Dear Commissioners:

Please accept these comments relating to File No.: S7-18-08.

- The SEC should consider what the differences are between forms S-1 and S-3. There appear to be few differences if any between the two forms. They both allow incorporation by reference to Exchange Act; the major difference is that S-3 permits future incorporation by reference.

- Forms S-1 and S-3 should be revised to provide layered disclosure (as was done with the mutual fund summary prospectus). These registration forms need to do a better job of explaining the security and how it operates in plain English. The description of the financial condition of the companies should really be left to the Exchange Act reports.

- This proposal seeks to replace the credit rating requirement with a $1 billion threshold. The release does not state why a $1 billion threshold is more appropriate. The SEC established a credit rating requirement for a reason. The SEC must have believed that an offering with higher credit ratings deserve form S-3, while those with lower credit rating should be relegated to Form S-1. The proposal does not explain this reasoning or why a $1 billion threshold would be a good proxy for a credit rating. For instance, should a company that meets the $1 billion threshold but is rated "junk" be allowed to use Form S-3? The release is silent about any policy reasons for this eligibility.

- Form S-1 and S-3 filers make the same information publicly available, the only question is what public document contains this information, so why have two different forms? Further, the SEC should standardize where information is located. Finding information about an issuer should not be a scavenger hunt.

- The proposal states that firms that meet the $1 billion are more widely followed by the press and therefore should be eligible to file on Form S-3. Since when does being widely followed means more or better information is available. Lehman Brother, Bear Stearns, WorldCom and Enron all would have met the $1 billion threshold and were subject to media attention, but that did not prevent massive frauds and/or failures.

- The SEC should get rid of an issuer's ability to file on form S-3ASR. This form type permits issuers to register new and novel products without the benefit of a staff review. Such a mechanism to side-step a staff review should not be permitted.

- The Paperwork Reduction Act figures for the various forms are also way off. There are far more S-1, S-3, F-1, and F-3 filings than described in the Paperwork Reduction Act section of the release.

Sincerely,

John Wahh Chang