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Via Email to [EBSA.FiduciaryRuleExamination@dol.gov](mailto:EBSA.FiduciaryRuleExamination@dol.gov)

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

Attention: Fiduciary Rule Examination  
RIN 1210-AB79

Dear Sir or Madam:

On behalf of T. Rowe Price and Associates, Inc., this letter provides comments on the proposed rule delaying the applicability date of the Fiduciary Advice Rule, 29 C.F.R. Section 2510.3-21, and associated exemptions including amendments (the "Rule"). We appreciate the Department's willingness to consider delay, and welcome the opportunity to express support for delay in the Rule's applicability date by at least 60 days (or such longer period as may be required for the actions ordered by the President in his February 3, 2017 Presidential Memorandum). T. Rowe Price has a long tradition of putting our clients' interests first. Nonetheless, we believe that the Rule has shortcomings, and we welcome the re-evaluation requested by the President.

The purpose of this letter, however, is to express our support for a delay in the applicability date. We agree with the reasons for delay detailed in comment letters of the SPARK Institute and the Investment Company Institute. The Investment Company Institute, in particular, has provided a robust economic analysis supporting delay. Even without robust economic analysis, the need for a delay is obvious: it does not make economic or policy sense to require compliance with a Rule that must be reviewed and may be changed. It is particularly important to delay the compliance date to avoid confusion among those whom the Rule seeks to protect—retirement investors.

**T. Rowe Price Background.** TRPA serves as investment adviser to the T. Rowe Price family of mutual funds ("Price Mutual Funds") and collective trusts maintained by its affiliate, T. Rowe Price Trust Company. Price Mutual Funds, which are distributed by T. Rowe Price Investment Services, Inc. ("TRPIS"), a registered broker-dealer, are known for consistent investment process and strong investment performance at moderate cost.<sup>[1]</sup> Through mutual funds and commingled trusts, as well as its sub-advisory and separate account management services, T. Rowe Price serves institutions—including both large and small business retirement plans—and individuals. T. Rowe Price assets under management ("AUM") total almost \$811 billion as of December 31, 2016, of which 69% are held in retirement related accounts, including ERISA-governed plans and IRAs.

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<sup>[1]</sup> As of December 31, 2016, over 86% of Price Mutual Funds outperformed their 10-year Lipper average, and over 75% of all share classes of Price Mutual Funds (excluding funds used in insurance products) outperformed their Lipper average for the 1-, 3-, 5- and 10-year periods on a cumulative total return basis. As of December 31, 2016 over 79% of the Price Mutual Funds for individual investors have expense ratios below their Lipper category average.

**Instituting a Complex New Paradigm for Client-Firm Interactions That May Quickly Be Changed Is Unwise.** Many long hours have gone into preparations for the new paradigm introduced by the Rule. It would be unnecessarily costly to force the industry to introduce new methods into the marketplace, only to force the costs of retraction and adjustment if relevant aspects of the Rule or exemptions change.

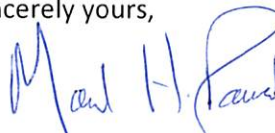
**The Department Risks Further Confusing Retirement Investors If The Applicability Date Is Not Delayed.** The Rule requires many firms, including T. Rowe Price, to change the ground rules for client and customer interaction. For example, in some cases, T. Rowe Price will need plan sponsor and adviser fiduciaries to engage with us in establishing independent fiduciary status. In other cases, we will need to explain new or adjusted services to individual retirement investors or plan fiduciaries.

It is not surprising that clients and customers want to know specifics about how the Rule will impact our dealings with them. The Rule is complex and nuanced, and it has been no small task to dispel confusion among clients and customers. Our planned communications are based on the requirements and constraints of the Rule and exemptions as finalized in April 2016. If there is any potential for the Rule or exemptions to change after the Department completes the review required by the Presidential Memorandum, there is a substantial risk of client and customer confusion, not to mention additional communication cost.

**The Delay Should Be Sufficiently Long To Allow The Department To Respond To The President's Questions.** The February 3, 2017 Presidential Memorandum charged the Department with responding to three separate questions. To assist in that work, the Department in turn has requested public comment on 20 different questions that will inform its analysis and response. The Department will not receive public input on the President's questions or its separate items until just over 50 calendar days before the proposed delay will end. The public has been very engaged in this Rule. As of close of business on March 16, 2017, the Department's website already listed 565 public comments, primarily on the question of delay. Given the high likelihood of substantial public comment on the President's questions, it is unlikely that the Department will be able to review all comments and complete its analysis of the President's questions within 60 days. Without a more realistic deadline for the applicability date, the Department's actions will drive a series of planning and re-planning activities that will unnecessarily expend resources.

For the reasons cited above, we respectfully request that the Department issue a final rule delaying applicability of the Fiduciary Advice Rule and associated exemptions and amendments for at least 60 days or such longer period of time that the Department reasonably estimates that it needs to complete the actions outlined in the February 3, 2017 Presidential Memorandum.

Sincerely yours,



Margaret H. Raymond

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