is concerned that the check box requirement will lead to significant confusion, and institutional investors may not be able to voluntarily give away discretionary voting authority as a matter of policy or fiduciary duty, as referenced above. Instead, companies should also be permitted to retain discretionary voting authority in situations where a proponent has not solicited a minimum of 67% of shareholders. Meeting this threshold would represent a genuine proxy contest.

The Commission should address the expanded need for preliminary proxy statements.

Current Rule 14a-6(a) provides that a company is not required to file a preliminary proxy statement solely because the items to be voted on include a precatory shareholder proposal submitted under Rule 14a-8. Once Rule 14a-8 is rescinded, a significant concern is whether companies will be required to file a preliminary proxy statement if a shareholder submits a precatory proposal pursuant to state law or the company's governing documents.

Under the Commission's Proposal, a preliminary proxy statement would be required where the company "knows or reasonably should know" of a non-exempt "solicitation in opposition." "Solicitation in opposition" is newly defined to include: "(i) a solicitation subject to § 240.14a-19; (ii) a solicitation of votes against or withhold votes from any of the registrant's nominee(s); (iii) a solicitation of votes against a proposal that the registrant expressly supports in its proxy materials; and (iv) a solicitation of votes in support of a proposal that the registrant does not expressly support in its proxy materials."[29]

Planning an annual shareholder meeting is logistically complex, and having to file a preliminary proxy statement already imposes material incremental burdens and costs. If the requirement to file a preliminary proxy statement is triggered frequently or unexpectedly, companies could be forced to delay annual meetings, which would be

[28] See e.g. Letter from the American Society of Corporate Secretaries (December 8, 1997), https://www.sec.gov/rules/proposed/s72597/nordlun1.htm; Letter from Xerox Corporation (November 21, 1997), https://www.sec.gov/rules/proposed/s72597/wagner1.htm; and Letter from Burlington Northern Santa Fe Corporation (December 31, 1997), https://www.sec.gov/files/rules/proposed/s72597/morelan1.txt.
[29] Proposal at 83.

highly disruptive. A company should only be required to file a preliminary proxy statement in true contests, such as where at least 67% of outstanding shares are solicited by a proponent in an opposing solicitation.

The Commission should amend Rule 14a-2(b) and 14a-2(b)(2).

The Chamber recommends the final rule address solicitations by shareholders to form a group to meet an ownership threshold imposed under state law or provisions of a company's organizational documents to submit a shareholder proposal.

Solicitations to form a group to submit a shareholder proposal implicate the considerations that animate the proxy solicitation rules. Since shareholder proponents forming groups to support advancing a proposal should be subject to the proxy solicitation rules, we recommend the Commission amend Rule 14a-2(b) to state that soliciting others to form a proponent group (including to aggregate share ownership), or soliciting in support of a proposal, is a solicitation subject to filing and disclosure requirements.

The Commission should also require basic disclosure, similar to the information called for under Schedule 14N, when shareholders form a group to submit a shareholder proposal. Relatedly, the Commission should eliminate the ten-person exemption in Rule 14a-2(b)(2). That exemption was designed for informal, small-scale communications. It should not allow proponents to quietly assemble a group to meet a state-law or bylaw ownership threshold without any disclosure to the company or to other shareholders.

The proposed amendments are expected to generate aggregate cost savings that benefit issuers and shareholders.

As this letter has previously explained, shareholder proposals impose significant costs on companies and, by extension, their shareholders, including direct costs of up to $150,000 to process one shareholder proposal. The Proposal's economic analysis confirms that companies experience substantial, recurring compliance costs from Rule 14a-8. The Commission projects aggregate annual monetized cost savings to issuers of approximately $29.7 million from reduced internal burden hours and an additional $9.9 million from reduced external costs such as outside counsel and proxy solicitation firms, for a total aggregate cost savings of approximately $39.6 million annually from rescinding Rule 14a-8.[30]

The projected savings are conservative estimates. The Commission acknowledges it could not monetize several additional categories of benefit, including:

[30] Proposal at 177.

(i) the opportunity cost of board and management time diverted from value-creating activities to process proposals;[31] (ii) reductions in voting and tabulation costs borne by non-proponent shareholders;[32] and (iii) cost savings to issuers from the proposed amendments to Rule 14a-4(c), which the Proposal states are not quantifiable but which should meaningfully reduce the "zero slate" campaign dynamics – where companies currently feel compelled to voluntarily include and solicit for a proponent's proposals, at the company's sole expense, simply to preserve discretionary voting authority over the balance of the meeting's business.[33]

Changes to Rule 14a-6 would provide a further source of relief. By removing the preliminary filing obligation for routine, non-contested shareholder proposals, this change would avoid the added filing burden, legal review, and scheduling delay that a preliminary filing imposes on companies' annual meeting timelines. These benefits would meaningfully complement the savings described above.

The quantified $39.6 million in annual savings from the proposed amendments together with the reduction in opportunity costs, management distraction, and other likely cost-savings represent meaningful cost relief to issuers and their shareholders.

Conclusion

Rescinding Rule 14a-8 and returning these determinations to state law and company governing documents will place the shareholder proposal process on a permanent and predictable footing. The Proposal holds the promise to de-politicize the annual proxy season for public companies and improve the public company model in the United States. The Chamber supports the Proposal and urges the Commission to finalize it, bearing in mind the recommended clarifications to Rules 14a-8, 14a-4, 14a-6, and 14a-2. We look forward to serving as a resource for commissioners and staff as the SEC finalizes the Proposal.

Sincerely,



Kristen Malinconico
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Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

[31] Proposal at 122.
[32] Proposal at 133.
[33] Proposal at 172-174.