

August 17, 2011

Dear Representative,

We write today to share our deep concerns around the threat of “regulatory reform” legislation that would fundamentally undermine our government’s ability to keep the American public safe from harm. Recent regulatory failures, such as the BP Oil Spill, the Massey Energy mine explosion, and the Wall Street financial crash, are all strong indications that the regulatory process needs to be strengthened rather than weakened.

Of particular concern is the implementation of robust financial protections under the Dodd-Frank law to reform a broken financial system that led to the most devastating financial crisis since the Great Depression. For the Securities and Exchange Commission (SEC) to fulfill that mission effectively, it must be both adequately funded and free to act to act in the public interest to protect investors, hold corporations accountable, and restore the integrity and stability of our financial markets.

The “SEC Regulatory Accountability Act,” H.R. 2308, is both dangerous and unnecessary. This legislation would imperil the implementation of many important rules, including those required under the Dodd-Frank law by adding burdensome new procedural requirements that would impede the agency’s ability to act. The agency is already required to conduct a cost-benefit analysis for each rulemaking it undertakes, and courts are enforcing a very high standard on those analyses, as the recent Appeals Court decision on proxy access makes clear. The mandates under H.R. 2308 would have the effect of making what should be the agency’s primary focus – investor protection – at best a secondary concern.

We, the undersigned organizations, categorically oppose the SEC Regulatory Accountability Act and any other “regulatory reform” legislation of this kind that would stymie federal agencies’ efforts to provide fundamental public protection, and, in the process, clearly do the bidding of special interests determined to escape much-needed regulation that protects the public. If Congress is serious about wanting to improve cost-benefit analysis at the SEC, the best way to do that is to provide the necessary funding for the SEC to increase its staffing, and the expertise and experience of its staff in this area, not add new procedural hurdles designed to prevent it from fulfilling its mission to protect investors.

Signed,

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County, and Municipal Employees (AFSCME)
Americans for Financial Reform
Center for Corporate Policy
Consumer Action
Consumer Federation of America
Demos
Institute for Agriculture and Trade Policy
International Brotherhood of Teamsters
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)
National Community Reinvestment Coalition (NCRC)
National Consumers League

OMB Watch

Public Citizen

SAFER, A Committee of Economists and Other Experts

Service Employees International Union (SEIU)

The Coalition for Sensible Safeguards

U.S. Public Interest Research Group (US PIRG)

US SIF: The Forum for Sustainable and Responsible Investment