

May 21, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

Re: 401(k) Disclosure Provisions in the American Jobs and Closing Tax Loopholes Act of 2010 – H.R.4213

Dear Speaker Pelosi and Minority Leader Boehner:

I write on behalf of the mutual fund industry to express our deep concern about including entirely new legislative language in section 321 of H.R. 4213 regarding disclosure in 401(k) plans. For many years, we have been strong supporters of better disclosure standards for 401(k) plans. The proposed new legislative language is an improvement over some previous iterations. Nonetheless, because the Obama Administration regulations addressing these same issues are imminent, Congressional action at this time would be both redundant and counterproductive.

The Department of Labor is nearing completion of two *final* regulations to enhance transparency in 401(k) plans. The first one, governing disclosure from service providers to 401(k) plan sponsors, has been under review at OMB since March 3. Labor has said that the second one, which will ensure 401(k) plan participants have the information they need about their plan and its fees to make informed decisions, will be sent to OMB shortly. These regulations are the result of literally years of work within the Department, with input from all sectors of the regulated community. While the Institute expects the DOL rules to entail significant compliance costs for our industry, we support them and believe ensuring that plan sponsors and participants have the information they need to make informed decisions is critically important.

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In light of imminent final regulations, legislation is not necessary. In fact, enacting 401(k) fee provisions in H.R. 4213 will simply delay implementation of disclosure reform because regulators will need to interpret the new provisions and draft proposals to implement them. This delay will do nothing to help Americans better save and invest for their future.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Schott Stevens". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Paul Schott Stevens
President and CEO
Investment Company Institute

cc: The Honorable Sander Levin, Chairman, Committee on Ways and Means
The Honorable Dave Camp, Ranking Member, Committee on Ways and Means
The Honorable George Miller, Chairman, Committee on Education and Labor
The Honorable John Kline, Ranking Member, Committee on Education and Labor