



Via Agency Web Site

February 17, 2011

David A. Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Re: *RIN 3038-AC20—Swap Data Repositories*<sup>1</sup>

Dear Mr. Stawick:

I am writing on behalf of the Council of Institutional Investors (Council), a nonprofit association of public, union and corporate employee pension funds, foundations and endowments, with combined assets that exceed \$3 trillion dollars.<sup>2</sup> Member funds are major shareowners with a duty to protect the retirement savings of millions of American workers. As a leading voice for long-term investors responsible for the retirement savings of millions of American workers and retirees, the Council welcomes the opportunity to share its views on the transparency of governance arrangements of swap data repositories (SDR) as described in the above referenced proposed rule.

Since our founding in 1985, the Council has strongly advocated for good corporate governance, a system of checks and balances that fosters independence, accountability and market integrity. An essential element of good corporate governance is robust disclosure. We believe that the transparency resulting from robust disclosure promotes greater accountability and encourages the thoughtful, long-term approach to decision-making that the US financial markets urgently need.

We are encouraged to see that the Commodity Futures Trading Commission's (CFTC) proposed rule sets forth a number of disclosure requirements for SDRs. We note that the following proposed disclosure requirements are generally consistent with the best practices outlined in our governance policies for corporate boards:

- Mission statement and/or charter of the board and certain committees<sup>3</sup>
- Board nomination process<sup>4</sup>
- Board committee assignment process<sup>5</sup>

<sup>1</sup> Swap Data Repositories, 75 Fed. Reg. 80,898 (Dec. 23, 2010), available at <http://edocket.access.gpo.gov/2010/pdf/2010-31133.pdf>.

<sup>2</sup> For more information about the Council of Institutional Investors (Council) and its members, please visit the Council's website at <http://www.cii.org>.

<sup>3</sup> Council, Corporate Governance Policies, §1.3 Disclosed Governance Policies and Ethics Code (last updated Sep. 29, 2010), <http://www.cii.org/UserFiles/file/CII%20Corp%20Gov%20Policies%20Full%20and%20Current%2009-29-10%20FINAL.pdf>.

<sup>4</sup> *Id.* §2.8b Board Succession Planning.

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Council policies urge boards to disclose additional information not included in the proposed rule that may also be relevant to SDRs. We respectfully request that you carefully consider whether greater transparency in the following areas should also be required in the final rule:

- Director independence<sup>6</sup>
- Board's role in risk oversight<sup>7</sup>
- Director compensation<sup>8</sup>

As stated above, disclosure is a key component of good corporate governance. We are therefore pleased to lend our general support to the CFTC's proposed rules relating to the transparency of governance arrangements of SDRs, and we ask that the CFTC carefully consider the additional disclosure best practices referenced above as a part of its deliberation process.

We appreciate the opportunity to share our views with you. Please feel free to contact me at (202) 261-7086 or [laurel@cii.org](mailto:laurel@cii.org), or General Counsel Jeff Mahoney at (202) 261-7081 or [jeff@cii.org](mailto:jeff@cii.org), if you should have any additional questions or comments.

Sincerely,



Laurel Leitner  
Senior Analyst

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<sup>5</sup> *Id.* §2.5 All-independent Board Committees.

<sup>6</sup> *Id.* §2.3 Independent Board.

<sup>7</sup> *Id.* §2.7 Board's Role in Risk Oversight.

<sup>8</sup> *Id.* §6 Director Compensation.