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September 5, 2008

Ms. Florence E. Harmon, Acting Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: *References to Ratings of Nationally Recognized Statistical Rating Organizations*,  
Securities Exchange Act of 1934 Release No. 58070 (July 1, 2008)  
File No. S7-17-08

*Security Ratings*, Securities Act of 1933 Release No. 8940 (July 1, 2008)  
File No. S7-18-08

*References to Ratings of Nationally Recognized Statistical Rating Organizations*,  
Investment Company Act of 1940 Release No. 28327 (July 1, 2008)  
File No. S7-19-08

Dear Ms. Harmon:

Standard & Poor's Ratings Services ("Ratings Services"), a nationally recognized statistical rating organization ("NRSRO") registered under Section 15E of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") and a business unit of Standard & Poor's, itself a division of The McGraw-Hill Companies, Inc., welcomes the opportunity to comment on the proposed rule and form amendments contained in the proposing releases referenced above.

The proposals would remove references to NRSRO ratings from a series of Commission rules and forms that are used primarily by sophisticated market participants including broker-dealers, investment advisers and large corporate issuers of debt. As the Commission and many market participants are aware, Ratings Services did not ask the Commission to include NRSROs' credit rating opinions in its rules and forms. Indeed, while the staff of the Commission on its own recognized Ratings Services as an NRSRO over thirty years ago, we only first sought to be an NRSRO in June 2007 – long after most of the rules and forms under review came into existence – pursuant to the Credit Rating Agency Reform Act of 2006 (the "Act") and the Commission's implementation rules. With the expansion of the number of NRSROs that has occurred since the Commission adopted rules pursuant to the Act and the potential divergence of rating scales, terminologies and analytical methods that may be employed by these and future NRSROs, we believe it is appropriate and there appear to be good grounds for reviewing the use of NRSRO ratings in the Commission's rules and forms. The Commission should consider the differences among existing and future NRSROs in any future use of NRSROs' ratings in its rules and forms.

Ratings Services began its credit rating activities more than ninety years ago, in 1916, many decades before NRSRO recognition was established. Since that time, Ratings Services' credit ratings have provided an independent and effective tool for the market's evaluation and assessment of credit risk. By virtually all accounts, our ratings – both before and after we were recognized as an NRSRO – have served as valuable independent opinions in the U.S. debt market. More than any regulatory framework or NRSRO recognition, the market's recognition of our independent opinions and our commitment to analytical excellence have been the primary drivers of our success over these ninety-plus years.

Ratings Services believes that because the Commission's rules and forms have been in place for many years and market participants are accustomed to working with them, the views and insights of market participants should be carefully factored into the Commission's deliberation process as it moves towards final rulemaking. We therefore encourage the Commission to pay close attention to the comments offered by market participants who will be most directly impacted by the proposed amendments, and we trust that the Commission will be particularly alert to any concern raised by these market participants that, should any changes be made, they be implemented in an orderly manner to avoid any market disruption.

We agree with the Commission's objective of reducing the potential for undue reliance on private rating opinions, and believe that a long-term approach to achieving this objective should include efforts to minimize the possibility that the investing public may perceive that the Commission is involved in NRSROs' processes or methodologies, or that the Commission has influence over the meaning or substance of NRSROs' ratings. Section 15E(c)(2) of the Exchange Act, of course, prohibits the Commission from regulating "the substance of credit ratings or the procedures and methodologies by which any nationally recognized statistical rating organization determines credit ratings." As the Commission moves forward in implementing the regulatory authority that Congress gave it in the Act, we believe the Commission should carefully consider whether any elements of its regulatory program may have the unintended side effect of fostering the very undue reliance on credit ratings that the Commission seeks to discourage.

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Please feel free to contact me or Rita Bolger, Senior Vice President and Associate General Counsel, Global Regulatory Affairs, at (212) 438-6602, with any questions regarding our comments.

Sincerely yours,



Vickie A. Tillman  
Executive Vice President  
Standard & Poor's Ratings Services

cc: Hon. Christopher Cox, Chairman  
Hon. Kathleen L. Casey, Commissioner  
Hon. Elisse B. Walter, Commissioner  
Hon. Luis A. Aguilar, Commissioner  
Hon. Troy A. Paredes, Commissioner  
Mr. Erik R. Sirri, Director, Division of Trading and Markets  
Mr. Robert L.D. Colby, Deputy Director, Division of Trading and Markets  
Mr. Daniel M. Gallagher, Deputy Director, Division of Trading and Markets  
Mr. Michael A. Macchiaroli, Associate Director, Division of Trading and Markets  
Mr. Thomas K. McGowan, Assistant Director, Division of Trading and Markets  
Mr. Randall W. Roy, Branch Chief, Division of Trading and Markets