

American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000
www.aflcio.org

EXECUTIVE COUNCIL

RICHARD L. TRUMKA
PRESIDENT

Gerald W. McEntee
William Lucy
Edwin D. Hill
James Williams
Larry Cohen
James C. Little
Fred Redmond
Fredric V. Rolando
Newton B. Jones
Baldemar Velasquez
Bruce R. Smith
James Andrews
Walter W. Wise
Capt. Lee Moak

ELIZABETH H. SHULER
SECRETARY-TREASURER

Michael Sacco
Robert A. Scardelletti
Clyde Rivers
Vincent Giblin
Gregory J. Junemann
Rose Ann DeMoro
Matthew Loeb
Diann Woodard
D. Michael Langford
John W. Wilhelm
Bob King
Maria Elena Durazo
Cliff Guffey
Joseph J. Nigro

ARLENE HOLT BAKER
EXECUTIVE VICE PRESIDENT

Frank Hurt
R. Thomas Buffenbarger
Cecil Roberts
William Hite
Robbie Sparks
Mark H. Ayers
Randi Weingarten
Patrick D. Finley
Robert McElrath
Ken Howard
General Holiefield
Terry O'Sullivan
Lawrence J. Hanley

Michael Goodwin
Harold Schaitberger
Leo W. Gerard
John Gage
Nancy Wohlforth
Richard P. Hughes Jr.
Rogelio "Roy" A. Flores
Malcolm B. Futhey Jr.
Roberta Reardon
James Boland
Lee A. Saunders
Veda Shook
Loretta Johnson

Sent via electronic mail: rule-comments@sec.gov

October 6, 2011

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:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO"), I am writing to provide comment to the U.S. Securities and Exchange Commission (the "Commission") on the retrospective review of existing regulations. The AFL-CIO is the largest labor federation in the United States and represents 12.2 million union members. Union-sponsored pension and employee benefit plans hold more than \$480 billion in assets.

The safety of workers' retirement savings that are invested in the capital markets depend in large part on the Commission's rules and regulations for the protection of investors. To be effective, securities regulations must be continuously updated to address the emergence of new loopholes, abuses, and market failures. As an independent agency, the Commission has long had an appropriate administrative review process to ensure that its regulations continue to achieve their goals.

The Commission's review process should focus on how existing regulations should be strengthened to prevent another financial crisis from devastating the U.S. capital markets. According to the Financial Crisis Inquiry Commission, the recent Wall Street financial crisis resulted in a loss of \$11 trillion in household wealth. Investors

experienced similar losses earlier in the decade as a result of the various accounting-related scandals involving Enron, WorldCom, and a host of other companies.

Any regulatory review process should recognize that the benefit to investors of the Commission's rules and regulations are often intangible and difficult to quantify. In particular, the Commission should be particularly wary of proposals to apply a simplistic cost-benefit analysis to its rulemaking process. Any cost-benefit analysis must consider the enormous benefits of safe and well-policed capital markets. Can the Commission put a dollar figure on the value of investor confidence in the U.S. capital markets?

The AFL-CIO is deeply concerned that the creation of a burdensome regulation review process will divert Commission resources from competing priorities. Rather than duplicating its existing administrative review processes, the Commission should be enhancing its regulatory and enforcement efforts in the wake of the worst financial crisis since the Great Depression. We note that the Commission is already behind schedule in implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act.

We appreciate the opportunity to comment on this request for information. If the AFL-CIO can be of further assistance, please contact Brandon Rees at (202) 637-5152.

Sincerely,



Daniel Pedrotty
Director, Office of Investment

DFP/sdw
opeiu#2, afl-cio