

May 16, 2022

The Honorable Pat Toomey  
Ranking Republican Member  
Committee on Banking  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Toomey:

I have been honored to be nominated by the President Biden to serve as a Board member on the Federal Retirement Thrift Investment Board (FRTIB). I was also honored by the bi-partisan support I received for my nomination from the members of the Homeland Security and Government Affairs Committee during the Committee mark-up. I appreciate your interest in the FRTIB and the Thrift Savings Plan (TSP) and enjoyed speaking with your Banking Committee Staff Director and Chief Counsel about fiduciary responsibility, proxy voting and divestment issues.

Your Chief Counsel asked several issues:

- a question regarding the appropriateness of the FRTIB's delegation of proxy voting responsibilities to the fund managers hired by the FRTIB; I committed to reviewing that delegation policy, as well as exploring the practice of "mirror voting" and its potential usefulness for the FRTIB.
- whether I believed that acting solely in the interest of the TSP participants was limited to the financial interest of the participants; I concurred that I view that duty as focusing solely on financial benefit to participants.
- whether I agreed that ERISA and FERSA are separate statutes and Department of Labor guidance regarding ERISA is not binding on FRTIB Board members; I concurred that the two statutes are different and I pledged to apply my independent judgement to the matters before the Board.

Lastly, he asked about my vote at the San Francisco Employees' Retirement System to divest from certain fossil fuels stocks; I clarified that my vote was in the context of the San Francisco retirement system statute, that the Board did not divest from all fossil fuels stocks, and pointed out that the TSP statute does not allow Board members to direct the divestment of any specific stock or class of stocks. It is my understanding that my stance at the San Francisco retirement system has raised serious concerns for you. I want to re-iterate in writing my understanding and total acceptance of the statutory guidance laid out by Congress for the administration of the TSP. It is my understanding that the FRTIB is statutorily required to select indexes that are "commonly recognized" and provide a "reasonably complete representation" of equity markets. This, I believe, would not permit the Board to select an "ESG" index that excludes oil and gas stocks. Passively managed, broad-based index funds have proven extraordinarily effective for the TSP and I have no intention or desire to alter that.

I hope this information is helpful in addressing your concerns and would appreciate the opportunity to discuss this with you, should you have continued reservations about my nomination.

Sincerely,



Leona M. Bridges