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To: EBSA, E-ORI - EBSA
Subject: Comments on Interim Final Rule

Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

While DOL's efforts to establish new 401(k) fee disclosure rules are commendable, the Interim Final Rule issued July 16 falls short in at least two important areas, inadequate treatment of front-end mutual fund loads (sales charges) and the discussion of savings to result from the disclosures required by the rule.

1) As part of a fee-only financial advisory firm, I have been asked by many hourly consultation and annual retainer clients to review their 401(k) retirement plans. Some of the plans I have reviewed use only the retail shares of their mutual fund provider, those that carry front-end loads. The problem with this is not only the added expense, but the fact that the load is deducted from the plan participant's contribution before it is even invested. Full disclosure would include that information plus identifying the recipient and what that party had to do with operating the company's 401(k) plan. For an adviser to the plan, collecting a front-end, or any other load, would be a blatant conflict of interest

The Rule makes frequent mention of 12(b)-1 fees but no mention of sales charges that are much higher for any particular fund.

2) The "Benefits" section of the Rule's Regulatory Impact Analysis actually cites percentages of plan expenses attributed to lack of disclosure, implying that mandatory disclosure will result in significant savings and better performance by retirement plans. This reasoning assumes that disclosure will automatically lead to corrective measures, but also ignores the need for enforcement of essential fiduciary standards.

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