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

Re: RIN 1210-AB79; Proposed Rule; Extension of Applicability Date

Dear Sir or Madam:

As a member of the Investment Company Institute (ICI), we wish to express our agreement with the comments filed by ICI in response to the Department of Labor ("Department") proposal to delay the applicability date of the fiduciary rulemaking by 60 days. We support the proposed delay and believe that a longer delay is warranted, as described in the ICI letter. The Department must delay the applicability date in order to examine the fiduciary rule and related exemptions and complete a new economic and legal analysis as directed by the President’s memorandum dated February 3, 2017.

Applicability Date Delay is Necessary to Avoid Untenable Disruption

If the rule and exemptions are allowed to become applicable while the Department completes this re-examination, substantial harm to investors, sunk costs, and market disruption will result in the event that the Department determines to modify or rescind the rulemaking. As described in the ICI letter, failure to delay the applicability date will result in loss of access to investment advice and limited choice in investment products and service providers for many retirement savers. In addition, without a delay, financial services providers will incur significant unrecoverable costs to implement the new rules despite the probability of changes to or rescission of the rules a short time later. We have also found that our intermediary partners have had to reduce and limit their product and service offerings in order to comply with the rule. ICI’s analysis of the relative costs and benefits of delaying the rule demonstrates that a delay is more than justified and urgently needed.
Proposed 60-Day Delay is Insufficient

For the reasons described in the ICI letter, we agree with ICI’s recommendation that a longer delay is warranted and that the length of delay should correspond to the Department’s determination on whether to modify or rescind the rule. A 60-day delay is unlikely to cover the time period needed for the Department to complete the examination required by the President’s memorandum. This will result in recurring uncertainty over the status of the rule and expending additional resources to secure further delays.

A delay of the applicability date should continue in effect for the entire period of review by the Department, and if the Department determines not to modify or rescind the rule and exemptions, the delay should be set to expire a reasonable period of time (such as one year) after such determination, to provide the industry ample time to restart compliance efforts. If the Department determines to propose modifying the rule and exemptions, the delay should continue until a revised final rule is issued, with additional time for compliance changes consistent with the degree of modification. Obviously, if the Department determines to propose rescinding the rule and exemptions after its comprehensive review and completion of new legal and economic impact analyses, a continuing delay would be critical until that process is completed.

We also agree with ICI that the Department should not permit certain portions of the rule or exemptions to become applicable while delaying other portions, as this would defeat the purposes of a delay as discussed above.

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We appreciate the opportunity to comment on the proposal to delay the applicability date of the final fiduciary rule and exemptions. If you have any questions regarding our comments, or would like additional information, please contact Mary Carty at 212-858-8144.

Sincerely,

[Signature]
William J. Lipkus
Chief Executive Officer
Foresters Financial Holding Company