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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

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November 22, 2016

The Honorable Thomas Perez  
Secretary  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

Dear Secretary Perez:

On November 8, the American people voiced their disapproval of the regulatory overreach of the Obama administration. The incoming Administration and the 115th Congress will likely re-examine and unwind burdensome regulations imposed by the current administration. One example is the Department of Labor's fiduciary rule, which would drive up compliance costs and reduce access to investment advice for many Americans. Given the substantial likelihood that this burdensome regulation will be undone, I urge the Labor Department to cease implementation of the regulation immediately to spare low- and middle-income Americans, financial advisors, and small businesses from the unnecessary and avoidable burdens that will drive up the costs of services and decrease access.

In February 2016, I released a staff report showing that the rule will likely increase compliance costs for small-business investment advisers, increase uncertainty in the markets, and decrease the availability of investment advice for low- and middle- income Americans. The report also showed that the Labor Department disregarded concerns and recommendations from career, nonpartisan, professional staff at the Securities and Exchange Commission (SEC), regulatory experts at the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB), and Treasury Department officials. Earlier this year, majorities in both the House of Representatives and the Senate voted to disapprove of the Labor Department's rule.<sup>1</sup>

In light of the significant economic costs on investment markets and the substantial likelihood that the incoming Administration and the 115th Congress will unwind this burdensome regulation, I call on the Labor Department to cease its implementation of its fiduciary regulation. I hope the Labor Department will acknowledge the reality of the situation and avoid imposing unnecessary costs and burdens in further implementation of a regulation that will very likely be rescinded.

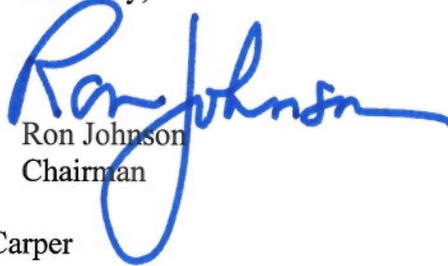
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<sup>1</sup> See H. J. Res. 88, 114th Cong. (2016).

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Thank you for your prompt attention to this important matter.

Sincerely,



Ron Johnson  
Chairman

cc: The Honorable Thomas R. Carper  
Ranking Member