**Re: S7-18-08**

Dear Commissioners:

Please accept this comment letter on the recent Securities Ratings proposal. I have one general comment on the rule proposals and some more general comments regarding the use of Forms S-1 and S-3.

The release does not explain why a $1 billion threshold is a reasonable substitute for a issuer having a solid credit rating. It seems clear from the past that the size of a firm is not necessarily correlated to the strength of a firm and the amount of media attention a large firm gets does not mean that the firms financial statements are more reliable. (*e.g.*, Worldcom, Quest, Enron, AIG, Lehman Brothers, Bear Stearns, etc.) So, please do a better job of explaining the basis of the $1 billion threshold.

More General Comments:

1. Forms S-1 and S-3 make the same information about an issuer and offering available on the EDGAR system. The forms themselves are nearly identical, but for certain differences regarding information having to do with the incorporation of Exchange Act reports. I suggest rolling both forms into a single Form S-3-like form.
2. I believe that a rule akin to rule 485 under the Securities Act should be adopted with respect to the filing of Forms S-1 and S-3. If a registrant wants to update financial information, or register more shares, when there are no additional material changes being made, they should be allowed to have such filing go effective automatically. Otherwise, the filings should be subject to an SEC review (including S-3ASR filings which a WIKSI can use to register anything he wants without the benefit of an SEC review). Note: This will also create a lesser burden on SEC staff during a period of budget tightening.

Sincerely,

Luke Daisies