

July 24, 2008

U.S. Securities and Exchange Commission  
Washington, DC  
Attention: The Secretary

Re.: Proposed Rules for NRSROs  
File No. S7-13-08

Dear Sir or Madam:

Thank you for the opportunity to comment on the proposed rules for NRSROs. I respectfully submit the following recommendation.

#### Recommendation

The proposed amendment to Rule 17g-2(d), requiring that a record of all NRSRO rating actions be made public, should be deleted. In my judgment, this proposal directly conflicts with the Congressional goal of promoting increased competition from investor-paid rating agencies.

#### Discussion

A principal Congressional objective in enacting the Credit Rating Agency Reform Act of 2006 was to increase competition in the rating agency sector, and in particular to encourage competition by rating agencies with the investor-paid model. The discussion of the proposed rules itself points out “the Rating Agency Act’s intent to encourage the subscriber-pays model” (footnote 122).

It is manifestly a contradiction for an investor-paid rating agency to have to give all its ratings to the public for free, even after a delay of six months. The proposed rule unduly favors the issuer-paid model and works against Congressional intent.

I believe the best course would be to delete the proposed rule. The second best alternative would be to require that the record of ratings actions by investor-paid agencies be given to, and only to, the subscribers who are paying for them. These are the parties with an economic interest in their ratings performance and the ones to whom the investor-paid agency is and should be accountable. A third choice, less desirable, would be to lengthen the time lag for the required publication to a minimum of two years.

Thank you for your consideration.

Yours truly,

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