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May 16, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: Release Nos. IA-2711; 34-57419; File No. S7-10-00;
Proposed Amendments to Form ADV (the "**Proposal**")

Dear Ms. Morris:

T. Rowe Price Associates, Inc. and its affiliated registered investment advisers (collectively, "**T. Rowe Price**")¹ appreciate the opportunity to provide comments to the Securities and Exchange Commission (the "**Commission**") regarding the above referenced Proposal and related rules under the Investment Advisers Act of 1940 (the "**Act**"). T. Rowe Price previously provided comments to the earlier proposal in 2000 regarding amendments to Form ADV and appreciates the Commission's acceptance of certain of those comments.

T. Rowe Price fully supports amendments that require a user-friendly narrative brochure written in plain English and including enhanced disclosure material to a client's selection and retention of an investment adviser. We also support the Commission's efforts to reduce unnecessary and duplicative disclosure. We believe the Brochure should include clear and concise relevant information, rather than a plethora of information with questionable value, to assist in a client's decision to hire or retain an adviser.

¹ T. Rowe Price is comprised of six federally registered investment advisers with \$400 billion in assets under management as of 12/31/2007. It provides investment advice to institutional clients, registered investment companies, and a limited number of retail clients.

Our comments and concerns regarding certain provisions of the Proposal are summarized below for the Commission's consideration (and correspond to Appendix A of the Proposal in the order presented):

Instructions For Part 2A of Form ADV. Preparing Your Firm Brochure. We agree with the Commission that mandated annual delivery of the Brochure will ensure all clients receive current information. In addition, we believe the elimination of the requirement to deliver the Brochure at least 48 hours prior to execution of a contract (or to provide additional rescission rights within five business days of the contract and refund of any pre-paid fees) is appropriate.

Form 2A of Form ADV: Firm Brochure

Item 1. Cover Page. C. If an adviser refers to itself as a registered investment adviser, or refers to its registration status in the Brochure, disclosure must be provided to the effect that such status or term does not imply a certain level of skill or training. We urge clarification in the final rule to the effect that such disclosure would not be required in client agreements or in any other communications provided to clients or prospective clients (including proposals, client questionnaires or certification statements) regarding an adviser's registration under the Act. We are aware of the Commission's position regarding advisers' use of the designation "RIA" which could imply a credential or certain level of expertise without such disclosure. However, many clients require certification of an adviser's registration status on an ongoing basis. We believe including this disclosure in the Brochure should suffice.

Item 2. Material Changes. Advisers must provide a summary of material changes from the last annual Brochure. This summary may be included in the Brochure or provided in a separate communication. Advisers are not required to send the summary to any clients who did not receive the prior annual version of the Brochure.

We concur with the Commission's desire to facilitate clients' awareness of material changes to the Brochure since the last annual updated version. As the Commission noted, new clients may not have received the prior annual Brochure. In addition, clients may require delivery of all updates to Form ADV, Part II (regardless of materiality) and would, presumably, request all updates to the Brochure. Therefore, the summary should only be required in (or to be accompanied with) each annual updated version of the Brochure. The summary could include additional disclosure to the effect that some clients may not have received the prior annual Brochure, or may have received interim amended Brochures, and therefore certain clients may have already received some or all of the changes described in the summary.

We suggest the Commission define material changes in order to limit the disclosure required in the summary to only those changes that would have a material impact on a client's decision to hire or retain an adviser.

Item 4. Advisory Business.

E. Note. Adviser may calculate client assets under management (“AUM”) differently from calculations used for disclosure of AUM in Part I of Form ADV. We believe if calculations differ, advisers should be required to explain how and why AUM figures in the Brochure differ from what is reported to the Commission in Part I.

In addition, the Note to Item 4 appears to require an update of AUM in the event such figures are more than three months old at the time of any interim update to the Brochure. However, the Instructions for Part 2A of Form ADV provide that advisers must update AUM if the figures are materially inaccurate at the time of any subsequent interim update. We believe a materiality standard rather than a strict threshold of three months addresses client disclosure concerns, and request the Commission delete the three month threshold.

Item 8. Method of Analysis, Investment Strategies and Risk of Loss.

A. We suggest that trading risks be referenced in this section of the Brochure but described fully in Section 12. “Brokerage Practices”. In addition, we believe the Commission should attempt to more clearly define “frequent trading of securities” but with the understanding that trading level varies significantly by strategy and by client type.

D. This section requires a discussion of cash balances practices in client accounts. We do not believe this disclosure provides any significant information or benefit to clients. Any restrictions regarding cash balance limits and any exceptions to such restrictions (e.g. client directed cash flow) are generally addressed in the account’s investment guidelines and negotiated by each client prior to contracting with an adviser.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

B. We fully support the Commission’s efforts to provide full and clear disclosure to clients regarding conflicts of interest. However, we suggest that a brief description of an adviser’s policies and procedures designed to prevent actual material conflicts of interest along with the requisite offer to provide a copy of the adviser’s Code of Ethics describing such policies and procedures adequately addresses concerns. We do not think additional disclosure regarding how an adviser discloses conflicts to clients is of value to clients and appears superfluous as conflicts will be disclosed in the Brochure.

Item 12. Brokerage Practices.

A.1. Research and Other Soft Dollar Benefits.

Subsection b. requires disclosure regarding an adviser's incentive to select a broker based on the adviser's interest in receiving research (or other products or services), rather than on the adviser's clients' interest in receiving best execution. We assert that the duty to seek best execution is the foremost decision in selecting brokerage providers on a transaction by transaction basis. While the policies regarding the receipt of research and other services from brokers selected by an adviser should be disclosed, such consideration of research and other services does not necessarily conflict with an adviser's fiduciary duties to seek best execution. The receipt of research and the payment of higher commissions that might otherwise be charged by another broker should not create a presumption that the adviser did not seek or achieve best execution on any given trade. Therefore, we request that the instructions for this item be revised to require disclosure as to whether an adviser receives research from brokers utilized for client accounts and the adviser's policies regarding the selection of brokers consistent with its fiduciary duties.

Subsection d. requires disclosure as to whether soft dollar benefits service all of the adviser's clients or only those that paid for the benefits. Section 28(e) of the Securities and Exchange Act of 1934 does not require that research or other services provided by brokers provide direct benefit to clients paying commissions to such brokers. Therefore, research may not benefit all clients or even all clients using the broker providing services. We suggest that appropriate disclosure should advise clients that research procured through trading for a client's account may not always be used with regard to management of that particular client's account. Conversely, research received from brokers utilized for other clients' accounts may be of benefit.

B. This section requires advisers to discuss whether and under what conditions they aggregate client trades in quantities sufficient to obtain reduced transaction costs. If advisers do not aggregate when opportunities exist, they must disclose to clients the costs of not aggregating order flow.

We understand that such disclosure would include an explanation that the adviser may not be able to negotiate lower commission costs or spreads for separately placed trades. However, advisers cannot guarantee aggregation always results in price savings and any required disclosure should not imply any guarantees or firm conclusions regarding bunching practices. Accordingly, the ability of an adviser to quantify these costs is extremely limited, speculative, and likely to be hypothetical in nature. In addition, we believe a discussion of bunching should include information regarding price allocation for bunched trade orders spread out over a period of days to minimize market impact.

The Commission has requested comment on whether or not the Brochure should include disclosure regarding whether and under what conditions advisers break up trades to avoid

market impact. We do not believe that further specific information regarding adviser's decisions in this regard should be required.

Item 17. Voting Client Securities. We believe disclosure regarding the use of a third party proxy voting administrator and a description of the policies and procedures which are followed by the administrator at the instruction of the adviser should suffice. Rule 206(4)-6 already provides for delivery of information regarding an adviser's proxy voting policies to any client for whom the adviser is authorized to vote proxies. Such information must include advice regarding how to obtain a copy of the policies and procedures as well as account voting information. We do not see the value in requiring disclosure of any hard dollar payments by the adviser for such proxy voting services, and information regarding soft dollar services provided to advisers by brokers is already required in Item 12 of the Brochure.

We support the Commission's proposal to require disclosure regarding a clients' ability to direct specific votes and suggest any limitations on this ability (including timely receipt of such instruction by the adviser) should also be disclosed. In addition, we suggest advisers should disclose whether clients can provide their own proxy voting policies and procedures to the adviser for the agent to follow (e.g. customized proxy voting services.)

Instructions for Part 2B of Form ADV- Preparing a Brochure Supplement

2. We commend the Commission for not requiring subsequent deliveries of the Brochure Supplement absent material changes. We believe that an exception from the delivery requirement using the four stated classifications is appropriate, including "qualified clients" as defined under Rule 205-3(d)(1)(iii) of the Act. However, we urge the Commission to expand the delivery exception to include clients who meet any portion of the definition of "qualified clients" under the Act, not just subsection (iii) regarding affiliated persons. All such clients are exempt from the Act's prohibition against performance based fees and should, therefore, not be deemed to require the protection or additional information provided by mandatory delivery of the Supplement.

Electronic Delivery Instructions

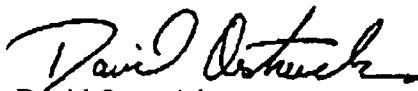
We believe that the Commission should provide additional information with the electronic delivery instructions in Part 2 to assist advisers in achieving the economic, efficiency, and environmental benefits of electronic delivery options. The requirement to deliver a paper copy of the filing seems especially duplicative in light of the fact that this filing will be available contemporaneously and at all times via the WEBIARD website.

We request that the Commission should confirm that advisers can obtain consent to delivery electronically and that advisers can deliver brochures or brochure supplements electronically in PDF format or with a link to the document. In addition, the Commission should clarify that negative consent or consent implied through course of business would be acceptable forms of consent.

Implementation Plan. The Commission has proposed that existing registered advisers have at least six months following the final rule to prepare the Brochure and Supplement and comply with delivery requirements. The Commission has asked if this time frame would be adequate. We believe a six month period may be adequate for certain firms but request additional time for implementation given the requirements for firms with multiple adviser entities and multiple investment services offered by each entity. Due to the significance of this proposal and related client disclosure as well as the scope of the changes to be implemented, we respectfully suggest that twelve months is more appropriate.

In conclusion, we commend the Commission for issuing the Proposal in the interests of improved client disclosure. We are confident the amended rules and disclosure documents, with appropriate revisions such as suggested in this letter, will enhance the content of information provided to prospective as well as existing clients. We would be glad to further discuss the above comments and any other provisions of the Proposal with the Commission and to assist the Commission in any other manner requested. Please do not hesitate to contact us if we can be of any assistance.

Sincerely,



David Oestreicher
Chief Legal Counsel



Christopher P. Hayes
Associate Legal Counsel

cc: The Honorable Christopher Cox, Chairman
The Honorable Paul S. Atkins
The Honorable Kathleen L. Casey

Mr. Andrew J. Donohue, Director, Division of Investment Management
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