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343.16 07/16 February 10, 2017

U.S. House of Representatives Washington, DC 20515

Dear Representative:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to urge you to oppose the two Congressional Review Act (CRA) resolutions of disapproval blocking the U.S. Department of Labor (DOL) regulations for state and city retirement savings programs, H.J. Res 66 and H.J. Res 67.

Using the CRA to overturn these rules is an example of an arbitrary process that upsets years of work by federal agencies acting in strict adherence to the Administrative Procedures Act to promulgate important federal rules and actions. After thorough consideration that has involved the public, state and local governments, and the Congress, resolutions of disapproval should not be used for partisan purposes to scrap agency rules at the last minute and to subvert the regulatory process contrary to real needs of Americans.

We know there is a growing retirement security problem in this country. It is estimated that 55 million full-and part-time private sector workers in the U.S. lack access to retirement coverage through work. This problem has grown unabated and without adequate attention at the federal level. Finally, new DOL rules that are under attack will enhance retirement security for the millions of Americans who do not have access to pensions and have limited means to increase savings for retirement. The new rules simply allow states and cities to set up important auto-enrollment programs to enhance savings if they chose to do so. One rule encourages state auto-enrollment tax-free savings plans, or state-created tax-free saving plans for private business. The second resolution would block a rule that clarifies when county and city auto-enrollment plans will be exempt from federal retirement law. California and a number of other states have either already adopted plans or are considering adopting plans. In addition, cities such as New York, Philadelphia and Seattle are also considering similar measures.

These resolutions of disapproval would unfairly impact these new plans and the millions who want to take advantage of them. Approximately half of all workers lack access to any type of pension or employment-based retirement savings plan. The DOL regulation is narrowly tailored to authorize governments to establish plans for those employers who do not offer retirement programs. The burden imposed upon such employers is minimal. Significantly, the regulation simply clarifies that states

and local governments can create auto-enrollment programs. In the absence of the regulation, states may still offer the programs, although the legal status is uncertain. These regulations not only clarify the matter, but provide some important protections for participants.

I urge you to vote no on H.J. Res 66 and H.J. Res 67, which would harm these important state and local savings programs.

Sincerely,

Scott Frey

Director of Federal Government Affairs

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