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February 3, 2020

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

***Re: Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice (File No. S7-22-19) and Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8 (File No. S7-23-19)***

Dear Ms. Countryman:

I am writing on behalf of AllianceBernstein L.P. (“AB” or “we”) to request that the Securities and Exchange Commission (“Commission”) consider several comments and suggestions on the Proxy Rules for Proxy Voting Advice (“Proxy Advice Proposal”) and Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8 (“Shareholder Proposal Rule”). These comments reflect the input of AB’s Proxy Voting and Governance Committee as well as its investment leadership. They are based on our experience as a provider of investment research, diversified investment management and related services to a broad range of institutional, retail and individual clients globally. As of September 30, 2019, our firm manages \$592B in assets for institutional, retail and private wealth management clients. Our high-quality, in-depth research is the foundation of our business. We believe that our global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, gives us a competitive advantage in achieving investment success for our clients.

As an investment adviser, we are shareholder advocates and have a fiduciary duty to make investment decisions that are in our clients’ best interests by maximizing the value of their shares. Proxy voting is an integral part of this process, through which we support strong corporate governance structures, shareholder rights, and transparency.

Where we have agreed to vote proxies on behalf of our clients, we do so in a timely and informed manner. Our votes are executed by applying our own Proxy Voting and Governance Policy (“Policy”), which outlines our approach for proxy voting and includes a wide range of issues that often appear on proxies. The Policy applies to all of AB’s investment management subsidiaries and investment services groups investing on behalf of clients globally. It is intended for use by those involved in the proxy voting decision-making process and those responsible for the administration of proxy voting in order to ensure that our proxy voting policies and procedures are implemented consistently.

With these considerations and interests in mind, we respectfully propose that the Commission consider the following comments with respect to the Proxy Advice Proposal and Shareholder Proposal Rule.

## **AB's Comments on the Proxy Advice Proposal**

We believe that the proposed company review framework as currently drafted may compromise the independence of the research undertaken by proxy voting advisory firms ("PVAFs"). We are concerned that the proposed two-step company review process could potentially undermine the independence of the final advice that proxy firms deliver to their clients. There may be good reasons to permit a company to review the company-specific facts in a PVAF's report to improve accuracy, but we fail to see how accuracy would be improved by permitting reviews of recommendations or other subjective viewpoints or conclusions. In addition, as the Commission notes in the Proxy Advice Proposal, the current error rate of PVAFs' research is "less than three-tenths of a percent" and companies have the ability to respond to PVAFs when they identify misrepresented facts in PVAFs' research documents. Mandating multiple reviews with companies does not seem necessary considering the error rates, and only raises more questions about the influence the companies might have in shaping the advice that is provided to investors.

The current market framework, where companies can engage with PVAFs before and/or concurrently with institutional investors and shareholders who subscribe to PVAFs' research has been working well. This framework allows the PVAFs' subscribers to receive the original reports distributed by the PVAFs in addition to any amended reports. Generally, larger institutional investors, such as AB, do not execute their vote until the cut-off date of ballots, meaning that the companies will generally have 10 days to review and comment on the PVAFs' research prior to the proxy ballot being voted. Based on our own experience with PVAFs, we have seen PVAFs publish alerts upon hearing back from companies on any factual updates or additional information that need to be included as part of their research reports. The current system has not required the PVAFs to provide companies with access to the research recommendations and has worked well as both companies and subscribers are provided with the same factual information and an equal amount of time to review PVAFs' research for accuracy.

If the Commission were to make changes to the current market framework, we recommend that the final rule mandate a concurrent review for both companies and clients of proxy advisory research. We believe this type of framework would ensure that the independence of the PVAF's advice is not jeopardized, while ensuring more complete, accurate, and transparent information for investors. It would also provide companies with another channel to communicate with investors and allow for better visibility of their comments on, or views of, PVAF's advice.

## **AB's Comments on the Proposed Amendments to the Shareholder Proposal Rule**

We believe the Shareholder Proposal Rule negatively impacts shareholder rights and shareholders' ability to voice their concerns to companies. Shareholder proposals are the most widely available and democratic means for shareholders to voice their concerns to companies and limiting these shareholder rights impacts the ability to maximize value on behalf of our clients.

It is difficult for us to understand why momentum requirements are necessary, in addition to the increased resubmission thresholds, to eliminate more shareholder proposals when we are observing nearly half of shareholder proposals being withdrawn or omitted after companies successfully engage with proponents or obtain approvals from the Commission. This requirement

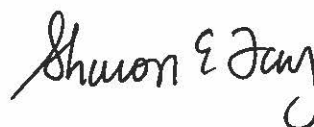
appears to be an unwarranted constraint on shareholders' right to voice their views while giving greater power to companies without a clear rationale.

It would be helpful if the Commission provided more information on the data they used to create these new restrictions and limitations on shareholder rights. As many of the issues we discussed above require a more comprehensive review of the proposed rules by the investor community, we would like to conclude with a request to extend the comment period from 60 days to 120 days in line with the Council of Institutional Investor's (CII) previous letter.

\* \* \* \* \*

AB appreciates the opportunity to provide our views on the regulation of proxy advice and shareholder proposals and appreciates your consideration of these suggestions.

Sincerely,



Sharon Fay  
Co-Head Equities



Linda Giuliano  
Head of Responsible Investment