FINANCIAL
SERVICES
ROUNDTABLE

The Honorable Alexander Acosta
Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

May 1, 2017

Dear Secretary Acosta:

Congratulations on your confirmation as Secretary of Labor and thank you for your service to our country.

As CEO of the Financial Services Roundtable ("FSR"), I look forward to working with you to help ensure critically important financial services remain accessible and affordable for America's workers and their families.

As you know, the Presidential Memorandum dated February 3, 2017 directed the Department of Labor to examine whether the fiduciary rule may adversely affect the ability of Americans to gain access to retirement and financial advice and, if so, rescind or revise the rule.

However, on April 7, 2017, the Department announced its intent to implement the substantive provisions of the rule on June 9, 2017 -- even though the examination required by the Presidential Memorandum had not yet been completed.

For the reasons noted more fully below, FSR urges you to defer the rule's June 9 applicability to allow the Department and you an opportunity to more properly and fully examine the rules consequences in accordance with the Presidential Memorandum.

FSR strongly supports a "best interest" standard and we believe all persons who provide personalized investment advice to retail customers, not just persons providing advice relating to retirement accounts, should be subject to such a standard. However, FSR also believes the Securities and Exchange Commission (for securities) and state insurance authorities (for insurance products) should help lead efforts to develop and implement such a standard to ensure it is applicable to different types of investment accounts, not unduly burdensome, and does not reduce access by modest income savers to needed, valuable and fair investment advice.

FSR believes the current rule is needlessly complex and has the potential to increase consumer costs. The American Action Forum recently released a study indicating the current rule could increase costs by $46.6 billion or $813 annually. That study also indicated the rule could force up to 28 million Americans out of managed retirement accounts. In addition, FSR believes the rule could reduce consumer choice and access to both products and service models that could substantially benefit certain types of savers.

Given these and other potential adverse impacts on retirement savers, FSR urges you to postpone the rule's applicability date until its impacts are more thoroughly and fully examined.

FSR's members look forward to working with you on this and other initiatives that will advance the cause of preserving and increasing retirement savings and economic security for America's workers.

Sincerely,

Tim Pawlenty
President & CEO
Financial Services Roundtable