General Comment: First, disclosures should not be limited to plan sponsors, such as employers, but should be available to plan participants as well.

Second, disclosure information should be available at least 30 days prior to contract signing/renewal, so as to allow plan sponsors sufficient time to review these materials, and make informed decisions in their capacities as plan fiduciaries.

Third, materials should not be "buried" or scattered in prospectuses or other documents, but should be compiled into a simple, easy-to-read compilation that addresses all fees, rebates, fee sharing, and conflicts of interests. To argue that a service provider has satisfactorily met the "reasonableness" standard by scattering information across many and sundry documents is to defy logic and make a mockery of the statutory intent of Congress.

I am confused by the statement "The Department believes that an investment of plan assets or the purchase of insurance is not, in and of itself, compensation to a service provider for purposes of this regulation." If a service provider is granted a share of plan assets, in lieu of, or in addition to, other forms of payment, I believe that that should continue to count as compensation.

"For example, if a service provider will be buying (or advising on the purchase of) a parcel of real estate for the plan, and an affiliate of the service provider owns an interest in the real estate, the service provider will have to state that it has an interest in the transaction and describe its affiliate's ownership of the real estate." This requirement should be strengthened to require the provider to specify quantitatively its interest (i.e., $20,000,000 of a $100,000,000 project) in the transaction, not just that an affiliate has a limited partnership interest or a 10% stake, as the example and text seem to imply.

" The proposal also provides that a reasonable contract or arrangement must require the service provider to disclose its relationships with other parties that may give rise to conflicts of interest. Specifically, subsection (D) obligates the service provider to describe any material financial, referral, or other relationship it has with various parties (such as investment professionals, other service providers, or clients) that creates or may create a conflict of interest for the service provider in performing services pursuant to the contract or arrangement. If the relationship between the service provider and this third party is one that a reasonable plan fiduciary would consider to be significant in its evaluation of whether an actual
or potential conflict of interest exists, then the service provider must disclose the relationship." - The service provider should be obligated not just to disclose the relationship, but the nature of the relationship, and the affect on the fee structure paid by the plan sponsor or participants.

Although I am a plan participant, and not a plan sponsor or service provider, I believe it is in the best interests of plan participants and plan sponsors to continue to allow termination of contracts without penalty and on short notice.