



July 8, 2015

The Honorable Thomas Perez
Secretary
United States Department of Labor
200 Constitution Avenue, NW
Washington DC 20210

I write today to note my concern with the Department of Labor's (DOL) recent proposal to change the definition of fiduciary investment advice under the Employee Retirement Income Security Act of 1974 (ERISA), and to encourage the DOL to make the changes necessary to protect both American workers and their ability to have choice and access to the financial products and services they want and need. The Salt Lake Chamber represents more than 8,000 business who employ upwards of 500,000 people throughout the state, all of whom care about improving our nation's retirement system. As Utah's leading business advocate, we believe there is a balanced approach where a rule can protect investors as well as continue to provide them access and choice in their retirement products and financial services providers.

As with the DOL's original proposal in 2010, this rule would greatly expand the types of interactions with retirement savers that could be potentially considered as "investment advice." Given the extremely broad definition of investment advice and the potential impact the rule could have on financial advisers operating under certain compensation models, DOL proposed a new type of "principles-based" prohibited transaction exemption that grants relief to a financial services provider that agrees to act in the best interest of its customer. Most financial services advisers support the best interest framework in the rule and the principles-based standard.

Unfortunately, the proposal's new exemption does not apply to small businesses with participant-directed plans. Essentially, this means that small plan sponsors cannot look to advisers or record-keepers for assistance in structuring fund line-ups. Because 85% of our membership is made up of small businesses, we are deeply concerned that the current proposed rule will ultimately limit these small business members from receiving the help they need to establish and maintain a retirement plan. Without the ability to offer employees a competitive retirement savings package, our own small businesses will face an uphill battle against larger employers in attracting qualified employees to our state. This could lead many small Utah businesses to be discouraged from offering retirement plans or to consider terminating their existing plans, hindering many of our workers from saving for a reliable future.

In addition, I am concerned that the rule will ultimately limit individual investors' ability to seek access to affordable financial planning services and resources – even if those services and resources are in the saver's best interest. Consequently, we request that, prior to the publication of a final rule, the DOL work with representatives of the business and financial services communities to produce a workable rule that protects savers, yet does not prevent our local businesses from continuing with their long-established service models that help our citizens to plan and save for retirement.



I appreciate the challenge of finding a balance between protecting consumers from unscrupulous actors and making sure they receive the necessary assistance in making important investment choices. The current DOL proposal, however, does not strike that balance and would do significant harm to individuals saving for retirement – particularly lower and middle income individuals who will find that they can no longer afford the investment help they have come to rely on.

I have heard from member companies who do not oppose the conceptual framework of the proposal, which imposes a best interest standard for personalized investment advice and creates a principles-based exemption from the prohibited transaction rules. Those same companies have also expressed concern that the proposed exemption is largely unworkable and will effectively prohibit substantial assistance. To move forward with the proposed exemption would be to act against the best interest of small businesses and retirement savers across all income levels.

I thank you for your consideration of these concerns and look forward to working with you on this very important issue that will potentially affect not only Utah's business community, but also our more than 2.9 million Utah residents.

Sincerely,

Lane Beattie
President and CEO

cc: US Senator Orrin Hatch US Representative Rob Bishop
US Senator Mike Lee US Representative Jason Chaffetz
US Representative Mia Love
US Representative Chris Stewart