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Marcia E. Asquith
Senior Vice President and Corporate Secretary
Office of the Corporate Secretary
FINRA
1735 K. Street, NW
Washington, DC 20006-1506

Re: FINRA Regulatory Notice 10-25: Registration and Qualification Requirements for Certain Operations Personnel

Dear Ms. Asquith:

The American Council of Life Insurers submits this letter in response to Regulatory Notice 10-25: Registration and Qualification Requirements for Certain Operations Personnel that was published in May 2010. In the Notice, FINRA invites comments on a proposed new registration category for "Operations Professionals." The Notice identifies a proposed new subcategory in FINRA Rule 1230 and Rule 1250, dealing with continuing education requirements.

We greatly appreciate the opportunity to share our views on this FINRA proposal. ACLI is a national trade association with 300 members that account for represent more than 90 percent of the assets and premiums of the life insurance and annuity industry. Many of our member companies offer and distribute variable annuities through affiliated and independent broker-dealers. Over 50% of FINRA's 635,000 registered representatives work for broker-dealers affiliated with life insurance companies. The initiative would have a significant impact on our industry.

In general, we support FINRA's goal to ensure that persons supervising the often dispersed operations of member broker-dealers are adequately trained on the regulatory requirements applicable to their areas of responsibility. We believe, however, that the FINRA proposal needs further study and revision to appropriately narrow its scope, clarify its application to different broker-dealer structures and operations, and to thoroughly evaluate its regulatory impact. In this way, the rule can achieve its regulatory objectives in an efficient and cost-effective manner consistent with FINRA's rulemaking authority.

The FINRA initiative published in Regulatory Notice 10-25 would establish a new registration category, a qualification examination, and continuing education requirements for "operations personnel" supporting broker-dealers. The proposal would expand FINRA's registration standards to encompass personnel conducting or supervising sales and trading support, and the handling of customer assets. According to the notice, the proposal seeks to enhance broker-dealers' back-office operations. The notice indicates that the proposed "Operations Professional" registration category focuses on personnel with decision-making or oversight authority in "covered operations functions" enumerated in the proposal. Registered Operations Professionals must fulfill FINRA's continuing education requirements, under the proposal.

Impact on the Life Insurance Industry

The proposed rule could have an imprecise and unnecessarily burdensome impact on life insurers' affiliated operations. For example, the proposed rule would require all "supervisors, managers or other persons responsible for approving or authorizing work in direct furtherance of the covered functions, including work of other persons in the covered functions," to be registered as an operations professional. This definition is written too broadly and, in the context of an insurance holding company complex, will create potential for misinterpretation in determining how far up or down the reporting chain this registration requirement would apply. Moreover, it will result in costs and burden that are disproportionate to the regulatory benefit of the rule in registering the numerous individuals potentially captured by this rule and administering the broad array of FINRA rules that would then apply to them as registered persons under the proposal.

An example may help illustrate our concerns. In the context of an insurer-affiliated broker-dealer, a person with decision making or oversight authority with respect to a covered function might be a person who is an employee of the insurance company at a director or vice-president level. If at a director level, the individual is very likely to have multiple persons at different levels reporting to them who also supervise the work of others and are responsible for authorizing or approving work as to covered functions performed by those persons who report to them at their level of management.

This scenario would likely include multiple persons at an associate manager level, who then report to one or more persons at a manager level, who then report to the director. In turn, the director will likely report, directly or indirectly, to a vice-president, who reports to a senior vice president, who then reports to an Executive Vice President, each of whom, although the great majority of their responsibility may pertain to services provided to affiliated entities other than the broker-dealer, could be said to have responsibility for approving or authorizing work in furtherance of the covered functions by virtue of this supervisory reporting relationship.

An ACLI member estimates that under the above scenario, if the proposed rule were to require registration of persons at an associate manager and above level, for its variable life insurance operations alone this rule proposal could require the registration of 930 persons within its life service delivery area (this number does not include variable annuity and mutual fund operations). Moreover, if the proposed rule were to require registration of persons at manager and above level, the rule proposal could still require the registration of 813 persons within its life service delivery area. Other similarly structured companies will likely experience the same consequences, which are unaddressed in the proposal and unsupportable in the rule.

While these are only a few examples of the rule's imprecision and burdens, they aptly demonstrate that the rule needs further analysis to achieve a properly targeted focus and a justifiably balanced economic and competitive impact. FINRA should redesign the rule to fit the multiple different business models and operational arrangements within its diverse membership.

The proposal should not apply to operations personnel within life insurance companies who are separate from the broker-dealer. The proposal seems to assume that that all broker-dealers operate in a "stand-alone" manner. Financial services entities organized in a diversified corporate or holding company structure often utilize shared operational functions, including accounting, legal

services, data processing, as well as other functions, that are provided to different legal entities under a Shared Administrative Services Agreement. Although a person registered with an affiliate broker-dealer is responsible for ensuring that any regulatory requirements applicable to these services and the firm are satisfied, the persons actually performing and supervising these services have no relationship to the broker-dealer. Consequently, many individuals required to register as Operations Professionals under the proposed rule could be primarily engaged in performing operational functions for a broker-dealer's affiliated insurance company, bank or other operating company. This perceptual oversight could impose awkward and unnecessary compliance obligations.

For the same reasons, the proposal should not apply to persons employed by third party service providers to insurers affiliated with broker-dealers who perform operations functions, such as mailing trade confirmations, account statements and prospectuses, or providing information technology resources to assist firms in tracking investments, transfers and account record-keeping. Respectfully, we submit that sweeping employees of broker-dealer affiliates and third party service providers into a class of associated and registered persons requires more analysis and explanation than a footnote reference to a Notice to Members from 2005. We agree that where a broker-dealer delegates regulated activities to an affiliate or third party, some registered and qualified person at the broker-dealer must oversee the activity to ensure compliance with all FINRA requirements. Such registered person must be appropriately trained on those requirements and understand what aspects of the affiliate's or third party's services related to the functions, records, operations, etc. of the broker-dealer. We believe that going further to require the employees of the affiliate or third party service provider to also become registered and associated with the broker-dealer would impose considerable costs on unregistered entities unnecessarily.

Regulatory Justification for the Proposed Rule Insufficient

Although new standards concerning registration, qualification and continuing education are worthy of careful regulatory consideration, the nexus between the proposed rule and its regulatory objective is imprecise and unfocused. The stated purposes for the rule are commendably aspirational, but general and unspecific. A few selected examples will highlight our concern.

According to Regulatory Notice 10-25, "FINRA has concerns about the potential for regulatory gaps in the area of licensing and education requirements for individuals performing operations functions." No specific examples of regulatory gaps are identified. Regulatory Notice 10-25 also indicates that "FINRA believes that licensing and education requirements for certain operations personnel are needed to help ensure that investor protection mechanisms are in place in all areas of a member firm's business that could harm a customer, a firm, the integrity of the marketplace or the public." While this objective cannot be criticized, the notice does not identify how the proposed changes specifically address the proposal's stated purpose. Licensing and education are noteworthy regulatory goals. Proposals implementing them, however, must carefully explain how the new standards will provide solutions to specifically identified regulatory "gaps," problems or regulatory weaknesses. Rule changes cannot simply be a good idea, with nothing more by way of explanation.

Following the merger of NASD and NYSE regulatory operations, FINRA emphasized the need for properly tailored regulations suited to its diverse membership. After an initial stumble with its

proposed OSJ rule amendments[1] to implement rule harmonization following the merger, FINRA has made more of an effort to consider the diversity of its membership in the rule consolidation process. In this particular instance, however, we believe the operations and qualifications rule proposal falls short.

For example, Notice 10-25 proposes "a *single* principles-based qualification examination with a regulatory focus to test for a broad understanding of a broker-dealer's business at a basic level; a basic understanding of the operations functions that support a broker dealer's business; and the regulations designed to achieve investor protection and market integrity that drive the operations processes and procedures conducted at a broker-dealer." Which type of broker-dealer's business, operations, processes and procedures will be used to execute this *single* examination? If the examination were built on the template of a full-service or wire-house firm, it would contain many functions, products and operations that have no relevance to limited-purpose firms, such as those distributing insurance and mutual fund products. To the extent the rule would apply broadly upstream to personnel within the life insurer, the utility and fairness of an undifferentiated, *single* examination would be inappropriate and dysfunctional.

Notice 10-25 indicates that the exam would assess an operations professional "would assess a candidate's basic product and market knowledge, including definitions and characteristics of major product categories (i.e., equities, debt, packaged securities, options and markets)." Much of this focus could be entirely irrelevant to some operations professionals in limited-purpose operations and even more irrelevant to persons supervising back office functions for an affiliate insurer.

Notice 10-25 further states that the exam would "assess a candidate's broad-based knowledge regarding the covered functions in the rule that support a broker-dealer's business, and the underlying rules that drive the processes associated with these activities (i.e., customer account set-up and transfers, recordkeeping requirements, rules associated with the protection of customer assets and transaction processing, uniform practices associated with making good delivery of securities, making payments for securities and meeting settlement requirements, credit and margin

[1] On June 6, 2007, FINRA announced the withdrawal of its first proposed rule "harmonization" initiatives in anticipation of the NYSE-NASD regulatory merger. The withdrawn proposal dealt with amendments to FINRA's definitions of "Office of Supervisory Jurisdiction" and "Branch Office." ACLI opposed the proposed harmonization in its letter of comment because FINRA's proposal contained no economic impact statement, and did not quantify the burdens on all broker-dealers. As the inaugural rule harmonization, ACLI noted that the proposal would set an important conceptual and procedural tone for many future NYSE and NASD rule harmonization projects. As part of this endeavor, FINRA also proposed the creation of several new definitions, including "supervisory branch office," a "limited supervisory branch office," "non-supervisory branch office" and "non-branch office." The initiative was the first harmonization of NASD and NYSE rules following the self-regulatory organizations' agreement to merge.

ACLI recommended that the rule harmonization include the interests of all broker-dealers, including those affiliated with life insurers. The letter noted that new definitions will disrupt enterprise-wide compliance procedures, training practices and supervisory responsibilities for broker-dealers affiliated with life insurers. Compliance manuals, office designations and management procedures would have faced substantial change. The elimination of the OSJ definition would have imposed significant transitional and systems burdens, especially for firms operating out of numerous geographically dispersed locations.

To achieve more effective SRO rulemaking, ACLI's letter urged that FINRA rulemaking consistently fulfill a detailed set of administrative procedures, including economic and competitive impact statements. ACLI also recommended a methodical cost-benefit approach.

rules, and how to obtain supervisory approval for any of the above). As noted above, limited purpose broker-dealers distributing insurance products typically do not perform many of the functions of wire-house firms, such as custody of customer assets, credit arrangements or margin. It makes little sense to test on functions that some operations professionals will never perform. It makes even less sense to require persons supervising back office functions for an affiliate insurer to be tested on these functions.

Notice 10-25 emphasizes that "given the *breadth of functions* that are covered by this registration requirement," continuing education standards would require registered operations professionals to "maintain and improve knowledge and understanding of [all of] the covered functions" in the rule, and to complete "scenario-based" modules focused on the broad, undifferentiated elements in the rule's qualifications examination. Again, the implementation of the proposed rule in this fashion fits significant portions of FINRA's membership poorly. It too needs to be refined in a manner appropriately suited to FINRA's diverse membership.

By the same reasoning that FINRA allows salespersons to fulfill only a series 6 examination rather than a series 7 general securities license, the proposal should not impose only a single examination or continuing education standard.

In sum, the proposal does not differentiate among the broad range of broker-dealers regarding the scope and requirements under the rule. The proposal essentially takes a one-size-fits-all approach. To the extent the rule is properly clarified and would still apply to limited-purpose broker-dealers, such as those distributing insurance products, it needs to be significantly scaled down to eliminate examination and continuing education elements that have no relevance to the products and operations of limited purpose broker-dealers who comprise more than 50% of FINRA's membership.

The Unique Nature of Insurance Product Distribution

Our concerns with the proposed rule for qualifications personnel can be more thoroughly understood through a brief summary of the range of products and services typically offered by insurance affiliated firms. Broker-dealers affiliated with life insurance companies are significantly different from full service or "wire-house" broker-dealers in their operations, products and services. The securities activities of broker-dealers affiliated with life insurers are a component of a larger insurance business. Many registered representatives operate principally as life insurance and annuity salespersons. Securities sales frequently constitute an incidental amount of business relative to insurance product sales by an office or registered representative.

As a by-product of this relationship, supervision and compliance is often conducted through the vehicle of an insurance distribution system. The range of products offered by these limited purpose broker-dealers is typically narrow and focuses upon the distribution of variable insurance contracts and mutual funds.

It may be helpful to consider those securities activities and services *not* offered by most broker-dealers affiliated with life insurers. Typically, these firms do not maintain discretionary accounts permitting registered representatives to purchase and sell securities on behalf of a client without specific approval of each transaction. On an industry-wide basis, these broker-dealers generally do

not take custody of client funds, securities or assets. This type of firm does not typically "carry" customer accounts.

Insurance broker-dealers usually require that payment for variable insurance or securities products be made by check payable to the processing office of the underwriting insurer, and not by check payable to the agent/registered representative or even to the broker-dealer. Additional purchases, transfers, withdrawal and redemption requests for these products are submitted to the underwriting insurer, not to the representative or the firm. Variable contracts and shares in investment companies are issued directly to purchasers and do not constitute bearer instruments. Consequently, the opportunity for misappropriation of these instruments by registered representatives is virtually nonexistent.

Broker-dealers affiliated with life insurers generally do not maintain "open accounts" or facilitate the implementation of stop orders and limit orders, which obviates many potential brokerage problems. Similarly, because these broker-dealers do not typically make available cash management accounts or manage free cash balances, many associated operational and logistical difficulties are absent. Broker-dealers affiliated with life insurers do not make markets in securities or underwrite new issues of securities. These limited-purpose broker-dealers do not facilitate securities purchased on margin or through the extension of credit to customers.

Many elements in the proposed list of "covered functions" do not occur within the more limited range of products and services provided by insurance affiliated firms, as summarized above. In discussing the rule, Regulatory Notice 10-25 explains that securities lending representatives and securities lending supervisor would be eliminated because they are subsumed in the new registrations category for operations professionals. This distinction has little relevance, and underscores the one-sized nature of the proposal.

Antitrust Considerations

The FINRA proposal contains no competitive or economic impact statement, and does not quantify the burdens on broker-dealers, affiliates or third party service providers. The proposal does not estimate the aggregate costs of compliance with the new registration category, the number of potential new registrants, or the volume of new revenue that would inure to FINRA for new registration and continuing education functions. These are important considerations in evaluating every rule proposal. The merged SROs must provide information on competitive and economic impact so that the SEC can properly execute unequivocal statutory duties to screen SRO initiatives for anticompetitive effect. The SEC cannot create the analysis on its own initiative. It is incumbent on FINRA to fully develop and deliver this information, as explained below. FINRA's expected revenues are also relevant in evaluating the entire context of the proposal.

When it amended the Exchange Act in 1975, Congress specifically charged the SEC with the responsibility to evaluate competitive burdens of SRO rules and rule changes. The Senate report on the legislation stated that:

> Sections 6(b)(8), 19(b) and 19(c) of the Exchange Act would *obligate* the Commission to review existing and proposed rules of the self-regulatory organizations and to abrogate any present rule, or to disapprove any proposed rule, having the effect of a competitive restraint

> it finds to be neither necessary nor appropriate in furtherance of a legitimate regulatory objective.[2]

Section 23(a) of the Exchange Act was also added in 1975, and requires the SEC to consider the anti-competitive effects of rule changes, and to balance any impact against the regulatory benefit to be obtained.[3] Similarly, Sections 15A(b)(6) and (9) of the 1934 Act require the SEC to evaluate carefully the competitive impact of proposed SRO rules and amendments.

The Securities Act Amendments of 1975 significantly expanded the SEC's oversight and regulatory powers concerning SRO rules, and specifically directed the SEC to carefully evaluate competitive factors in exercising its SRO oversight. Importantly, Congress did not intend to confer general antitrust immunity on SRO rulemaking that was subject to the SEC's oversight review.[4]

The antitrust immunity created by Congress contemplates active oversight by the SEC in executing its responsibilities to ensure consistency with the securities laws, and to blunt the anticompetitive behavior inherent in self-regulatory conduct. Otherwise, a Congressional grant of substantial regulatory authority to private organizations without federal regulatory oversight would violate the constitutional prohibition against the delegation of legislative powers.

The antitrust threshold in the 1934 Act is not an optional procedure. The legislative history unequivocally highlighted that thorough review of competitive burdens is mandatory in SRO rulemaking:

> This *explicit obligation* to balance, against other regulatory criteria and considerations, the competitive implications of self-regulatory [actions]…. The Commission's obligation is to weigh competitive impact in reaching regulatory conclusions…. [and] disapprove any proposed rule, having the effect of a competitive restraint if finds to be neither necessary nor appropriate in furtherance of a legitimate regulatory objective.[5]

[2] S. Rep. 94, 94th Cong., 1st Sess. (April 14, 1975) at 12.

[3] *Id*. at 12.

[4] *See*, Smythe, *Government Supervised Self-Regulation in the Securities Industry and the Antitrust Laws: Suggestions for an Accommodation*, 62 N.C. L. Rev. 475 (1984) at 504 [the SEC has an obligation in reviewing SRO conduct to "weigh the competitive impact in reaching regulatory conclusions"]. *See also* Linden, *A Reconciliation of Antitrust Law with Securities Regulation: the Judicial Approach*, 45 GEO. Wash. L. Rev (1977); Johnson, Application of Antitrust Laws to the Securities Industry, 20 SW. L.J. (1966); Note, The Application of Antitrust Laws to the Securities Industry, 10 WM. & Mary L. Rev. (1968).

[5] S. Rep. 94, 94th Cong., 1st Sess. (April 14, 1975) at 13 [emphasis added]. Congress noted that SROs are "quasi-public organizations, not private clubs." *Id* at 29. Accord, 121 Cong. Rec. 10728, 10756 (Apr. 17, 1975)

In order for SEC review to provide immunity for self-regulatory conduct, the review must be active, and must result in a ruling by the SEC that is judicially reviewable.[6] Section 25 of the 1934 Act states that the SEC's actual findings are conclusive if supported by substantial *evidence*, and that its decisions should be overturned only if "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law, the excess of statutory jurisdiction, authority, or limitations, or short of statutory right, or without observance of procedures required by law." The proposed rule amendments fail the statutory safeguards to competition set forth above.

The SEC Chairman and several SEC Commissioners recently reemphasized the critical importance of identifying and addressing the costs and benefits of rulemaking.[7] The SEC Chairman directed the SEC's "General Counsel's Office to carry out a 'top-to-bottom' review of our process for assessing the economic ramifications of our rulemakings."[8] FINRA should strive for nothing less.

In a different context, former SEC Chairman Levitt emphasized the importance of reviewing the impact of rulemaking on competition when he stated:

> In response to the National Securities Markets Improvement Act of 1996 (NSMIA), the Commission has rededicated itself to considering how rules affect competition, efficiency, and capital formation as part of its public interest determination. Accordingly, the Commission intends to focus increased attention on these issues when it considers rulemaking initiatives. In addition, the Commission measures the benefits of proposed rules against possible anti-competitive effects, as *required* by the Exchange Act.[9]

Substantive rulemaking demands careful scrutiny and compelling justification. Without meaningful analysis of competitive and economic impact, FINRA rulemaking fails the explicit Congressional mandate to weigh the anticompetitive effects of rule changes, and to balance any impact against the regulatory benefit to be obtained.

Former FINRA Chairman and CEO Mary Shapiro stated on March 26, 2007, that the NYSE-NASD consolidation will "reduce regulatory costs for *all* firms." [10] Ms. Shapiro further noted that "when the new organization is in place and fully integrated, there will be a single set of rules adapted to firms of *all* sizes and business models." [11]

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[6] *See* note 4 *supra.*

[7] *See*, speeches by SEC Chairman Cox and Commissioners Atkins, Casey, and Nazareth at the PLI SEC Speaks Conference (Feb. 9, 2007) that can be found, respectively at http://www.sec.gov/news/speech/2007/spch020907cc.htm, http://www.sec.gov/news/speech/2007/spch020907psa.htm, http://www.sec.gov/news/speech/2007/spch020907klc.htm, and http://www.sec.gov/news/speech/2007/spch020907aln.htm .

[8] *See* comments of Commissioner Atkins at http://www.sec.gov/news/speech/2007/spch020907psa.htm .

[9] *See* testimony of Arthur Levitt, SEC Chairman , concerning appropriations for fiscal year 1998 before the Subcommittee on Commerce, Justice, and State, the Judiciary, and Related Agencies of the House Committee on Appropriations (Mar 14, 1997), which appears at http://www.sec.gov/news/testimony/testarchive/1997/tsty0497.txt

[10] SIFMA Compliance & Legal Division's 38th Annual Seminar, Phoenix AZ (Mar. 26, 2007), which can be found at http://www.nasd.com/PressRoom/SpeechesTestimony/MaryL.Schapiro/NASDW_018865 [emphasis added].

[11] *Id.* [emphasis added].

The proposed amendment does not fulfill these commendable aspirations of reduced regulatory costs for *all* through rules respecting broker-dealers of *all* sizes and business models. Ms. Shapiro also extolled a new FINRA pilot program to analyze the impact of FINRA rules through a cost-benefit approach.[12] As noted above, the life insurance industry strongly endorses a deliberative cost-benefit approach to FINRA rulemaking. Such metrics would fulfill the unequivocal statutory responsibility to carefully evaluate the economic and competitive impact of SRO rules in the 1934 Act that protect against anticompetitive conduct. The proposed amendment does not implement the commendable cost-benefit aspirations advocated by Ms. Shapiro.

Recommendations for Enhanced Rulemaking Procedures

Fortunately, however, the rule process can be greatly enhanced with a disciplined and balanced process that is inclusive of all broker-dealers' interests. The proposal can serve a valuable role in establishing a rigorous, non-negotiable process for FINRA rules that protects essential economic and competitive fundamentals. The merged SRO should serve fairly the interests of *all* 5,700 broker-dealers in the FINRA membership, not just the 200 wire-house firms of the NYSE.

To ensure regulatory fairness respecting broker-dealers of *all* sizes and business models, we strongly recommend the following standards in every FINRA rulemaking and harmonization:

- Early in every regulatory initiative, elicit the input of a balanced and fully representative delegation of the SROs' membership before a proposal crystallizes;
- Thoroughly quantify the regulatory need for all proposed rules and amendments;[13]
- Thoroughly quantify the economic and competitive impact of every regulatory action on broker-dealers of all types;
- Thoroughly explain the impact of new rulemaking on direct and indirect revenue for the SRO;
- Carefully balance the quantified regulatory need against the economic and competitive impact of all rules or amendments;
- In Notices to Members inviting comment, explain the purpose and rationale of proposed rule changes in a detailed and thorough fashion, similar to SEC releases on administrative rulemaking;
- Provide substantial comment periods of at least 75 days in all rule initiatives to elicit meaningful feedback, and avoid short comment periods or comment periods wrapped around holiday periods in all but emergency administrative actions;
- In Notices to Members inviting comment and in filings for SEC approval of SRO rulemaking, discuss in detail the competitive and economic impact of proposed actions on *all* broker-dealers and product categories;

[12] *Id.*

[13] To quantify regulatory need in a transparent and statistically significant manner, FINRA should immediately develop a comprehensive data base of disciplinary and enforcement actions classified according to violations over at least a five-year time period. FINRA currently does not have a data base of this nature, even though the source information is generated by FINRA. The construction of such a data base would complement FINRA's aspirations to operate a combined SRO regulatory unit that fairly treats broker-dealers of all sizes and business models based on meaningful cost-benefit techniques.

- In filings for SEC approval of SRO rulemaking, provide detailed analysis and response to all comments filed with FINRA on the initiative; and,
- Carefully limit administrative actions to areas over which the merged SRO has clear jurisdiction, and scrupulously avoid matters beyond the merged SRO's authority.

To fully effectuate the antitrust laws, it will be incumbent on FINRA's merged regulatory functions to execute rulemaking in the manner outlined above so that the SRO operates in a balanced manner reflecting the diverse universe of broker-dealers and the securities they distribute. FINRA should establish standardized procedures for the promulgation of all rules and rule amendments. We would be happy to work with the new SRO to develop uniform standards for administrative rulemaking. In the regulatory merger of FINRA and NYSE, it is important to proceed in a deliberative fashion that is fair, equitable, and balanced.

Conclusion

The life insurance industry supports the worthwhile goals of meaningful investor protection accomplished through carefully tailored FINRA rulemaking that articulates regulatory needs clearly, provides a nexus between regulatory needs and rule mechanics, and accommodates FINRA's diverse membership. FINRA rules should identify competitive and economic burdens of proposed rules in balancing regulatory need. All of these goals can be achieved with appropriate modification of the proposed rule.

We appreciate the opportunity to share our views on this rulemaking.

Sincerely,

Carl B. Wilkerson

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