October 5, 2011

<u>Via Email</u>
Ms. Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Retrospective Review of Existing Regulations, File S7-36-11

Dear Ms. Murphy:

The American Federation of State, County and Municipal Employees (AFSCME) appreciates the opportunity to submit comments to the Securities and Exchange Commission (SEC) on the retrospective review of existing regulations, following the President's Executive Order 13579 of January 18, 2011. AFSCME is the largest union in the AFL-CIO, representing 1.6 million state and local government workers. AFSCME firmly believes that effective rules and regulations are critical for oversight and transparency of the financial markets. To that end, we strongly supported the enactment of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

As a general matter, we consider the development of a new plan for retrospective review of existing regulations to be an unnecessary solution in search of a problem, as we strongly believe the Commission's processes to date for review of existing rules have been diligent and appropriate. If there is any new plan for review of existing rules, we urge the Commission to create a process that is deliberate, transparent and open to comment from all relevant stakeholders.

As the Commission's request for comment notes, Executive Order 13579 states that an agency's plan should reflect "its resources and regulatory priorities and processes." We believe that many of the Commission's resources and regulatory priorities are currently focused on the rulemakings necessary to implement Dodd-Frank. According to a September Davis Polk report, of 98 rules to be implemented by the Commission under Dodd-Frank, only 16 have been finalized to date and 52 rulemaking deadlines have been missed. The Commission should continue to focus its resources on Dodd-Frank rulemaking. Any plan to review existing regulations should be secondary to the current need to meet these rulemaking mandates.

We also urge a cautious approach given the Commission's resources in light of funding that is not being increased for 2012 even as the Commission's responsibilities have expanded as a result of Dodd-Frank. As Chairman Schapiro testified before the House on September 15, the Dodd-Frank Act significantly expanded the Commission's mission to include new duties with respect to regulation of over-the-counter derivatives and advisers to hedge funds, expanded oversight of credit rating agencies, greater disclosure regarding asset-backed securities, and strengthened corporate governance.

Finally, we recommend that any retrospective review of existing regulations using cost-benefit analysis take into account qualitative factors in addition to quantifiable measures. An overemphasis on only quantifiable measures could lead to unintended consequences and the dismantling of rules that have served to protect investors, but whose benefits are hard to quantify. Transparency and investor protections should not be sacrificed on the basis of any cost-benefit analysis that only considers estimated costs but overlooks benefits such as bolstering confidence in the integrity of capital markets or deterring misconduct.

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We appreciate the opportunity to express our views to the Commission on this matter.

Sincerely,

Gerald W McEntee

GERALD W. McENTEE
International President