



Colorado Public Employees' Retirement Association  
Mailing Address: PO Box 5800, Denver, CO 80217-5800  
Office Locations: 1300 Logan Street, Denver  
1120 W. 122nd Avenue, Westminster  
303-832-9550 • 1-800-759-PERA (7372)  
www.copera.org

March 26, 2009

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: *Re-proposed Rules for Nationally Recognized Statistical Rating Organizations (File Number: S7-04-09)*

Dear Ms. Murphy:

Colorado Public Employees' Retirement Association (Colorado PERA) appreciates the opportunity to comment on the Securities and Exchange Commission's (SEC) proposed enhancements to its rules for Nationally Recognized Statistical Ratings Organizations (NRSROs).

As a pension fund with over \$31 billion in assets and a duty to protect the retirement security of 430,000 plan participants and beneficiaries located around the United States, we believe that NRSROs, as financial gatekeepers, must adhere to high standards of quality, transparency and independence. We strongly support the SEC's efforts to provide investors with the tools necessary to evaluate credit rating agencies' performance and to foster competition within the ratings industry. We encourage the Commission, however, to strengthen certain provisions of the proposed rules in order to ensure that investors can properly evaluate securities, ratings and rating agencies.

Proposed Amendments to Rule 17g-2

Limiting the 100 percent rating history disclosure requirement to issuer-paid ratings determined on or after June 26, 2007, would both limit and delay investors' ability to gauge the true accuracy of those credit ratings. If the Commission were to extend the disclosure rule to include unsolicited and subscriber-paid ratings, market participants would have the tools necessary to identify the most accurate NRSROs and those unable to managing conflicts of interest.

To begin work assessing the quality of NRSRO ratings, investors would also require a more robust pool of ratings history than would be provided by a June 2007 effective date. In addition, the 2007 date would exclude many of the faulting ratings issued on the securities that contributed to the current financial crisis. For these reasons, we encourage the Commission to apply the disclosure rule equally across ratings and to provide investors with access to a longer historical record of ratings.

Ms. Elizabeth M. Murphy  
March 26, 2009  
Page Two

Proposed Amendments to Rule 17g-5

Investors and other market participants would greatly benefit if structured products' underlying information were more broadly available as well. Investors need the opportunity to review and evaluate the underlying components of a structured product in order to understand fully the risk associated with the investment. That knowledge would also aid market participants in independently assessing the quality of NRSRO ratings, furthering the Commission's work to increase the industry's accountability. Non-registered credit rating agencies would benefit from access to underlying information as well. The rating agencies could more easily establish track records, broaden their customer base and better position themselves to apply for registration with the SEC. In considering these benefits, we support the broad dissemination of structured products' underlying information.

Colorado PERA encourages the Commission to continue its work to improve the integrity of the credit ratings industry. Thank you for the opportunity to comment on the proposed rules.

Sincerely,

  
Gregory W. Smith  
General Counsel  
Colorado Public Employees' Retirement Association