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July 21, 2017

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW, Suite 400
Washington, DC 20210
Attn: D-11933, RIN 1210-AB82

Submitted via email to: EBSA.FiduciaryRuleExamination@dol.gov; RIN 1210-AB82

Re: Potential Delay of January 1, 2018 Applicability Date

BlackRock, Inc. (together with its affiliates "**BlackRock**") respectfully submits its comments to the Department of Labor ("**DoL**") in support of a delay in the January 1, 2018 applicability date of the provisions of the Best Interest Contract Exemption ("**BIC**"), Principal Transactions Exemption and amendments to PTE 84-24 (the "**Applicability Date**"). BlackRock is supportive of changes to the financial ecosystem that enhance confidence in markets, facilitate investing and promote outcome-oriented strategies. These are integral components to solving our retirement crisis. To best serve investors' needs, preserve investor choice and remain focused on outcome-oriented solutions, the financial services industry needs each of the following: certainty as to the legal requirements, adequate time to engage in a thoughtful, high-level decision-making process about any required changes, and sufficient time to implement and communicate those changes to clients. Accomplishing all of this prior to the Applicability Date is unrealistic. In light of the President's Memorandum directing the DoL to re-examine the DoL's Conflict of Interest Rule (29 C.F.R. 2510.3-21) and related prohibited transaction exemptions (collectively, the "**Fiduciary Rule**"),[1] as well as follow up inquiries from the DoL itself, important aspects of the Fiduciary Rule remain uncertain. In addition, DoL Secretary Acosta and Securities and Exchange Commission ("**SEC**") Chairman Clayton have committed to working together on investment advice regulation.[2] As such, the Applicability Date should be delayed until such date that is 12 months after any changes to the Fiduciary Rule are proposed and finalized.

As discussed in our March 15th, 2017 Comment Letter,[3] the Fiduciary Rule is long and complex with a wide range of consequences, intended and unintended, known and unknown. The

1 Presidential Memorandum on Fiduciary Duty Rule (Feb. 3, 2017), available at https://www.whitehouse.gov/the-press-office/2017/02/03/presidential-memorandum-fiduciary-duty-rule.

2 See e.g., SEC Chairman Jay Clayton, request for Public Comments from Retail Investors and Other Interested Parties on Standards of Conduct for Investment Advisers and Broker-Dealers (Jun. 1, 2017), available at https://www.sec.gov/news/public-statement/statement-chairman-clayton-2017-05-31; DoL Secretary Alexander Acosta, *Wall Street Journal*, Deregulators Must Follow the Law, So Regulators Will Too, (May 22, 2017), available at https://www.wsj.com/articles/deregulators-must-follow-the-law-so-regulators-will-too-1495494029; SEC Chairman Jay Clayton, Remarks at the Economic Club of New York (Jul. 12, 2017), available at https://www.sec.gov/news/speech/remarks-economic-club-new-york ("It is my hope that we can act in concert with our colleagues at the Department of Labor in a way that best serves the long-term interests of Mr. and Ms. 401(k)").

3 Proposed Extension of Applicability Date of Definition of the Term "Fiduciary"; Conflict of Interest Rule – Department of Labor, (Mar. 15, 2017), available at https://www.blackrock.com/corporate/en-us/literature/publication/dol-definition-of-fiduciary-conflict-of-interest-proposed-rule-extension-031517.pdf.

President's Memorandum directs the DoL to propose revising or rescinding the Fiduciary Rule if the DoL determines that the rule will harm investors or is otherwise inconsistent with the policies of the Administration. This directive leaves the status of the Fiduciary Rule uncertain. The DoL has already received thousands of comments on the Fiduciary Rule in relation to the President's Memorandum, which the DoL is currently reviewing. Additional comments will be received in response to its July 6th Request for Information. As the DoL has asked for a lot of information and will need to review its economic analysis in light of new data received, the possibility of additional changes is significant.[4] Given this continued lack of certainty, the current Applicability Date would impose unreasonably high costs and operational burdens on the financial services industry writ large. It also hinders our ability to best develop products and services consistent with the goals of facilitating investing and promoting outcome-oriented strategies.

Further, it is unclear that a delay in the Applicability Date would have discernible negative financial impact on investors. Even under the existing regulatory impact analysis (the conclusions of which the President's Memorandum directs the DoL to re-examine), the DoL has not shown what additional benefits investors receive from the provisions of the exemptions subject to the Applicability Date.[5] Failure to delay the Applicability Date until all potential changes to the Fiduciary Rule are finalized, or a coordinated standard is provided by the SEC and the DoL, will cause confusion to individual investors whose products and services will likely change under the existing Fiduciary Rule. Moreover, upon completion of the DoL's examination and coordination with the SEC, those investors may be subjected to a different regulatory regime, with different products and services made available.

BlackRock believes that it is essential to give the DoL and the SEC time to coordinate their respective efforts related to the appropriate standards of conduct for investment advisers and broker-dealers. As we have previously stated,[6] if different regulators working on similar issues take divergent or inconsistent paths, it will create a complicated and confused regulatory environment that will operate to the detriment of both plan and individual investors. Absent a fully coordinated standard, individual investors with plan and non-plan accounts will simply be baffled by different and/or conflicting standards and will then be prone to make investment mistakes. Secretary Acosta and Chairman Clayton have committed their respective agencies to constructive engagement with one another on this topic. A delay beyond January 1, 2018 would facilitate that engagement, and afford them a sufficient opportunity to develop a uniform or coordinated standard.

Accordingly, BlackRock strongly supports a delay to the Applicability Date given the lack of certainty over the ultimate status of the Fiduciary Rule and for the reasons described above. As continued uncertainty regarding a potential delay imposes costs on industry and investors, we urge the DoL to grant the delay as soon as possible.

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[4] Brief for Appellees at p. 59, Chamber of Commerce v. U.S. Dept. of Labor, 5th Cir., No. 17-10238 (Jul. 3, 2017).

[5] "[T]he Department concluded that much of this harm could be avoided through the imposition of fiduciary status and adherence to basic fiduciary norms, particularly including the Impartial Conduct Standards." 82 Fed. Reg. No. 66 at 16905.

[6] BlackRock, Comment Letter to the Department of Labor, Definition of the Term "Fiduciary"; Conflict of Interest Proposed Rule (Jul. 21, 2015), available at https://www.blackrock.com/corporate/en-us/literature/publication/dol-definition-of-fiduciary-conflict-of-interest-proposed-rule-072115.pdf.

We thank the DoL for providing the opportunity to comment on the potential delay of the January 1, 2018 Applicability Date. Please contact the undersigned if you have any questions or comments regarding BlackRock's views.

Sincerely,

Barbara Novick
Vice Chairman

Nicole Rosser
Vice President