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The Honorable Hilda L. Solis
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EXEC. SECRETARIAT
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DEPT. OF LABOR
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Dear Secretary Solis:

I am writing with respect to the Department of Labor's proposed regulation revising the term "fiduciary."

While I applaud the Departments laudable goal to update the definition of a fiduciary under the Employment Retirement Income Security Act (ERISA), I fear that the rule as proposed would do far more harm and could cause many negative unintended consequences.

As proposed, this rule would greatly expand the number of service providers and types of activities subjected to the ERISA fiduciary regime. This will require many services providers to restructure businesses operations, curtail providing plan participants and investors with much needed investment information, and increase costs for these services. I am especially concerned this rule negatively impact middle income investors in a disproportionate manner with much higher costs or a reduced amount of investment advice. Additionally, the proposed rule could eliminate well established tools used by many pension plans to manage risk.

Given the potential impact on millions of Americans who save either through their employer-provided plan or in an IRA, I believe the necessary fixes to make the rule workable are so extensive the rule should be repropsoed so the public can provide comment on the revisions. I also believe it would give an opportunity for the Department of Labor to work in a more harmonized manner with the Securities and Exchange Commission, the Commodities Futures Trading Commission and the Treasury Department, all of which have responsibilities related to your Department's proposed regulation.

I appreciate your consideration and please do not hesitate to contact my office if you have further questions.

Sincerely,

Erik Paulsen
Member of Congress