



February 2, 2010

John D. Fisher  
U.S. Government Accountability Office  
Financial Markets and Community Investment  
Room 2440B  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Fisher:

I am writing in response to your request of January 28, 2010, that the Council of investors (“Council”) provide comments in response to the Government Accountability Office (“GAO”) assessment of the October 2009 *Joint Report of the SEC and CFTC on Harmonization of Regulation* (“Joint Report”).

The Council is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major long-term investors with a duty to protect the retirement savings of millions of American workers. As significant financial market participants, Council members have a deep, abiding interest in ensuring that the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”) work together to promote their common goals of investor protection, market integrity, and price transparency.

In February 2009, the CFA Institute and the Council launched the Investors’ Working Group (“IWG”), an independent, nonpartisan panel of industry and market experts formed to provide an investor perspective on ways to improve the regulation of U.S. financial markets. After months of deliberations, the findings and specific recommendations of the IWG were published in its July 2009 report *U.S. Financial Regulatory Reform: The Investors’ Perspective*.<sup>1</sup> Among its various findings, the IWG recommended that policymakers “press for greater sharing of information among national regulators and harmonization of rules and practices.”<sup>2</sup>

More specifically, the IWG called upon the SEC and CFTC to resolve jurisdictional questions surrounding the regulation of derivatives. According to the IWG, both regulators “must agree on appropriate regulatory standards and on their respective regulatory responsibilities, and the terms of such agreement should be enacted into law.”<sup>3</sup>

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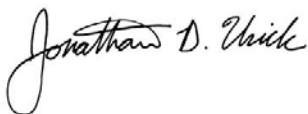
<sup>1</sup> The Council’s membership endorsed the full recommendations of the IWG in fall 2009. For more information about the IWG, please visit [www.cii.org/iwglInfo](http://www.cii.org/iwglInfo).

<sup>2</sup> IWG Report, 4. Available online at <http://www.cii.org/UserFiles/file/resource%20center/investment%20issues/Investors%27%20Working%20Group%20Report%20%28July%202009%29.pdf>.

<sup>3</sup> *Ibid.* at 12.

As the GAO develops its findings and recommendations on the Joint Report, we respectfully urge you to carefully consider the relevant findings and recommendations of the IWG. If you should have any questions in that regard, please do not hesitate to contact me at (202) 261-7096 or [jonathan@cii.org](mailto:jonathan@cii.org), or our General Counsel, Jeff Mahoney, at 202.261.7081 or [jeff@cii.org](mailto:jeff@cii.org). Thank you for your interest and consideration of the Council's views on this important topic.

Sincerely,

A handwritten signature in black ink that reads "Jonathan D. Urick". The signature is written in a cursive style with a large initial "J".

Jonathan D. Urick  
Analyst  
Council of Institutional Investors