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September 8, 2008

VIA ELECTRONIC DELIVERY

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Participant Fee Disclosure Project
Room N-5655
U.S. Department of Labor
200 Constitution Ave., NW.
Washington, D.C. 20210

Re: Participant Fee Disclosure Project

Dear Sir or Madam:

OppenheimerFunds, Inc. ("OppenheimerFunds")[1] appreciates the opportunity to comment on the Department of Labor's proposed rules regarding new disclosure requirements for participant-directed individual account plans (the "Proposed Rules").[2] OppenheimerFunds is a leading provider of retirement plan products and services, including qualified retirement plans, individual retirement accounts and retirement income planning tools and education, and offers a broad range of Oppenheimer mutual funds, and through one of our subsidiaries, separately managed accounts, as retirement plan investments to help investors seek retirement security. OppenheimerFunds is committed to the retirement plan marketplace, and among our many retirement-related initiatives, we partner with plan sponsors to provide retirement savings education, including investment-related education, to plan participants.

We support the Department's goal of enhancing and simplifying the availability and disclosure of key plan-related and investment-related information, especially fee and

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[1] OppenheimerFunds is the investment adviser to approximately 100 investment companies that comprise the Oppenheimer family of mutual funds. As of August 31, 2008, OppenheimerFunds, including its subsidiaries and controlled affiliates, managed more than $215 billion in assets, including mutual funds having more than 6 million shareholder accounts. Together with its affiliates, OppenheimerFunds also provides retirement plan services to plan sponsors and individuals.

[2] "Fiduciary Requirements for Disclosure in Participant-Directed Individual Account Plans," 29 CFR Part 2550 (July 23, 2008).

expense information. We support the goal that participants in 401(k) plans and other similar plans should receive basic information on the investments offered by the plan, regardless of the type of investment. We also recognize the Department's careful consideration of the extensive comments in response to its 2007 Request for Information regarding this disclosure initiative.

In addition, we have taken and continue to take an active role in mutual fund disclosure reform. For example, we have been supportive of the efforts by the U.S. Securities and Exchange Commission ("SEC") to implement a "summary prospectus[3]" (we participated in meetings with the Staff of the SEC to review what the contents of a summary prospectus might be to best serve investors' needs), and the SEC's "XBRL" initiative.[4] In the latter case we have been participants in the SEC's voluntary XBRL initiative[5] by filing the updated prospectus and other registration statement documents for an Oppenheimer mutual fund with the SEC using the XBRL formats developed by a voluntary industry/SEC group that we participated in with the Investment Company Institute to develop the taxonomy for XBRL filings by investment companies.

We have shown our strong commitment to the belief that a short-form, plain-English summary prospectus, that investors can readily compare to prospectuses of other funds using XBRL technology, can be a major aid in enhancing investor understanding of the principal investment policies, risks, expenses and performance information of mutual funds, particularly when coupled with the power and efficiency of electronic delivery via the internet. We also believe that the summary prospectus document will be a useful way to enhance the efforts of the SEC and FINRA to promote better distribution at point-of-sale of information about mutual funds, including mutual funds used as the underlying investments in retirement plans.

The efforts by the Department of Labor to work with the SEC in developing effective ways to educate and assist investors in obtaining important information about mutual funds used in retirement plans is laudable and offers a unique opportunity to re-examine what would be the most effective and efficient ways to deliver that information, and to assure that the delivery of essential mutual fund information (and information about all plan investments) is done in a cost-effective manner that promotes and protects the interests of plan participants as well as plan administrators, trustees and providers of investment offerings.

One of the key parts of the Department's Proposed Rules would be the development and dissemination of a comparative chart of the plan's investment options, including mutual funds, in a mandated format, to be delivered on participant eligibility to participate in a plan and annually thereafter. While the Department's Proposed Rules

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[3] "Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies," SEC Release Nos. 33-8861; IC-28064 (November 21, 2007), as modified in SEC Release Nos. 33-8949; IC-28346 (July 31, 2008) (the "SEC Summary Prospectus Proposal").

[4] "Interactive Data For Mutual Funds Risk/Return Summary," SEC Release Nos. 33-8929, 34-57942, 39-2457, IC-28298 (June 10, 2008)" (the "SEC XBRL Proposal").

[5] "Risk/Return Voluntary Program Adopting Release," SEC Release No. 8823 (July 11, 2007).

state that the proposal is "coordinated with the [Securities and Exchange] Commission's summary prospectus approach where feasible," it is not entirely clear that the Department intends that the individual summary prospectuses of mutual funds could be utilized, in lieu of a single comparative chart, to satisfy the investment-related information disclosure requirements of the Proposed Rules. We have serious concerns about the proposed content, format and ease of use of such a chart, as detailed below.

In light of the efforts by the SEC to enhance the contents and delivery of mutual fund information, the areas of concern that we have about the provisions for investment-related information disclosure in the Department's Proposed Rules, as discussed below in more detail, are summarized as follows:

- Much of the information about mutual funds that would be included in the Department's proposed disclosure document is information already contained in more complete form in the existing mutual fund prospectus Risk/Return Summary.
- There would be substantial costs and potential liability issues that could arise by having to create another disclosure document including some of that Risk/Return Summary information in a new document.
- The SEC Summary Prospectus Proposal may provide an efficient, cost-effective way to deliver that type of fund-specific information to plan participants without entailing substantial additional costs for plan administrators and mutual fund providers that would come from having to create another document.
- The operational difficulties that would be entailed in creating a single comparative document encompassing information about all plan investment offerings suggests the need for further examination of the Department's proposal.
- The disclosure document itself may be unwieldy and difficult for plan participants to use, especially in the case of plans offering many investment alternatives.

We also note that the Proposed Rules focus on the types of disclosures and information that mutual funds typically provide to investors, in prospectuses and annual reports. However, many plans do not offer only mutual funds as investment options. In fact, one of our investment advisory subsidiaries, which focuses on marketing investment options such as separately managed accounts ("SMAs") to institutional investors such as fiduciaries of large defined contribution plans has reminded us that there would be substantial additional costs for advisers offerings SMAs to provide the type of information to plan participants that would be required by the Proposed Rules. While we focus our comments on the aspects of the Proposed Rules that would affect mutual fund providers, we are also cognizant of the costs and operational burdens that the Proposed Rules will pose for providers of SMAs and other investments to plans.

Our comments in part address what we believe are the broader policy implications of creating an alternative disclosure regime for plan participants, a path that we believe is fraught with tremendous risks and costs. However, if the Department proceeds with the Proposed Rules, including the requirement for a single investment-related information disclosure document, we also offer comments below to suggest ways to improve the Proposed Rules, and to express our concerns about the approach being taken by the

Department in certain particular disclosure areas. The overarching goals of our comments are to further enhance participants' understanding of their plan investments, to avoid participant confusion, to avoid unnecessary costs, to avoid potential liability from omissions or mistakes in duplicating disclosure information, and to facilitate implementation of the final Department rules in a way that balances the need for disclosure with certain concerns of service providers such as OppenheimerFunds.

I. Disclosure of Total Annual Operating Expenses

We certainly appreciate the Department's determination that the Proposed Rules require disclosure of a designated investment alternative's total annual operating expenses, expressed as a percentage (*e.g.*, expense ratio). However, we have significant concern that this information could potentially lead to imprudent decision-making by participants who fail to understand the appropriate use of this information.

A. It is More Important for Plan Fiduciaries to Compare Expenses of Investment Offerings. Plan fiduciaries have an obligation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") prudently to select and monitor designated investment alternatives for the plans they oversee. We believe this obligation encompasses an evaluation of the costs and expenses of investment alternatives considered and selected as the "menu" of options from which plan participants can select for their individual accounts. Plan fiduciaries also need to be aware that different types of investments may have different cost structures, but that costs are only one factor fiduciaries should consider, among reputation of the investment manager, performance over past periods, and operational and servicing capabilities, among others. Fiduciaries similarly should recognize that comparisons of investment alternatives among their peers may be the appropriate way to review those factors, but that it may not be appropriate to expect different types of investment options to have comparable cost structures. For example, among mutual fund options, global and international funds typically have higher custodial fees and expenses because of the need to maintain global custodian networks to hold the fund's investment securities; the costs of researching the market risks and other factors in many international markets may increase the investment adviser's overhead personnel and research costs, resulting in relatively higher management fees for global funds than for other types of funds, such as index-based funds or money market funds. Thus, the initial comparative expense analysis should appropriately be at the plan fiduciary level, when the funds or other investments that will be available under the plan are selected.

B. Asking Plan Participants to Compare Expenses of Different Types of Funds Creates the Risk of an "Apples/Oranges" Comparison. For plan participants, once the menu of plan investments has been made by the plan fiduciaries, the value of comparing investments purely on the basis of relative cost, or expense ratio, may be less appropriate. Even in the case of a plan that uses mutual funds as plan participant choices, the plan fiduciary may compare the costs of dozens of global or international funds offered by different fund companies before selecting a limited range of global or international funds for the plan's menu. It is not typical that plans, particularly smaller

plans, will offer a wide array of multiple global or international funds, because it is not practicable, for administrative and operational reasons, to do so. In fact, it is more likely that a plan will offer a variety of funds from one or more providers, but few options or even a single fund in some asset classes, providing a variety of investment choices in principal asset categories to allow participants to diversify their plan investments. While the expense structures of these different types of mutual funds can be contrasted, the cost structures should not be expected to be comparable because of the differences in the funds' investments, investment structures, operational costs and other factors. If a participant were to select a money market fund alternative over a global fund simply on the basis of the relative expense ratios, the participant could be forgoing the opportunity for significantly greater long-term appreciation in her or his plan account. The format and content of the comparative chart in the Proposed Rules enhances that risk.

In its regulatory impact analysis in the Proposed Rules, the Department states, "The proposal's required disclosure of fees and expenses is expected to result in the payment of lower fees for many participants, assuming that participants will more consistently pick the lower cost comparable investment alternatives under their plans." Unfortunately, this statement appears to presuppose that a plan will in fact currently have "lower cost," "comparable" designated investment alternatives available to participants. As indicated above, in our experience, this is not typically the case. Indeed, a plan typically would not offer duplicate investment alternatives that are comparable in terms of asset class, investment objective, risk and return characteristics, and diversification. It is also unlikely and unreasonable to expect that that plan fiduciaries will constantly replace one investment alternative with another lower-cost alternative as frequently as this impact analysis might seem to suggest, because of the operational difficulties in doing so and the confusion to plan participants in finding that last year's "ABC Global Fund" has been replaced with the "XYZ Global Fund" this year, simply because of a difference in expense ratios.

C. Selecting Investments on the Basis of Expense Ratios Alone Creates Risk of Plan Account Underperformance. Our concern is that many participants will improperly compare the respective expense ratios of their plan's designated investment alternatives and place undue emphasis on expense ratios in their retirement investment decisions under the plan, for example, avoiding higher-expense investments, which may tend to provide beneficial investment diversification and over time provide higher returns, and instead, over-concentrating in lower-expense investments, such as money market funds, which may tend to reduce diversification and over time result in lower returns. The Department recently emphasized this concern about investment diversification in its regulations regarding Qualified Default Investment Alternatives under Section 404(c) of ERISA.

D. It is Not Clear How Expense Comparisons Will Help Reduce Plan Costs. In a footnote to the regulatory impact analysis portion of its Proposed Rules, the Department acknowledges that "[w]hile increased disclosure to plan participants is expected to reduce fees, it is not clear by how much. Some participants may not make optimal use of the disclosed information to reduce fees when making investment

decisions. Also, the disclosures in the proposed Rules are limited to [a] plan's designated investment alternatives chosen by plan fiduciaries rather than plan participants." Notably, the Department also acknowledges its hope that fee disclosure generally, including expense ratio disclosure, will spur fee transparency, plan fiduciary scrutiny of fees, and price competition in the market.

In light of the concerns we express above, we believe that the benefit of including an expense ratio – even when coupled with a statement indicating that fees and expenses are only one of several factors that participants should consider when making investment decisions, as the Proposed Rules also require – is outweighed by the substantial concern that many participants will misapply this information and as a result, place their retirement savings strategy into jeopardy. In our view, the fees and expenses of designated investment alternatives should foremost be the responsibility of a plan's fiduciaries, who are far better positioned than participants to shoulder the implications and proper use of expense ratio information. The Department's efforts in this area on the Form 5500 and Section 408(b)(2) regulations fronts should, in our view, deliver the Department's objectives, not the Proposed Rules. Accordingly, we respectfully request that the Department reconsider its approach in this area and explore elimination of this aspect of the Proposed Rules.

II. Disclosure of Portfolio Assets

Section (d)(1)(i)(B) of the Proposed Rules would require that participants be provided with a website address for purposes of obtaining additional information on each designated investment alternative under the plan, including "the assets comprising the investment's portfolio." Similarly, section (d)(4)(iv) of the Proposed Rules would require that upon request, a participant must be provided with a "list of the assets comprising the portfolio of each designated investment alternative" which constitutes "plan assets" under applicable Department regulations. The Proposed Rules do not make clear how current the holdings information must be and whether each portfolio security must be disclosed.

A. It is More Relevant to Show Types of Securities, not Each Holding. We suggest that the Department clarify that its intention is for the website to provide additional information regarding the type of assets comprising the investment's portfolio, not each of the actual underlying investments of the designated investment alternative. Indeed, existing regulations under section 404(c) of ERISA require disclosure of information relating to the "type and diversification of assets comprising" a designated investment alternative's portfolio. An example, for a domestic equity fund, might be stock investments in large-cap companies in the financial, consumer product, and industrial categories.

B. If Individual Holdings Must Be Shown, SEC Disclosure Standards Should Apply. Alternatively, if the Department does intend that the Proposed Rules require website disclosure of underlying portfolio holdings, we request that, for purposes of designated investment alternatives subject to regulation by the SEC, the Department

adopt the requirements of the SEC on an issuer's disclosure of its portfolio holdings, including those requirements related to mutual funds. The SEC already requires that mutual funds provide updated portfolio holding information in each annual and semi-annual report to shareholders. In establishing rules in this area in 2004, the SEC carefully considered the impact of this disclosure on portfolio management practices and the potential for abusive behavior by some investors. [6] Continuous updating of portfolio holdings is neither required under the federal securities law nor practical, as it would be both prohibitively expensive and could subject mutual funds to predatory investment practices by other investors, such as hedge funds and short-sellers.

Since section (d)(4)(ii) of the Proposed Rules already requires that a participant be furnished a shareholder report upon request, we request the Department clarify that section (d)(4)(iv) of the Proposed Rules can be satisfied by providing a shareholder report as described in section (d)(4)(ii) that contains such information. Otherwise, we believe the Proposed Rules could lead to the troubling practical concerns noted above.

III. Disclosure of Portfolio Turnover

Section (d)(1)(i)(B) of the Proposed Rules also would require that participants be provided with a website address for purposes of obtaining portfolio turnover information for each designated investment alternative under the plan. While we appreciate the Department's desire to provide participants with information regarding the trading costs of their investments, portfolio turnover is not a particularly useful measure of portfolio trading expenses. Further, we have significant concern that disclosure of portfolio turnover information has the potential to confuse participants and result in imprudent investment decision-making.

A. Portfolio Turnover is Not a Proxy for Trading Costs. We do not believe that the turnover rate, in and of itself, is a useful proxy for portfolio trading expenses. In addition, the result of portfolio turnover (as well as the result of portfolio trading expenses) is reflected in the investment's performance data, which we believe is far more critical information for participants to evaluate. Indeed, we believe that portfolio turnover is a relatively complicated concept when reduced to a single number, unaccompanied by an explanation of how it is calculated and a discussion of how it may affect a particular investment (for example, in the case of fixed income mutual funds that invest in securities for which brokerage commissions are not paid).

B. Portfolio Turnover Data is Likely to Confuse Participants. The amount of information that would be required to explain meaningfully portfolio turnover would invariably lead to participant confusion and undercut one of the overarching goals of the Proposed Rules, which is to provide participants with appropriate information in a manner that does not overwhelm them or incite them not to participate in their retirement plan. Further, we are concerned that some participants might base their investment

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[6] *See* Shareholder Reports and Quarterly Portfolio Disclosure of Registered Management Investment Companies, Securities and Exchange Commission Release Nos. 33-8393; 34-49333; IC-26372 (March 9, 2004), 69 Fed. Reg. 11244.

decision-making largely on turnover rates, jeopardizing their retirement savings efforts. For these reasons, we request that the Department eliminate the requirement to furnish a website address for purposes of obtaining portfolio turnover information for each designated investment alternative under the plan.

IV. Electronic Delivery and Web-based Disclosure

As the Department is aware, even in comparison to a few years ago, the vast majority of participants perform plan transactions and receive plan-related information via the internet or other means of electronic delivery, such as email. For ample research-based evidence of this, we refer to the comment letter regarding the Proposed Rules that has been filed by the Investment Company Institute (of which OppenheimerFunds is a member).

In view of this clear, ever-increasing trend, we request that the Department clarify that plan fiduciaries' may comply with the communication requirements of the Proposed Rules via the internet or other means of electronic delivery, *e.g.*, via email to a participant's home or work computer, so long as participants also retain the ability to request and receive the disclosure in paper format. In other words, we request that the Department clarify that the Department's existing, 2002 final regulations regarding use of electronic media will not preclude compliance with the Proposed Rules as described.

V. Effective Date and Concerns About Practicality and Liability

OppenheimerFunds is sensitive to the Department's effort to effectuate the Proposed Rules in an expedient manner. Nevertheless, we share the concern of many other service providers and plan fiduciaries that the proposed January 1, 2009 effective date does not provide an adequate period of time in which to prepare to assist plan fiduciaries with compliance.

A. There is a Need to Create the Infrastructure to Support the Proposed New Disclosure Regime. While many of the components of the investment-related information already are available in other legally-required investor disclosures, for many service providers and plan fiduciaries, there is not single document or delivery medium that currently provides all of the plan-related information called for under the Proposed Rules. One of our greatest concerns about the Proposed Rules is that plans that offer investment options from different investment providers and mutual fund companies will have to develop a single comparative disclosure document. Particularly in the case of smaller plans, fiduciaries are likely to look to service providers to accomplish that task. For plans that cannot afford the costs of having a plan administrator provide that service, fiduciaries undoubtedly will look to one or more service providers to develop a single disclosure document encompassing all investment options. For example, if several Oppenheimer funds are offered under a plan, along with funds and other products offered by parties unaffiliated with OppenheimerFunds, we may be asked to prepare that disclosure document. Aside from the risks that task may pose under federal and state securities laws if the general distributor of the Oppenheimer funds prepares a document

with information in it provided by funds for which our distributor is not the underwriter, the difficulty in assembling that information from different sources and circulating it for review and comment will be daunting.

That task may require that substantial computer programming by service providers such as OppenheimerFunds be undertaken, along with significant coordination between us and our own service provider partners, and perhaps other investment organizations. For example, each of OppenheimerFunds's group 401(k) retirement plan products (Pinnacle, Record(k)eeper Pro and Custom Plus) utilizes a third-party plan recordkeeper. These recordkeepers, not OppenheimerFunds, generally are responsible for the various plan administrative services for which the Proposed Rules would require quarterly disclosure of the expenses charged to an individual participant (for example, plan loan processing fees and third-party managed account fees). The anticipated required coordination between these recordkeepers and OppenheimerFunds will not only be expensive, but also time-intensive. Internal systems must also be built to generate the specialized "comparative" investment-related disclosure required by the Proposed Rules.

B. Status of the Required Disclosure under Federal Securities Laws. One of the concerns we have with the approach taken under the Proposed Rules is that the single disclosure document may be deemed to constitute an "offer" of securities to plan participants, and the information called for in the document does not constitute all of the information found in a mutual fund prospectus. We are concerned that an entity preparing and disseminating that document might be deemed to be an underwriter or dealer in the securities covered in the disclosure document, and that the document itself would not meet the requirements for a prospectus under the Securities Act of 1933, as amended, or the Investment Company Act of 1940, as amended, in the case of references in the document to mutual funds, and therefore might be found to omit material information. It is not clear under the Proposed Rules whether additional information could be added to the document to disclaim that it is an offer of a security.

At the very least we strongly urge the Department to allow the document to contain a prominent statement that neither the fiduciary or preparer of the document is acting as an underwriter or offeror as to any securities referenced in the document, and that for more information about each mutual fund referenced in the document, including charges, expenses and risks, the participant should refer to the prospectus of the relevant fund (with an explanation of from whom and how the prospectus may be obtained, including a web-site reference and/or mail address). We also believe that the Proposed Rules should make it clear that to the extent the document refers to specific securities, a preparer that is a broker-dealer may deem the document to be an advertisement under federal securities laws and the regulations of FINRA and file it with FINRA pursuant to those rules.

C. Updating of Information. Another concern we have about the Proposed Rules is their silence as to the requirement for the currency and updating of the information to be included about specific mutual fund performance, portfolio turnover and expenses. It is not clear, for example, how often the information about expenses and performance

must be updated: the Proposed Rules refer, in the case of performance information, to the 1-, 5- and 10- year average annual total returns "measured as of the end of the applicable calendar year." It is not clear what the "applicable" calendar year is but we assume (and it would be helpful if the rules clarified) that it is the most recently completed calendar year prior to the preparation of the disclosure document. Mutual funds that advertise their total return performance information are required under applicable rules of the SEC and FINRA to use in advertisements only performance information that is current as of the most recently-completed calendar quarter end. Because the Proposed Rules contemplate that participants will receive the information disclosure document upon plan eligibility (which can happen at any time during a calendar year, depending on the specific plan requirements), as well as annually, it is possible that a participant who becomes eligible to participate under a plan in November might receive a disclosure document with performance information that is 11 months old. While the proposed rules state that the document must contain a statement that more current investment-related information as to fees and performance may be available at a listed web-site, to the extent that the preparer of the document is a broker-dealer, we do not believe that reference would be sufficient to avoid potential liability under SEC and FINRA rules unless the performance information were updated quarterly, which would entail extraordinary expense.

The Proposed Rules are also silent as to the date of the portfolio turnover data and expense information to be provided in the disclosure document. Mutual funds typically provide that expense ratio and turnover information in their audited annual and (unaudited) semi-annual reports to shareholders, based upon the fund's fiscal year. Different funds offered as investment options under plans may have different fiscal year ends. For example, in the Oppenheimer funds complex, for operational reasons we have designated virtually every month end as a fiscal year end for some of our funds. Therefore, in the proposed disclosure document under the Proposed Rules, we assume that the expense ratio and portfolio holding information to be provided would be as of the relevant fund's most recent fiscal year end prior to the preparation of the disclosure document. We believe that any final rule should make that clear, if the Department pursues the use of this disclosure document format. We also note that as a result, the document may depict expense and portfolio data for different periods for different funds, which may skew the value of the comparison, since expenses and portfolio turnover may vary for a particular fund over different fiscal periods for a variety of reasons. It would be very costly to require the document to be updated after the fiscal year end of each fund offered under the plan to mitigate concerns about comparability of data over differing time periods.

D. The Proposed Format Will be Unwieldy for Plans Offering Many Investment Options and Omits Key Explanations. We also have great concerns about the ability of plan providers and fiduciaries to combine the information required under the Proposed Rules in a single document "in a chart or similar format that is designed to facilitate a comparison of such information for each designated investment alternative available under the plan." For plans that offer many investment alternatives (it is not unusual for plans to offer 20 or more choices, for example), the example of a comparative chart attached to the Proposed Rules shows how readily the chart could become large and

unwieldy, requiring the plan participant to wade through the information in a document that will be difficult to use and may require participants to have the same dexterity required for reading and folding a road map.

Additionally, the proposed chart sacrifices clarity and fairness for simplicity. The sample chart in the Proposed Rules does not offer any explanations of the performance information and how total returns are calculated, nor any information about the comparative indices and what expenses and other factors are included in their performance information so that the plan participant can make a fair comparison. There is no explanation of the terms "passive" or "active" and typical plan participants are likely to be at sea as to what is being conveyed by that information. There is no explanation of what the terms "fixed return" or "term" refer to. The chart purporting to show shareholder fees does not take account of the manner in which sales loads may be levied on plan accounts, how breakpoints may apply to reduce sales charges, how contingent deferred sales charges may apply, and so forth. We believe that the chart as shown is simply not a realistic depiction of the type of information on those points that typically would be provided to investors and gives a false sense that such information can readily be depicted in a single chart in a manner that is fair and not confusing.

What is clear to us from this examination is that a preferable approach would be to require a disclosure document to identify the investments available under the plan, provide basic information about the nature of the investment, its investment policies, strategies and principal risks, the types of securities the vehicle invests in the identity of the investment manager, and a reference to where, on a web site or by mail more information can be provided about the investment, including charges, expenses and current performance information.

E. The Implementation of the Proposed Rules Puts Stress on Compliance with Other Department Requirements. Further, we wish to respectfully remind the Department that the retirement service provider industry already is facing the commitment of human and operational resources to the upcoming regulatory compliance requirements resulting from the Department's final Form 5500 rules and forthcoming final rules under Section 408(b)(2) of ERISA. These two compliance initiatives alone will require in the coming months a tremendous amount of time and resources in order for our firm and others to comply. At this late date, we are not well-positioned to add yet another substantial set of tasks to ensure compliance with the Proposed Rules in four months.

Accordingly, we request that the Department extend the effective date of the finalized Proposed Rules to no earlier than January 1, 2010. While this may seem a substantial extension, we think that the planning and effort necessitated by the Proposed Rules counsels the need for a meaningful period of time realistically to enable compliance, particularly given the demands of the other recent initiatives of the Department. Surely the Department wishes for the retirement services industry to successfully assist plan fiduciaries with their compliance with these important rules to

ensure participants receive accurate, meaningful disclosure regarding their retirement savings alternatives.

F. There are Alternative Media Available to Provide the Data to Participants. Our concerns underscore the need for closer coordination between the Department and the SEC to consider the use of the proposed summary mutual fund prospectus as the document that could provide the types of participant disclosures the Department has set forth in the Proposed Rules. While it is true that there would not be a single comparative document containing all of the required information for plans if this course is followed, the use of XBRL technology would make it relatively easy for participants to compare the type of information included in the Proposed Rules about each of the mutual funds offered under their plan. The participants could choose which funds to compare. Additionally, plan fiduciaries and service providers would not have to undertake the additional costs of producing a separate document containing information already found in the mutual fund summary prospectus. Moreover, with such prospectuses available on web-sites accessible to plan participants, the need for a paper document containing duplicative comparative data would be obviated. Perhaps in lieu of the comparative information document, plans could provide participants with a list of available options and the appropriate web-site and mail box addresses from which to obtain the information the plan participant chooses to review.

Fund distributors typically offer "fact sheets" that are updated quarterly with performance information, top holdings and other information of the type covered in the Proposed Rules. It would be more cost efficient to allow plan fiduciaries to use that type of document to satisfy the proposed disclosure requirements if the fact sheet includes all of the necessary information. While this will require plan participants to refer to several pieces of paper (or to look at separate documents on a web site, since these fact sheets are typically available in that format as well), the risk of trying to cram too much data into a single comparative sheet that fails to provide enough explanatory content about each of those categories of data is, in our view, a far riskier proposition because too much important information simply cannot be provided in a single comparative chart covering all plan investment alternatives.

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OppenheimerFunds appreciates the opportunity to comment on the Proposed Rules and appreciates the Department's efforts to improve the disclosure of important plan-related and investment-related information to retirement plan participants. However, we believe that the better course would be to await the progress of the SEC's Summary Prospectus Proposal and XBRL Proposal to allow the utilization, in the case of mutual

funds offered as plan investments, of these more efficient delivery mechanisms to satisfy the informational needs of plan participants.

Sincerely,

Robert G. Zack
Executive Vice President and
General Counsel

cc: John V. Murphy
Chairman and CEO, OppenheimerFunds, Inc.