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## NEXT LABOR SECRETARY FACES LONG TO-DO LIST

*Issues on the agenda include the fate of the fiduciary rule, review of overtime regulations and department's enforcement priorities*

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The next labor secretary faces a growing to-do list.

The position is among the last unfilled cabinet posts in President Donald Trump's administration. That has put on hold several politically sensitive tasks while career civil servant Ed Hugler has served as acting secretary since January. A confirmation hearing for Mr. Trump's second nominee, Alexander Acosta, is set for Wednesday. Here's what likely tops the next secretary's agenda.

### **Fiduciary Rule**

The next labor secretary will swiftly need to consider the fate of an Obama-era regulation designed to protect retirement savers from conflicted advice that can crop up with commission-based compensation. The fiduciary rule, which was set to take effect April 10, would require brokers and advisers who work with tax-advantaged retirement savings to act in clients' best interest; current rules require advice merely to be "suitable."

Shortly after taking office, President Donald Trump ordered the Labor Department to review the rule's economic impact and revise or rescind it if it isn't consistent with the administration's regulatory principles. White House National Economic Council Director Gary Cohn last month said, "It is a bad rule for consumers."

Proponents of the rule say conflicted advice costs savers \$17 billion a year and drags down returns by a percentage point. Opponents say that those figures are inflated and that the rule would be costly to implement and could cut off smaller savers from professional advice.

### **Overtime Regulations**

One of President Barack Obama's signature efforts to raise workers' pay was rewriting regulations that were expected to make more than four million additional workers eligible for overtime pay. But late last year, a federal judge stopped the new rules from going into place on Dec. 1.

Nearly two dozen states and a coalition of business groups filed lawsuits alleging the government had overstepped its authority. The delay caused by the lawsuit opens the door for the next labor secretary to reconsider the rule, which raised the threshold salary under which most workers are required to receive time-and-half pay for working extra hours to \$47,476 from \$23,660. The rule could be rewritten to lower that threshold and remove a requirement to automatically increase the level every three years.

## **Job Training**

The president's budget proposal cut funding for job-training programs called "ineffective, duplicative, and peripheral." It will be up to the next secretary to determine which programs can be trimmed and which are effective at getting displaced workers back on the job.

The proposed cuts come at a time when some economists, including Federal Reserve Chairwoman Janet Yellen, have said more investments should be made in training Americans who have been unemployed for months or years, or have left the labor force after their skills eroded. If federal programs are cut back, the training burden could fall to state and local governments, and private employers. Among those programs targeted for cuts are employment service formula grants and a program intended to prepare low-income seniors for jobs.

## **Economic Data**

Mr. Trump, before becoming president, was at times highly critical of the economic data produced by the Bureau of Labor Statistics, including the unemployment rate. The next secretary and the president are in position to make changes to that division.

The role of BLS commissioner, a four-year appointment, became vacant in January. So unlike Mr. Obama, Mr. Trump doesn't need to wait years to name his own candidate. The secretary and president likely can't change how the figures are calculated, but they could choose to report them differently – such as highlighting already calculated alternative measures of unemployment – and adjust funding priorities within the bureau.

## **Enforcement Priorities**

Enforcement divisions within the department, including the Occupational Safety and Health Administration, the Wage and Hour Division, and the Mine Safety and Health Administration, became more aggressive at enforcing regulations during the prior administration.

For example, the Wage and Hour Division opened an average of 1,000 new enforcement cases during Mr. Obama's tenure, the most vigorous pace of any administration since President Jimmy Carter. That same division also targeted specific industries, including fast-food chains, for more scrutiny, rather than only relying on worker complaints to determine which cases could be brought. Mr. Trump has pledged to reduce the regulatory burden, which could include less rigorous enforcement. The next secretary will need to set priorities within those divisions that interact with businesses every day.