US SIF
The Forum for Sustainable and Responsible Investment

VIA ELECTRONIC DELIVERY: i9review@sec.gov

July 6, 2015

Keith Higgins
Director, Corporation Finance Division
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Staff Review of Rule 14a-8(i)(9)

Dear Mr. Higgins:

US SIF: The Forum for Sustainable and Responsible Investment welcomes the opportunity to comment on the staff review of Rule 14a-8(i)(9). US SIF and its members seek to use investment capital to help build a sustainable and equitable economy. We therefore advance investment practices that consider environmental, social and corporate governance criteria in addition to standard financial indicators to generate long-term competitive financial returns and positive societal impact.

Sustainable, responsible and impact investing strategies now account for $6.57 trillion, or nearly 18 percent of the professionally managed assets in the United States. SRI strategies can be applied across asset classes to promote corporate social responsibility, build long-term value for companies and their stakeholders, and foster business that will yield community and environmental benefits. US SIF's approximately 300 members collectively represent more than $2 trillion in assets under management. They include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, community investing institutions, non-profit associations, and pension funds, foundations, and other asset owners. For more information, see www.ussif.org.

Background
Rule 14a-8, which allows shareholders to submit proposals for inclusion in company proxy materials and vote upon proposals on a diverse range of topics, is of critical importance to US SIF members. US SIF members, as responsible owners, are actively engaged as shareowners in filing proposals and engaging with companies.

The *2014 Report on US Sustainable, Responsible and Impact Investing Trends* found that from 2012-2014, more than 200 institutional investors and investment management firms that collectively represented $1.72 trillion filed or co-filed shareholder resolutions on environmental, social or governance (ESG) issues at publicly traded US companies. Investors filed about 400 resolutions relating to social and environmental issues for the 2014 proxy season. Included in this group were resolutions asking firms for better disclosure and oversight of their political contributions and activities.

Comments on Rule 14a-8(i)(9)
We appreciate that the SEC staff has initiated a review process and is seeking input in regard to the interpretation of Rule 14a-8(i)(9) (the "Rule"), which allows for the exclusion of a shareholder proposal that

"directly conflicts" with a management proposal. We wish to provide brief comments and register specific concerns regarding the Rule.

We share the concerns raised in the letter to you dated July 6 from shareowners and institutions that overly broad interpretations of the Rule could negatively impact the shareholder resolution process as a whole (please see attached letter). For example, positions taken recently by the corporate community[1] suggest that the mere assertion that a future company proposal is possible could cause exclusion of a shareholder-sponsored proposal even though the company proposal: (a) did not exist at the time the shareholder's proposal was filed, (b) may state the negative or opposite of a duly submitted shareholder proposal, or (c) might address the subject matter of the shareholder proposal, but in terms that undermine or even negate the proponent's intent. These broad interpretations, advanced by the corporate bar and registrant community, would severely hamper an investor's ability to engage with companies – a top priority for our members.

Recommendations
We write to reinforce the specific recommendations in the letter from shareowners and institutions. We recommend that the SEC staff adopt the following approach to interpretation of Rule 14a-8(i)(9):

1. A "direct conflict" could be found if a company's and a shareholder's proposals are both legally binding *and* there is a direct conflict between the terms of each proposal.

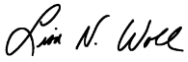
2. The potential for exclusion under Rule 14a-8(i)(9) should not apply to shareholder proposals that were submitted prior to the public announcement of an allegedly conflicting management proposal.

3. In the event that a binding shareholder proposal is found to directly conflict with a binding management proposal, the shareholder should be granted an opportunity to resolve the conflict by revising the proposal so as to make it advisory.[2]

4. In conjunction with a Rule 14a-8(i)(9) no-action request, a company should be required to provide the text of its proposal, and demonstrate in what manner specific elements "directly conflict" with the shareholder proposal.

US SIF welcomes the SEC staff's careful consideration of its approach to Rule 14a-8(i)(9). Thank you for the opportunity to comment. If you have any questions, please contact me directly at lwoll@ussif.org or 202-872-5358.

Sincerely,



Lisa N. Woll
CEO, US SIF and US SIF Foundation

cc: Alya Kayal, Director of Policy & Programs, US SIF
Rick Fleming, Office of Investor Advocate, SEC

[1] See, e.g., June 10, 2015 letter from Gibson Dunn & Crutcher LLP and four other law firms.

[2] This is consistent with the approach taken in Staff Legal Bulletin 14, in which Staff stated it would allow Proposals to be modified to make them nonbinding so that they are not excludable on that basis.