

From: dscotese@gmail.com on 08/13/2008 01:40:05 PM

Subject: Regulation S

1) The system is designed so that it is difficult for you to respond to me. This is because the comments from the smartest people will diminish the power of the institution for which you work, and any response would encourage such comments. Can you reply anyway? I'm pretty sure that after reading this, there will be several issues on which you'll want me to be "educated."

2) The proposed change is provided under the assumption that the government can force companies to provide requested financial information, even against the company's publicly stated privacy policy. In fact, I believe that most companies now include a qualifier on their promise to keep customers' data private - a qualifier that says they'll give it to the government if they are forced to. Compensating the company for providing the information is the same as paying a person to perform acts they believe to be morally reprehensible. That is the function of government though, isn't it: to perform those morally reprehensible acts that some group of legislators believes necessary for the public good. Capital punishment, eminent domain, property seizure, incarceration for growing and using or selling certain plants.

3) The compensation paid by the government to these companies is not earned by the government, but taken from the people as taxes. Why not save them that money? Will it be more difficult to force companies to provide the information if they get no compensation? Probably, and that difficulty will result in costs to the taxpayer too. Perhaps the best approach is to provide the beneficiaries of any government response to the information with the opportunity to help fund the investigation. You snoop into some company's customer finance records. If you think that's going to benefit me, give me a chance to invest in it. If not, stop taking my money.

4) This probably seems like too much work. If so, then you have not worked with anyone who started a business that ended up being successful. The government is the only institution that can survive doing as little useful work as it does, and this is because we don't have a choice about supporting it.

5) Summary recommendation: Get rid of the rules. If companies don't comply with your request, fine them. Let the government be the ugly beast that it is and let people see that. This will cut down on the frivolous and wasteful investigations that government is so fond of. Instead of using tax payer money, use money willingly provided by the individuals who would benefit from whatever your investigation turns up.

Thank you for your time and careful consideration of my input,
Dave Scotese.

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