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COMMITTEE ON
EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES
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WASHINGTON, DC 20515-6100

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May 29, 2024

Sean O'Brien, President
International Brotherhood of Teamsters
25 Louisiana Avenue NW
Washington DC, 20001

Dear Mr. O'Brien:

In recent years, unions have engaged in significant shareholder proxy voting activities by leveraging their significant pension plan holdings. In light of recent high-profile proxy votes pushed by unions,¹ the Committee on Education and the Workforce (Committee) is investigating shareholder activism activities that involve assets held by union pension plans, the impact on the value of the pension plan investments, and the expenses incurred by the plans in pursuit of these activities. As part of this investigation, the Committee is making this inquiry to understand the practice of proxy voting by your union.

The *Employee Retirement Income Security Act of 1974* (ERISA) provides that a fiduciary, such as one who manages the assets of a pension plan, shall discharge his or her duties "for the exclusive purpose of (i) providing benefits to participants and their beneficiaries, and (ii) defraying reasonable expenses of administering the plan." Given that some shareholder activism may not increase investment returns and may impose expenses on a plan, the Committee is seeking to understand these practices.²

To assist the Committee, provide responses to the following by no later than June 12, 2024:

1. Explain how your union engages in shareholder activism or other activities related to proxy voting or influencing shareholder meetings.

¹ See, e.g., STARBUCKS CORP., PROXY STATEMENT OF STRATEGIC ORGANIZING CENTER (Form DFRN14A) (Jan. 26, 2024), <https://www.streetinsider.com/dr/news.php?id=22682603>; Press Release, Int'l Bhd. of Teamsters, Union Demands Company Bargain in Good Faith, Stop Union Busting (May 23, 2023), <https://teamster.org/2023/05/teamsters-to-chipotle-shareholders-support-the-right-to-organize/>; Ben Maiden, *AFL-CIO Seeks Assessment of Wells Fargo's Respect for Labor Rights*, GOVERNANCE INTELLIGENCE (Mar. 19, 2024), <https://www.governance-intelligence.com/shareholders-activism/afl-cio-seeks-assessment-wells-fargos-respect-labor-rights>.

² ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A).

2. How many years has your union engaged in shareholder activism or other activities related to proxy voting or influencing shareholder meetings?
3. How many shareholder resolutions does your union file or support per year?
4. How many of the shareholder resolutions filed or supported by your union have received majority support at shareholder meetings?
5. How many staff members are engaged in activities related to shareholder activism, proxy voting, or other activities related to shareholder meetings?
6. Does your union ever borrow or lend shares as part of its proxy voting activities?
7. Does your union have mechanisms in place to determine how much money is expended on its shareholder activism, proxy voting, or other activities to influence shareholder meetings? If so, please provide that figure.
8. Does your union have any mechanisms in place to calculate the financial benefits of its shareholder activism, proxy voting, or other activities to influence shareholder meetings? If so, please provide the results of that analysis.
9. What groups does your union partner with when engaging in shareholder activism, proxy voting, or other activities to influence shareholder meetings?
10. How do you vet shareholder proposals with your membership?
11. Has your union targeted shareholder proposals at companies it is attempting to organize?
12. Has your union used shareholder meetings as a means of encouraging companies to sign statements of neutrality or willingness to accept card check organizing?
13. When your union uses stock held as a union pension plan asset to engage in proxy voting, does your union consider the potential impact a proxy vote can have on financial health of the union's pension plan? If so, please explain how.
14. When advocating for a proxy vote, does your union consider the potential cost imposed on the impacted firm if the proposal is adopted? If so, please explain how.
15. What expenses has your union incurred in its shareholder activism activities? What is the source of funds for these expenses? Have pension plan assets been used to fund any of these expenses?

Sean O'Brien
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The Committee has jurisdiction over labor-related matters and ERISA, and it “shall review and study on a continuing basis the application, administration, execution, and effectiveness of laws and programs under its jurisdiction” as set forth in House Rule X.³ This request and any documents created as a result of this request will be deemed congressional documents and property of the Committee on Education and the Workforce.

If you have any questions about this request, please contact Committee staff at 202-225-4527. Thank you for your prompt attention to this request.

Sincerely,



Virginia Foxx
Chairwoman

³ RULES OF THE U.S. HOUSE OF REPRESENTATIVES 6, 7, 9-12 (118th Cong.) (Jan. 10, 2023).