EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 26, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1090 – Retail Investor Protection Act
(Rep. Wagner, R-MO, and 34 cosponsors)

The Administration strongly opposes H.R. 1090 because the bill would derail an important Department of Labor rulemaking critical to protecting Americans' hard-earned savings and preserving their retirement security.

H.R. 1090 prohibits Labor from issuing a rule to protect investors until the Securities and Exchange Commission (SEC) acts. It also impinges on the SEC's ability to move forward with its own rulemaking by requiring the SEC to take the misguided step of providing definitive findings before promulgating a rule.

Further, the bill ignores the fact that significant study has already been conducted by both agencies and that Labor has had extensive engagement with the public, industry, and numerous stakeholders in its rulemaking process. This includes more than 140 days of public comment period, four days of public hearings, and approximately 100 meetings with stakeholders after the proposal was published in April. Moreover, Labor and the SEC are already working closely to ensure the smooth operation of the proposed safeguards, and this legislation would hamper effective coordination between the two agencies.

Under existing, outdated rules, savers cannot count on receiving the unbiased advice that they need and expect. This bill would effectively block action to protect working and middle-class families from the harmful conflicts of interest that lead to biased advice. The Council of Economic Advisers estimates that these conflicts cost savers $17 billion every year.

The Administration is committed to ensuring that American workers and retirees are able to receive advice about how to invest their money in safe, secure, and transparent financial products that are free from harmful conflicts of interest. Labor's ongoing rulemaking is designed to protect the retirement savings of millions of workers and retirees by ensuring that paid advisors and other entities do not place their own financial interests over those of their customers. This legislation puts a roadblock in the way of preventing such harmful conflicts, which hurts businesses, consumers, and retirees and their families.

If the President were presented with H.R. 1090, his senior advisors would recommend that he veto the bill.

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