



Wells Fargo & Company
420 Montgomery Street
San Francisco, California 94104
wellsfargo.com

March 16, 2017

Via e-mail to EBSA.FiduciaryRuleExamination@dol.gov

The Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Fiduciary Rule Examination
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

**Re: Proposed Extension of the Applicability Dates of the Definition of
The Term “Fiduciary” and Related Exemptions (RIN 1210-AB79)**

Dear Sir or Madam:

Wells Fargo & Company, and its affiliates, (“Wells Fargo”) welcomes the opportunity to respond to the U.S. Department of Labor’s (the “Department”) request for comment on a proposal to extend for 60 days the applicability date of the regulation redefining the definition of the term “fiduciary,” new prohibited transaction exemptions and amendments to existing exemptions granted with the final rule (collectively, the “Rule”). We support a best interest standard for clients and believe an extension of the Rule’s applicability date is necessary to allow for a broader reexamination of the Rule. In addition, the implementation period for the Rule has stressed the industry’s capacity to properly prepare, train and automate critical compliance aspects of the Rule. We hope our comments help inform the Department’s decision-making on the necessity of an extension of at least 60 days, and preferably longer, as discussed below.

Wells Fargo Supports a Best Interest Standard

Wells Fargo is committed to providing individuals and their families with the advice and guidance they need to plan and save for retirement. We supported the core best interest concepts underlying the Rule when it was originally proposed in 2010, when it was re-proposed in 2015¹ and when it was issued in final form last year.

¹ Wells Fargo Comment Letter (July 21, 2015) and Supplemental Comment Letter (September 24, 2015) submitted to John J. Canary, Director, Office of Regulations and Interpretations, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, regarding Proposed Conflict of Interest Rule and Related Proposals [RIN: 1210-AB32 and ZRIN: 1210-ZA25], *available at*: <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB32-2/00647.pdf> and <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB32-2/03063.pdf>, respectively.

Wells Fargo Supports a Delay

The Rule comprises the most complicated set of new regulatory requirements impacting retail investors in many years. Complying with the Rule's various requirements necessitates, among other changes, restructuring our communications with and disclosures to clients and substantially modifying our technology systems, policies, training materials, supervision processes and compliance programs.

To implement change of this scope and magnitude, much of which has a direct impact on our customers and product availability, while the Department reviews the Rule at the behest of the President, provides no benefit for retirement investors. The Department acknowledged the need for an extension for this very reason and stated in its release proposing the extension of the applicability date that:

[A]bsent an extension of the applicability date, if the examination prompts the Department to propose rescinding or revising the rule, affected advisers, retirement investors and other stakeholders might face two major changes in the regulatory environment rather than one. This could unnecessarily disrupt the marketplace, producing frictional costs that are not offset by commensurate benefits.²

If the Department ultimately decides to revise or rescind the Rule, a decision not to delay the Rule's applicability date will create more customer confusion, as financial services firms could potentially face implementing different versions of the regulation in succession. Investors should not have to deal with multiple changes to the fundamental regulatory requirements related to their retirement accounts.

Further, in light of the questions posed in the Presidential Memorandum and the Department's solicitation of comment on multiple legal and policy issues, the Department will be challenged to complete its reexamination of the Rule by June 9, 2017. We believe this warrants consideration of an extension of the applicability date beyond 60 days to avoid placing undue operational strain on firms during implementation of the Rule and ensure that client service is not adversely impacted.

For the reasons stated above, we fully support, at a minimum, a 60-day delay of the Rule's applicability date. Furthermore, we respectfully request that the Department find good cause to issue a final rule effectuating the delay by no later than April 10, 2017. To do otherwise could create legal uncertainty with respect to the Rule's implementation. Moreover, we believe a longer extension is warranted and respectfully request that the Department extend the applicability date of the Rule by 180 days. We also note that any delay of the Rule's applicability date should be accompanied by a commensurate adjustment of the Rule's transition period.

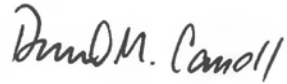
We thank the Department for this opportunity to comment on the Rule's applicability date and plan to comment separately on the need to reexamine the Rule holistically. If you

² 82 Fed. Reg. 12319, 12320 (Mar. 2, 2017).

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would like to further discuss any of Wells Fargo's comments, please contact Robert J. McCarthy, Director of Regulatory Policy for Wells Fargo Advisors, at (314) 242-3193 or robert.j.mccarthy@wellsfargoadvisors.com, or Kenneth L. Pardue, Managing Director, Retirement Plans for Wells Fargo Advisors, at (314) 875-2927 or kenneth.pardue@wellsfargoadvisors.com.

Sincerely,

A handwritten signature in black ink that reads "David M. Carroll". The signature is written in a cursive, slightly slanted style.

David M. Carroll
Wells Fargo & Company
Head of Wealth and Investment Management