Via Electronic Mail

February 8, 2007

Office of Exemption Determination
Employee Benefits Security Administration
Room N-5700
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Attn: IRA Investment Advice RFI

Ladies and Gentleman:

T. Rowe Price Trust Company appreciates the opportunity to comment on the Request for Information on the provision of investment advice sent to Mr. George Roche on December 12, 2006. Mr. Roche requested that I respond on his behalf.

CORPORATE OVERVIEW

T. Rowe Price Trust Company (the “Price Trust Company”) was incorporated in the State of Maryland on September 8, 1983. It is a wholly-owned direct subsidiary of T. Rowe Price Associates, Inc. (“Price Associates”) and an indirect subsidiary of T. Rowe Price Group, Inc. (“Price Group”). All authorized and issued stock of the Price Trust Company (150,000 shares) is held by Price Associates.

The Price Trust Company is a Maryland limited-purpose trust company which, under its charter, is not permitted to accept deposits or make commercial loans. It is not a member of the Federal Reserve System, and is not subject to the federal banking laws or to federal or state securities laws. The Trust Company is regulated by the Maryland Commissioner of Financial Regulation, and is required to comply with the provisions of the Financial Institutions Article of the Annotated Code of Maryland.

PRICE TRUST COMPANY SERVICES

Since 1984, the Trust Company has sponsored prototype plans and offered passive trustee and custodial services for retail retirement vehicles, including profit sharing, money purchase pension, IRA, SEP-IRA, SIMPLE IRA, individual 401(k) plans, as well as 403(b) plans (collectively “Price Serviced Plans”). As of December 31, 2006, Price Trust Company served approximately 900,000 IRA, SEP-IRA and SIMPLE - IRA customers with assets totaling approximately $38 billion.

The investment options offered to the Price Serviced Plans are generally limited to one or more of the following: (i) shares of T. Rowe Price sponsored mutual funds; or (ii) securities purchased through T. Rowe Price Investment Services, Inc. (an affiliated broker/dealer).
The Price Trust Company also serves as directed trustee for certain other retirement plans for which an affiliate of the Price Trust Company, T. Rowe Price Retirement Plan Services, Inc. provides recordkeeping services. These plans generally limit the available investment options to those offered under the Price Serviced Plans, but such plans may also permit investment in employer stock, outside mutual funds and common trust funds, and/or other investment vehicles. The Trust Company serves as directed trustee for these accounts, and does not provide discretionary investment advice.

INVESTMENT ADVICE

T. Rowe Price Associates, Inc., an investment adviser registered with the U.S. Securities and Exchange Commission ("Price Associates") offers discretionary investment advice to among other customers, IRA, SEP-IRA and SIMPLE-IRA owners (collectively "IRA Customers") who meet the requirements outlined in the Price Associates Form ADV (e.g., account standards and minimums). Such investment advice is individualized and offered through investment professionals. Under such circumstances, IRA customers execute an investment management agreement with Price Associates and any applicable and appropriate investment guidelines are set.

REQUEST FOR INFORMATION

The Pension Protection Act requires the U.S. Department of Labor to determine if there is any computer model advisory program that is feasible for the IRA marketplace. Based on this mandate, the Department has inquired as follows:

1. Are there computer model investment advice programs for the current year and preceding year that are, or may be, utilized to provide investment advice to beneficiaries of plans described in section 4975(e)(1)(B)-(F) (and so much of subparagraph (G) as relates to such subparagraphs) (hereinafter "IRA") of the Code which:

   (a) Apply generally accepted investment theories that take into account the historic returns of different asset classes over defined periods of time;

   (b) Utilize relevant information about the beneficiary, which may include age, life expectancy, retirement age, risk tolerance, other assets or sources of income, and preferences as to certain types of investments;

   (c) Operate in a manner that is not biased in favor of investments offered by the fiduciary adviser or a person with a material affiliation or contractual relationship with the fiduciary adviser;

   (d) Take into account the full range of investments, including equities and bonds, in determining the options for the investment portfolios of the beneficiary; and

   (e) Allow the beneficiary, in directing the investment, sufficient flexibility in obtaining advice to evaluate and select investment options.

2. If currently available computer models do not satisfy all of the criteria described above, which criteria are presently not considered by such computer models? Would it be possible to develop a model that satisfies all of the specified criteria? Which criteria would pose difficulties to developers and why?

If the Department determines that there are no feasible computer models, then the Department is required to issue a class exemption addressing such issue.
T. ROWE PRICE RESPONSE TO DOL INQUIRY

At this time, neither Price Trust Company nor any of its affiliates offers a computer-based model for IRA owners which satisfies the criteria described above.

Based on our experience, a computer model which incorporates (a), (b), and (e) above could be created with relative ease given existing computer models and general investment advice-based products. We believe item (c) could be accomplished quite adequately through an independent third party certification of the computer model, processes, and procedures.

Assuming the term “full range of investments” in Item (d) refers to asset classes and not to the entire universe of individual investment vehicles offered by financial institutions (e.g., all stocks, bonds, mutual funds offered), this criteria could also be satisfied without much difficulty. In our opinion, a model that includes all the criteria above, in addition to all investments available to IRA owners, would not be feasible. From a practical standpoint, the computer design would have to be limited to a subset of the available universe.

We would be glad to offer any insight or assistance the Department may need in preparing an IRA class exemption for providing investment advice.

Sincerely,

Regina M. Watson

T. Rowe Price
INVEST WITH CONFIDENCE