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Congress of the United States
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May 26, 2011

The Honorable Hilda L. Solis
U.S. Department of Labor
Frances Perkins Building
Third Street and Constitution Avenue, NW
Washington, DC 20210

RE: ***Department of Labor's proposed regulation defining the term "fiduciary"***

Dear Secretary Solis:

We respectfully request your attention to the Department of Labor's proposed regulation defining the term "fiduciary." We share the Department's perspective that it is critical to protect individuals from misleading investment advice.

We believe that it is vital that this project be completed in a thorough manner that fully considers all perspectives. In the absence of a complete review of all relevant factors, we fear that the regulation could result in investors, especially middle-income investors, receiving far less investment information or experiencing a very significant increase in the cost of such information.

We applaud the Department for extending the comment period and holding a public hearing regarding this matter. However, the Department's uncertainty regarding the effects of the proposed rule gives us cause for concern. The implications for small service providers, potential increases in liability exposure and costs for service providers, and cost-benefit information should all be closely studied, considered and then explained before any further action is taken.

In light of the uncertainty expressed by the Department and the significant amount of concern expressed in the comments and at the hearing, we urge you to take the time necessary to do a thorough review of the proposed regulation and the issues and concerns raised about the proposal, including cost and market effects related to the proposed regulation. Additionally, we encourage an analysis of the cost of the proposed regulation with respect to IRAs.

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Some contend that the effect of this regulation would, (1) restrict access by middle-income individuals to investment information with respect to plans and IRAs, and (2) eliminate pension plans' ability to use swaps to manage enormous risks that can affect the plan sponsor's financial health. This level of concern warrants a careful and deliberate process.

Your consideration of our concerns would be deeply appreciated.

Sincerely,

Bob Gibbs
Member of Congress

Jim Renacci
Member of Congress