



February 1, 2016

*Oppose H.R. 4293, Legislation to Weaken Protections for Retirement Savers*

Dear Member of Congress:

As strong supporters of the Department of Labor's (DoL) effort to strengthen retirement income security for working families and retirees, we urge you to reject H.R. 4293, the "Affordable Retirement Advice Protection Act," when it is marked up in the Education and Workforce Committee on Tuesday. Far from being a pro-retirement security alternative to DoL rulemaking, the legislation would weaken the already inadequate protections afforded by current outdated regulations.

We disagree with the premise that an alternative to the DoL rule is necessary. The DoL's proposed rule offers a balanced approach that expands the range of advisory services covered by ERISA's fiduciary standard while allowing firms to operate under a broad range of business models. And there is every reason to believe that there will be final-rule changes to reflect the many constructive comments received.

While the professed goal of H.R. 4293 is to provide an alternative to the DoL rulemaking, this bill, and its companion measure H.R. 4294, not only maintain the current loopholes in the definition of retirement "investment advice," they also weaken the current standard that applies to such advice. Rather than closing the harmful loopholes in the outdated regulatory definition of investment advice that have allowed some financial professionals to put their own financial interests ahead of their customers, these bills would codify them, thereby legislatively blessing the continuation of the problem the DOL rulemaking is intended to solve.

The weak and ineffective approach of this legislation would ensure that there are no meaningful changes in harmful industry practices and, thus, no real benefits to retirement savers. Rather, some financial professionals would gain the right to claim they operate under a best interest standard without having, in fact, to do so. **These bills are a step backward, not a step forward, from the status quo.**

Finally, it is not just the substance of the bill that we object to, but also the new procedural twist it introduces to the rulemaking process. In opposition to the Congressional Review Act, which gives Congress the ability to overturn a final agency regulation by passing a joint resolution of disapproval, the bill includes a provision modeled on the so-called REINS Act, to **require affirmative congressional action for the DoL rule to be implemented.** Apart from the impact on this particular rule – providing opponents of a best interest standard with a new tool to prevent its implementation—this change could set a terrible precedent for any effort to improve rules that protect consumers.

Working families and retirees saving for a secure and independent retirement deserve the strengthened protections offered by the DoL rule proposal— an enforceable best interest standard, backed by real

mitigation of conflicts, applicable to all retirement investment advice. We urge you to reject this deeply flawed bill when it is marked up on Tuesday.

Sincerely,

AARP

AFL-CIO

Alliance for Retired Americans

American Federation of State, County and Municipal Employees (AFSCME)

Association of University Centers on Disabilities

Better Markets

Center for Economic Justice

Center for Global Policy Solutions

Center for Responsible Lending

The Committee for the Fiduciary Standard

Consumer Action

Consumer Federation of America

Consumers Union

Demos

Garrett Planning Network

International Association of Machinists and Aerospace Workers

International Association of Sheet Metal, Air, Rail & Transportation Workers

International Brotherhood of Electrical Workers

Leadership Conference on Civil and Human Rights

Main Street Alliance

NAACP

National Active and Retired Federal Employees Association (NARFE)

National Committee to Preserve Social Security and Medicare

National Consumers League

National Council of La Raza

Pension Rights Center

Public Citizen

Public Investors Arbitration Bar Association

Service Employees International Union

U.S. PIRG

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