My colleagues and I often say the U.S. markets are the envy of the world. Our strong and diverse economy and the rule of law benefit families and workers saving for the future.

The breadth of our markets allows many workers to plan for the long-term and to take advantage of low-cost, diversified investment funds.

Whether investing for retirement or for college tuition, low-fee, broad-based index funds have been an essential resource for millions of families.

That's become more important over the last few decades, as corporations have cut or eliminated pension plans, and fewer and fewer workers have a union to fight for their retirement security.

For all the benefits index funds provide, they draw criticism for everything from being Marxist, to promoting anti-competitive business behavior, to being too active in the affairs of the companies they own…or too passive in the affairs of the companies they own.

Many academics, including our witnesses here today, have considered aspects of these questions. And, we'll hear from Sen. Sullivan, who recently introduced legislation that addresses his concerns.

To be sure, there are important questions to consider, given how important index funds are for pensions and retirement accounts.

Today's hearing considers how index funds vote on company shares, and whether fund investors should be able to vote on the shares held and managed by the fund adviser.

In some ways this issue boils down to one question—who should exercise the market share that index funds have gained?

The law professors testifying today can tell us how corporate and securities law grants power to the fund directors and fund managers.

Critics say that puts too much power in the hands of too few people at the largest fund companies.

Some skeptics say that fund companies have too much influence over corporate America to pursue activist social policies. Other critics say fund companies should be doing more to hold public companies accountable.

We know index funds are long-term investors that need to think about long-term results.

To me, this debate is about how we can hold corporate executives accountable, and make sure they are thinking about long-term value of their companies.

It means putting at the center the workers and communities that make those companies work—not just the next quarter's profits.

That's just common sense.

Sometimes the long-term success of a company means voting in favor of policies that consider climate risk or workforce diversity or human capital management. And now, all of a sudden, there are people who don't want index fund managers to vote.

I'm afraid that is what would happen under Sen. Sullivan's bill.

As we will hear, the INDEX Act strives to achieve democracy for fund investors. It starts by singling out index funds – taking aim at the biggest firms, but potentially capturing even smaller fund companies.

The bill says fund managers can't vote company shares unless they get directions from the fund investors. It's an idea that sounds democratic, but doesn't consider the cost or complexity or sheer number of votes involved.

For popular, widely-held index funds, that could mean reaching out to hundreds of thousands of clients about tens of thousands of corporate votes each year.

Industry data tells us that savers who own stock on their own—not through any kind of fund—vote only 30 percent of the time.

It's hard to imagine that someone who specifically picked a professional to invest their money for them would want to become an expert in corporate proxy voting and be forced to keep track of hundreds of corporate meetings.

It's an obvious problem—so the INDEX Act solves for it by telling fund managers they don't have to vote, even though current law requires them to.

The Act would then leave Americans whose money is invested in these index funds with two bad outcomes—either to have no voice, because the bill protects fund managers when they don't want to ask for directions on voting, or to be inundated with votes on thousands of corporate issues.

To complicate things further, the INDEX Act could give more power to short-term investors or large foreign investors. And smaller companies could be worse off, because the bill would make it more expensive and time consuming to reach out to stockholders.

Index funds are targeted in part because of their success.

But if we are really trying to improve transparency and accountability for fund managers and public company management, it is important to consider potential reforms in this area without undermining the clear benefits index funds provide—low-cost access to diversified savings and investments.

The SEC is working to improve the process of corporate voting and increase transparency. And market participants are developing technology solutions to improve the voting process.

The current system is far from perfect. But moving to a system that would suppress voting, or potentially give more influence to short-term interests, is not the answer either.

I look forward to hearing the testimony today. We’ll hear some criticism, but also some solutions. I think it is important to start this conversation.