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U.S. CHAMBER OF COMMERCE

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Washington, DC 20062-2000  
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September 26, 2016

The Hon. Phyllis Borzi  
Assistant Secretary of Labor  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

**Re: Necessity of Extending the Applicability Date of the Fiduciary Rule  
Regulation and Associated Prohibited Transaction Exemptions**

Secretary Borzi:

The U.S. Chamber of Commerce (“the Chamber”) is the world’s largest business organization representing the interests of more than 3 million businesses of all sizes, sectors, and regions. Most of our members sponsor retirement plans for their employees, and therefore have a fiduciary obligation to ensure that their plans are functioning properly for their participants and beneficiaries.

Based on conversations with our diverse membership, we are requesting an extension of the applicability date of the fiduciary regulation because the current 12 month applicability date is simply too short, and will result in significant disruptions to our members’ plans. Our members are also very concerned about the ability of their retirement plan participants to receive advice regarding rollovers and other distributions from their plans to Individual Retirement Accounts (“IRAs”), which are essential services for retirement planning and retirement asset portability.

When the final fiduciary regulation was published over five months ago, we expressed our serious concern that 12 months simply was not enough time for plans and service providers to make the extremely broad changes required to comply with the new rules. We noted that the Department of Labor (“the Department”) frequently provides longer implementation periods for far less significant regulations, and predicted that such a short implementation period for one of the most sweeping rules ever issued by the Department likely would result in material disruptions for

plans and participants. Now, with less than seven months left before the rule applies, it is clear that our concern was well-founded. Despite best efforts, made in good faith, by service providers and plan fiduciaries, and despite spending hundreds of millions of dollars already, many financial services providers are at real risk of being unable to comply with the new requirements by April 10, 2017.

Further, despite its promises to do so, the Department has issued no guidance or other interpretive assistance to address the wide range of crucial questions and concerns raised by the regulated community. While the Department did provide technical corrections, these were largely corrections of typographical and similar errors, not guidance needed to implement broad new rules fundamentally changing the provision of advice and other financial services to more than \$15 trillion in retirement savings. The scope of change is incredibly broad, and the financial consequences of making a mistake are immense.

DOL mandated that a vast segment of the financial services industry fundamentally change how it services plans and IRAs, and created new legal obligations and liabilities, but has not provided essential guidance to interpret final rules that the Department itself acknowledged would not by themselves be sufficient to address implementation questions. We are nearly at the halfway mark, and many service providers are still trying to understand their obligations, develop their business plans for compliance, and create training modules for thousands of advisors and staff, making it increasingly unlikely that they will have the necessary time to implement the technological and procedural changes needed to comply by April 10.

In recognition of this reality, we request that the Department amend the fiduciary regulation to extend the applicability date from April 10, 2017 to at least April 10, 2018, and to similarly extend the applicability date of the full requirements of the Best Interest Contract Exemption from January 1, 2018 to January 1, 2019.

We originally requested in our comment letters three years to implement these rules properly, and we still believe that amount of time to be necessary for a carefully considered and orderly transition to the new standards. However, the roughly 12 additional months we request here is the bare minimum necessary to make it possible for any practicable transition to occur. We make this request because our members and their workers need a functional retirement system.

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The Chamber would appreciate the opportunity to discuss these concerns in more detail at the Department's convenience.

Sincerely,



Randel Johnson  
Senior Vice President  
Labor Immigration and  
Employee Benefits



David Hirschmann  
President  
Center for Capital Markets  
Competiveness