



JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

March 17, 2017

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Conflicts of Interest Rule
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Re: Definition of the Term “Fiduciary” & Related Exemptions – Proposed Delay of Applicability Dates

To whom it may concern:

As State Treasurer of California, I have eagerly supported the U.S. Department of Labor (Department) in its efforts to protect consumers from rampant abuse and dangerous conflicts of interest through its implementation of the fiduciary rule. I remain steadfast in my belief that strong consumer protections and greater transparency in consumer finance are vital to the economic security of all Californians and citizens throughout our country. I urge the Department to proceed with implementation of the fiduciary rule without delay.

The fact that existing law does not already require all brokers to act in the best interest of their clients might come as a shock to the millions of workers who will rely on their retirement savings to support them. We know conflicted retirement advice costs our workers upwards of \$17 billion annually in foregone retirement income. Delaying the rule will allow brokers to continue to gouge working Americans with inflated and unnecessary fees, sell their clients products they know are harmful to their bottom line, and profit handsomely from doing so. It is time for us to place Main Street ahead of Wall Street and allow this rule to take effect.

In California, each generation is on track to retire poorer than the last. Over half of our young workers are projected to experience significant economic hardship upon reaching retirement age. Such retirement insecurity is not unique to California. Nationwide, about one-third of households age 55 or older have little or no retirement savings and few other resources on which they can rely in retirement.

It is clear to me that solving the problems of retirement insecurity is one of the great challenges of our time. It is also clear to me that policymakers have the ability to do something

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about it. Through fortifying consumer protections and expanding access to workplace retirement plans, we can make great strides toward improving the retirement security for generations of workers. As Chair of the California Secure Choice Retirement Savings Investment Board, I am committed to ensuring all working Californians have access to the tools they need to save for their future. Once implemented the California Secure Choice Retirement Savings Program will ensure nearly seven million Californians have access to a workplace retirement plan.

All Americans should have the means to achieve financial security in their golden years. The fiduciary rule will go a long way toward ensuring a comfortable retirement is little more than an elusive dream for generations of our workers.

Sincerely,



JOHN CHIANG
California State Treasurer