AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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LEGISLATIVE**ALERT**

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TEFERE GEBRE
EXECUTIVE VICE PRESIDENT

October 22, 2015

Dear Representative:

On behalf of the 12.2 million Americans represented by the AFL-CIO, I urge you to oppose the misnamed "Retail Investor Protection Act" (H.R. 1090) introduced by Representative Wagner, when it comes to the House floor next week.

H.R. 1090 would unnecessarily prevent the U.S. Department of Labor (DoL) from moving forward with its conflict of interest rulemaking to protect retirement savers until the Securities and Exchange Commission (SEC) has finalized new rules covering the duties of brokers to their customers. In addition, the SEC would not be able to act until it complied with several new reporting and analysis requirements that would provide no meaningful benefit to investors and further delay any regulatory action. Make no mistake: A vote for this bill is a vote to obstruct important consumer protections for retirement investors and to weaken Americans' retirement security.

The consumer protections that the DoL seeks to implement through its current rulemaking are long overdue, given the changes in the retirement income landscape over the past thirty years. While professionals managed retirement assets in previous decades, individual employees are now largely responsible for managing their own accounts. But almost none of us has the expertise to manage our money or to effectively oversee professional money managers—and too many investment advisors have profound financial conflicts of interest that affect the advice they provide and the fees we pay.

The costs of this conflicted advice are real and significant. According to the White House Council of Economic Advisors, the American public loses an astounding $17 billion per year as a result of retirement investment advice that is not in their best interests.

Congress has no valid justification to insert itself into the DoL rulemaking which has been inclusive, thorough, and marked by consultation with all stakeholders, including the SEC. Indeed, SEC Chair White has expressed no discomfort or reservation whatsoever about the DoL rulemaking. Rather, she has acknowledged that the two agencies operate under different laws, and while expressing support for the SEC to issue a uniform best interest standard for broker-dealers and registered investment advisors, she has made clear that one is not coming soon.

The DoL is now considering the tens of thousands of comments it has received on its proposed rule to determine how best to address all legitimate concerns and incorporate constructive suggestions to improve and clarify its proposal. **We urge you to vote against the Wagner bill or any other legislation that is designed to stall or derail this process** which will result in greatly enhanced retirement income security for a great many Americans.

Sincerely,

William Samuel, Director
Government Affairs Department

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