

Thank you for the opportunity to comment on the development of a plan for retrospective review of existing significant regulations.

Although new rules continue to be implemented, many of the Commission's existing rules have been in place for many, many years, and are not as pertinent to the current environment as they could be if they were carefully updated. Therefore, the plan for retrospective review of existing significant regulations should be comprehensive. Suggested elements of this review are further elaborated below in question and answer format.

1. What factors should the Commission consider in selecting and prioritizing rules for review?

It would be easy to answer that those rules that are in place to cover "high risk" areas should be reviewed first. However, that would fail to address the fact that many rules are on the books now that have been in place for many years, and are now not as pertinent to the current environment as they could be if they were carefully updated. A comprehensive review of all rules should be undertaken. A fairly quick, high-level review of each rule can be made in order to determine whether a more in-depth review is needed.

2. How often should the Commission review existing rules?

There should be an on-going group/task force that reviews existing rules. Once all of the rules have been reviewed pursuant to the new plan that is being contemplated here, a review of every rule once every three years would be a reasonable target. This would keep the rules from becoming outmoded.

3. Should different rules be reviewed at different intervals? If so, which categories of rules should be reviewed more or less frequently, and on what basis?

It would be easy to answer that those rules that are in place to cover "high risk" areas should be reviewed the most frequently. However, all rules, in all areas, can and do become outmoded. A task force should be charged with the review of all rules on a periodic basis. A fairly quick, high-level review of each rule can be made in order to determine whether a more in-depth review is needed. Sub-groups of the task force with expertise in each applicable area could then take on the more in-depth reviews of those rules that need to be updated.

4. To what extent does relevant data exist that the Commission should consider in selecting and prioritizing rules for review and in reviewing rules, and how should the Commission assess such data in these processes? To what extent should these processes include reviewing financial economic literature or conducting empirical studies? How can our review processes obtain and consider data and analyses that address the benefits of our rules in preventing fraud or other harms to our financial markets and in otherwise protecting investors?

For the majority of rules, relevant data does exist that the Commission should consider in selecting and prioritizing rules for review. In-house compliance departments conduct reviews that highlight the strengths, weaknesses, and continued applicability of various rules. Speaking generally, extensive studies and the taking on of new research should be approached cautiously. Many rules are already outdated, and over-researching the issues could stall the badly-needed review and updates of rules. The financial services industry can be called upon to participate and provide data. The combined experience of industry and Commission professionals will provide the wealth of knowledge needed to review the rules and recommend improvements.

5. What can the Commission do to modify, streamline, or expand its regulatory review processes?

An on-going task force that reviews existing rules should be a permanent resource. Once the large project of reviewing current rules is completed, the task force would review rules on a regular, periodic basis, which would prevent having rules on the books that are significantly outdated and no longer pertinent.

6. How should the Commission improve public outreach and increase public participation in the rulemaking process?

The industry should welcome the ability to be part of the rulemaking process. Working hand-in-hand with the SEC, industry professionals can help to achieve a regulatory environment that protects investor, is enforceable, and that works in the real world.

7. Is there any other information that the Commission should consider in developing and implementing a preliminary plan for retrospective review of regulations?

Call on the industry to participate in developing a preliminary plan. In-house CCOs, consultants and regulatory compliance attorneys should welcome the chance to work with the Commission on this project.

Thank you for the opportunity to comment on this very important initiative.

Respectfully submitted,

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