

From: Linda Dozier

Sent: Tuesday, June 10, 2014 4:37 PM

To: EBSA, E-ORI - EBSA

Subject: 408(b)(2) Guide; RIN 1210-AB08

This email is submitted in response to the Department's request for comments regarding how best to structure a guide or summary to satisfy the section 408(b)(2) fee disclosure requirements. The option I recommend is a software application that offers service providers a format through which they can select from a menu of standardized definitions to describe their services and compensation arrangements. The key advantage of using standardized language through a software application is that plan fiduciaries would be able to compare the services and compensation arrangements of different service providers based on uniform definitions.

Although some service providers might not agree with this approach, the advantage of a software application is that it could be designed with sufficient flexibility to accommodate the disclosure requirements of most covered service providers. In addition, it need not be the exclusive approach but rather offered as a safe harbor based on the significant benefits it would provide responsible plan fiduciaries. For example, a well-designed and compatible software application would allow plan fiduciaries to download the entries of different service providers to a spreadsheet format for a line-by-line comparison and evaluation.

The reaction of plan fiduciaries to the 408(b)(2) fee disclosure regulation over the past two years has confirmed that it was a significant step forward in leveling the playing field because it gives them the legal leverage they sometimes need to obtain necessary service and compensation information from their service providers. Now that transparency has been largely achieved, the issue of developing a guide or summary needs to address accessibility. One barrier to accessibility, however, is the lack of standardized language and definitions used in service arrangements. The problem with indexes and summaries is that neither is capable of providing a broad selection of standardized definitions with sufficient flexibility to accommodate the wide variety of services and compensation arrangements that exist in the market. In contrast, a computer software application created by the Department, or the private sector, could be designed to address those issues and more effectively achieve the Department's goal of improved accessibility.

Thank you for the opportunity to comment on the proposed regulation.

Sincerely,

Linda Dozier

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