From: Robert E. Rutkowski
To: Comments
Subject: [EXTERNAL MESSAGE] Regulations Implementing the Change in Bank Control Act (RIN 3064–AG04)
Date: Wednesday, October 30, 2024 9:58:46 AM

[redacted]

James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES (RIN 3064–AG04)
Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

October 30, 2024

Via Email to: comments@FDIC.gov

Re: Regulations Implementing the Change in Bank Control Act (RIN 3064–AG04)

Dear Mr. Sheesley:

Today, 38 labor unions, investors, and advocates submitted a letter, https://ourfinancialsecurity.org/wp-content/uploads/2024/10/FDIC-FSOC-sign-on-comment-letter.pdf, in support of a proposed rule that would increase oversight of asset managers with substantial voting power in banks. The proposal would bolster FDIC oversight when asset managers gain control of over 10 percent of voting securities of bank holding companies with FDIC-supervised subsidiaries.

The FDIC is, thankfully, tackling the significant implications of asset manager concentration and ownership of banks. Regulators need to catch up to the reality that the growth and concentration of the asset management industry has fundamentally reshaped how public companies—including listed banks—make decisions.

The letter's signatories also highlight that the Financial Stability Oversight Council can designate major asset managers as systemically important financial institutions (SIFIs), which would allow the Federal Reserve and other financial regulators to supervise them and address the risks their substantial ownership stakes of public companies pose to financial stability.

BlackRock has opposed the FDIC proposal, and recently pointed to its track record of voting with management 99.85 percent of the time on proxy items in the 39 publicly-traded bank and savings and loan holding companies that control FDIC-supervised institutions in which it holds substantial stakes. Large asset managers have frequently blocked shareholder initiatives to address risks related to climate change, racial inequity, and lack of respect for labor rights while rubber stamping executive pay packages and other management proposals.

Voting with management 99.9 percent of the time is not passive. It is the same exercise of control as voting any other way and can dangerously interfere with other shareholders' efforts to press banks to address important risks.

Yours sincerely.
Robert E. Rutkowski

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