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Putnam INVESTMENTS

March 16, 2017

Filed Electronically

Mr. Timothy D. Hauser
Acting Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: Delay of Applicability Date of Fiduciary Rule (RIN 1210-AB79)

Dear Acting Assistant Secretary Hauser:

Putnam Investments strongly supports the Department of Labor's proposal to delay the applicability date of the regulation "Definition of the Term Fiduciary; Conflict of Interest Rule – Retirement Investment Advice" (81 Fed. Reg. 20946 (April 8, 2016) (the "Fiduciary Rule")), as published in the Federal Register on March 2, 2017 (82 Fed. Reg. 12319). It is critical that the Department delay the applicability date to prevent unnecessary confusion for retirement savers, to provide certainty to the retirement industry, and to allow sufficient time to re-examine the rule carefully.

Putnam Investments is one of the pioneers of America's mutual fund industry, with $160 billion under management today on behalf of over 100 institutional clients and 4 million individual customer accounts. We provided comments in 2015 on the Department of Labor's re-proposed regulation. In our letter, we expressed our agreement with the goal of the Fiduciary Rule – that investment providers to retirement investors act in the best interests of their clients – but also outlined significant concerns with many aspects of the proposal.

In a Memorandum issued on February 3, 2017, President Trump instructed the Department to determine if the Fiduciary Rule adversely affects the ability of Americans to gain access to retirement information and financial advice. The Presidential Memorandum also asks the Department to prepare an updated economic and legal analysis, taking into consideration a number of factors. If the Department determines that the Fiduciary Rule is inconsistent with the priorities outlined in the Presidential Memorandum, the Department is instructed to rescind or revise the Fiduciary Rule.

In addition to the 15 day comment period on the proposed 60 day delay, the Department has requested comments on the issues raised by the Presidential Memorandum, and this 45 day comment period will not close until six days after the Fiduciary Rule's current applicability date. It would be both disruptive to the marketplace and harmful to Americans saving for retirement if the Fiduciary Rule were to become applicable before the Department completes the review required by the Presidential Memorandum. In the absence of a sufficient delay, retirement plan service providers, broker-dealers and other financial advisors, and mutual fund firms – like Putnam – will be required to make material changes to their products and services, only to have to undo or modify those changes if the Fiduciary Rule is later rescinded or amended.

To avoid disruption in the market, Putnam believes that the applicability date should be delayed until the Department completes the work mandated by the Presidential Memorandum. We are also concerned as to whether the Department can complete its work by June 9, 2017, the proposed new applicability date. Therefore, we would respectfully request the Department to fully delay the rule's applicability date until the work is complete or, at the very least, for an additional 180 days, and to extend the transition period by the same period. We further request the transition period be extended the same number of days as the delay in the applicability date to ensure that the industry is not forced to expend resources on compliance efforts that prove unnecessary because of subsequent changes to the Fiduciary Rule.

Sincerely,

Robert L. Reynolds

Robert L. Reynolds
President and Chief Executive Officer, Putnam Investments