

United States Senate

WASHINGTON, DC 20510

June 1, 2026

The Honorable Keith Sonderling
Acting Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Re: Fiduciary Duties in Selecting Designated Investment Alternatives (RIN 1210-AC38)

Dear Acting Secretary Sonderling:

We write in support of the Department of Labor’s proposed rule, “Fiduciary Duties in Selecting Designated Investment Alternatives,” published on March 30, 2026. This proposal marks an important step toward improving retirement outcomes for American workers by expanding functional access to diversified alternative asset investment options and advancing President Trump’s August 7, 2025, Executive Order directing the Department to modernize the retirement system and broaden investment choice. We appreciate the Administration’s leadership on this issue and your work to implement it.

For decades, defined-benefit pension plans and other sophisticated investors have allocated to alternative assets to enhance risk adjusted returns, improve diversification, and strengthen long term portfolio resilience. However, nearly 90 million Americans saving for retirement through defined contribution plans, such as 401(k)s, have largely been excluded from these opportunities. The proposed rule would help close this gap by providing fiduciaries with clearer guidance on the prudent selection of diversified investment options.

Expanding access to a broader set of investment strategies has the potential to materially improve long term retirement outcomes for American workers. A growing body of research finds that alternative assets can enhance risk adjusted returns, net of fees, over the long investment horizons that are typical for retirement savers. For example, research from the Georgetown University Center for Retirement Initiatives estimates that incorporating alternative assets into defined contribution portfolios could improve retirement outcomes by approximately 7–8 percent, and additional studies similarly demonstrate that broader diversification across asset classes can reduce portfolio volatility and downside risk.

The proposed rule would also address the significant litigation risk that has discouraged fiduciaries from offering professionally managed investment options that include alternative assets. For years, plan fiduciaries have faced costly litigation challenging prudent investment decisions, creating a strong disincentive to offer innovative or diversified products even where doing so could benefit plan participants. The rule’s safe harbor would help reduce this risk while preserving important protections for workers and ensuring that plan sponsors remain focused on acting in the best interests of beneficiaries. Lastly, in addition to finalizing the proposed rule, we encourage the Department to consider other ways to compliment the goals of President Trump’s Executive Order to improve retirement outcomes for American workers, including by modernizing Prohibited Transaction Exemption (PTE) 77-4.

We appreciate the Department's leadership and support efforts to finalize a responsible rule that expands investment choice, improves diversification, and strengthens the retirement security of American workers.

Sincerely,



Steve Daines
United States Senator



Tommy Tuberville
United States Senator




Marsha Blackburn
United States Senator



Tim Sheehy
United States Senator



Eric Schmitt
United States Senator



Rand Paul, M.D.
United States Senator



Mike Crapo
United States Senator




Katie Boyd Britt
United States Senator



Shelley Moore Capito
United States Senator




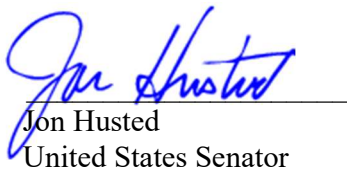
Mitch McConnell
United States Senator

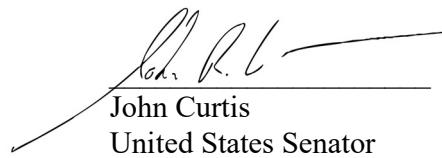

Bill Hagerty
United States Senator

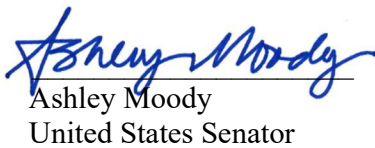

Jim Banks
United States Senator

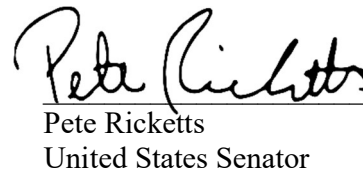

Tom Cotton
United States Senator


Tim Scott
United States Senator


Jon Husted
United States Senator

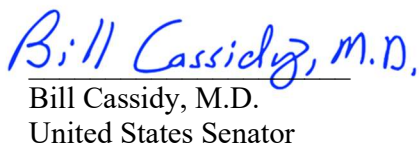

John Curtis
United States Senator

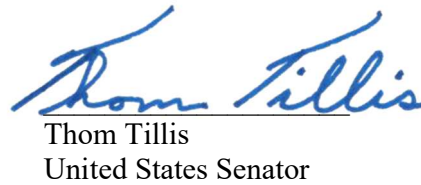

Ashley Moody
United States Senator

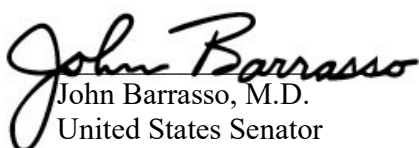

Pete Ricketts
United States Senator

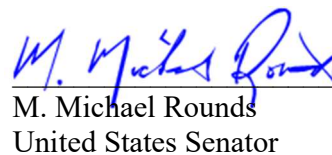

Todd Young
United States Senator


Bernie Moreno
United States Senator



Bill Cassidy, M.D.
United States Senator



Thom Tillis
United States Senator



John Barrasso, M.D.
United States Senator



M. Michael Rounds
United States Senator


Ron Johnson
United States Senator


Cynthia M. Lummis
United States Senator

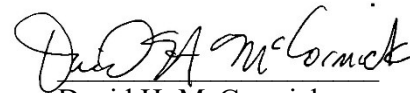

James E. Risch
United States Senator


Kevin Cramer
United States Senator


John Cornyn
United States Senator


Lindsey O. Graham
United States Senator


Deb Fischer
United States Senator


David H. McCormick
United States Senator