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David W. Karr, ChFC®, CLU®
Chairman

March 16, 2017

Office of Regulations and Interpretations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Room N-5655
Washington, DC 20210
Attention: Fiduciary Rule Examination

Re: **Definition of the Term "Fiduciary"; Conflict of Interest Rule – Retirement Investment Advice; Best Interest Contract Exemption (Prohibited Transaction Exemption 2016-01); Prohibited Transaction Exemption 84-24 RIN 1210-AB79**

To Whom it May Concern:

AXA Advisors, LLC ("AXA Advisors") appreciates the opportunity to provide these comments to the Department of Labor (the "Department") regarding the proposal to delay the applicability date of the final regulation (the "Rule") defining the term "fiduciary" under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Best Interest Contract Exemption (the "BIC Exemption"), and the amendments to prohibited transaction exemption 84-24 (the "Amended PTE 84-24") issued by the Department on April 8, 2016 (collectively, the "Fiduciary Rule"). Under the proposal, the applicability date of the Rule would be extended from April 10, 2017 to June 9, 2017 (the "Proposed Delay").

AXA Advisors is a broker-dealer and investment adviser registered with the Securities & Exchange Commission ("SEC"). Together with our insurance agency affiliate AXA Network, LLC, we distribute investment products and services including variable life insurance and annuity products to retail investors. We are also an affiliate of AXA Equitable Life Insurance Company, which issues traditional and variable life insurance and annuity products. We provide retirement savings and investment products and services to retail retirement savers throughout the U.S. We work every day to help people secure a dignified retirement for themselves and their families, an outcome that will be far more challenging for many Americans to achieve if the Rule takes effect as written.

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In our view, although the Rule was well-intentioned, it lacks clarity, is unnecessarily complicated and has created problems that were not anticipated at the outset. The implementation process has been difficult and costly, and we fear that ultimately, the Rule will not serve our clients' interests. In fact, it is clear from input across the industry that customer choices and support from financial professionals will be significantly curtailed under the Rule. Finally, as written, the proposed Rule will undoubtedly lead to a significant increase in litigation as the plaintiff's bar takes advantage of the Best Interest Contract warranties in order to bring breach of contract actions against firms and advisors in connection with unavoidable market downturns.

In support of the Rule proposal, the DoL frequently cited a figure of $17 billion in retiree funds somehow lost in connection with "conflicted advice" provided by financial firms and advisors offering retirement solutions. Putting aside the questionable and unsubstantiated premise, this assertion completely ignores the critical role the financial industry plays in motivating Americans to save for retirement, educating them on the options available and guiding them on making investments appropriate for their circumstances. It also fails to recognize the billions of dollars in market losses Americans avoided during various market downturns, particularly during the Great Recession, by investing in retirement products recommended by their financial professionals that feature valuable guarantees.

In contrast, what has been substantiated is the fact that as firms and financial professionals pull back in response to the Rule, there will be a significant reduction in the investment choices, education and guidance available to those who need to plan for retirement. What is additionally clear is that financial firms such as ours have spent millions of dollars preparing for the Rule implementation and, if a delay is not quickly enacted, will spend millions more in the coming weeks despite the strong possibility it will ultimately be repealed or substantially revised. For example, a mailing to our customer base solely for the purpose of complying with the Rule's April 10 Applicability Date has been estimated to cost approximately $500,000. Additional costly IT and infrastructure work remains outstanding which could be put on hold if a delay is rapidy issued.

We note that the timeline originally provided for the extensive enterprise-wide efforts needed to comply with the Rule was, from the outset, remarkably short. For a rule of this magnitude, a longer time period would have been more helpful not only for compliance with its many complex and onerous provisions, but also to obtain critical implementation guidance from the Department. By comparison, the Department granted a much longer implementation period for compliance with the disclosure requirements associated with Rule 408(b)2, even though those requirements were much simpler than the company-wide undertaking required by the Rule.

We urge the Department to approve the Proposed Delay, and, moreover, to extend it to 180 days in order to allow for more critical analysis of these issues in accordance with the guidance in the Presidential Memorandum. We also ask the Department to move to prevent any interim potential disruption to client service by delaying the Rule's associated regulatory changes, such as Amended PTE 84-24 and the withdrawal of Interpretive Bulletin 96-1. We ask that these actions be taken as soon as possible so that firms such as ours can quickly adjust our approach accordingly.

If you have questions about anything in this letter, or if we can be of any further assistance as the Department undertakes to review the Rule, please feel free to contact me.

Sincerely,

David W. Karr
Chairman of the Board of Directors & Chief Executive Officer