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July 7, 2011

Secretary Hilda L. Solis
US Department of Labor
200 Constitution Ave NW
Washington, DC 20210-0002

Dear Secretary Solis:

I am writing to express my concern that the Department of Labor's proposed definition of a fiduciary could have the unintended consequence of preventing millions of middle-income Americans from obtaining investment services. For example, a recent study by Oliver Wyman concluded the regulation could cause over seven million holders of Individual Retirement Accounts (IRAs) to lose access to their investment professionals, while other retirement plan and IRA participants could see the cost of obtaining investment services as much as double. I am sure you agree that, at a time when so many Americans are struggling with the economic downturn, it makes no sense for the federal government to raise the cost of obtaining quality investment advice.

I am also concerned about reports that the Department of Labor did not do a cost/benefit analysis regarding the effect on IRAs before proposing the regulation. Given the significant impact of this regulation, I respectfully request the Department of Labor withdraw the regulation in order to perform a cost/benefit analysis, and review the extensive commentary on the rule received by the Department of Labor. After completing these steps, the Department of labor should repost the regulation. Reposting the regulation would, among other benefits, enable the Department of Labor to coordinate more effectively with other agencies, such as the Securities and Exchange Commission, on related fiduciary projects.

Please contact Mr. Norman Singleton, my legislative director, if you require any additional information on this matter from my office. Thank you for your attention to this important matter.

Sincerely,

Ron Paul

Ron Paul