April 13, 2022

Mr. Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F. Street NE
Washington, DC 20549-1090

Re: Private Fund Advisers; Documentation of Registered Investment Compliance Reviews” (“Private Fund NPRM”).

Dear Chairman Gensler:

We write to express concern over some of the Securities and Exchange Commission’s comment periods for complex rulemakings that may hamper the ability for the public to provide effective and meaningful input. Specifically, we write to request that the Commission revise the comment periods for its Private Fund Adviser proposal¹ and Form PF proposal² to at least 90 days post-publication in the Federal Register. Many of these rulemakings will have complex and sweeping effects on the industry and its stakeholders; we ought to allow the public sufficient time to conduct the analysis required for meaningful input on complex or highly significant proposed rules. We believe the interests of Congress, the Commission, stakeholders, and the public would be best served by an extended comment period for such rule proposals.

Federal Agencies are required to allow the public a meaningful opportunity to participate in the regulator comment process via the Administrative Procedure Act.³ President Clinton’s Executive Order no. 12,866 mandates that commenters must have sufficient time to submit their comments.⁴ While the Administrative Procedure Act requires at least a 30-day period for commenting, Agencies may provide more time for particularly complex rulemakings. Additionally, if after the initial comment period the Agency decides it has not received sufficient high quality public input, it may reopen a comment period for further solicitation.⁵ The 30-day comment period is the lawful bare minimum for thoughtful rulemaking – the SEC should allow longer comment periods for complex or particularly impactful rulemaking.

³ 5 U.S.C.A. § 553 (c).
⁵ 15 CFR § 930.128 (c)(2).
On February 9, 2022, the Commission’s Notice of Proposed Rulemaking released the nearly 350-page proposed rule, “Private Fund Advisers; Documentation of Registered Investment Compliance Reviews” (“Private Fund Adviser NPRM”). Additionally, on February 17, 2022, the Commission formally published in the Federal Register the nearly 250-page complex rulemaking for Form PF known as “Amendments to Form PF To Require Current Reporting and Amend Reporting Requirements for Large Private Equity Advisers and Large Liquidity Fund Advisers” (“Form PF NPRM”). For these rules in particular, the Commission has established the relatively short period for public comment of 30 days after publication in the Federal Register.

This abbreviated period will likely hinder engagement from Congress, investors, and other market participants. It is imperative that sufficient time is given to stakeholders of all sizes and types to engage. Both of these NPRMs will require stakeholders to provide a significant amount of analysis, data, and feedback to the Commission. For instance, the Private Funds Adviser NPRM includes over 900 questions for stakeholders to answer. Some of the questions call for detailed economic analysis for which stakeholders will likely need more time to conduct effectively.

The Commission has afforded reasonable time for public comment in the past, particularly for significant rulemakings. We believe an extension for the Private Funds Adviser NPRM and the Form PF NPRM is in line with practices of the Commission—regardless of Administration. Finally, we believe that, going forward, the Commission should carefully evaluate whether the public has adequate time to respond within the given comment periods, and tailor those periods to allow for thoughtful yet efficient rulemaking.

Thank you for your consideration on this matter.

Sincerely,

Bill Foster
Member of Congress

Andy Barr
Member of Congress

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Ed Case
Ed Case
Member of Congress

Ann Wagner
Ann Wagner
Member of Congress

Henry Cuellar
Henry Cuellar
Member of Congress

Bill Posey
Bill Posey
Member of Congress

David J. Trone
David J. Trone
Member of Congress

Tom Emmer
Tom Emmer
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Sean Patrick Maloney
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Roger Williams
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Tom O'Halleran
Tom O'Halleran
Member of Congress

William R. Timmons IV
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Member of Congress
Jim Cooper
Member of Congress

Terri A. Sewell
Member of Congress

Angie Craig
Member of Congress

Steven Horsford
Member of Congress

Scott H. Peters
Member of Congress

cc:
The Honorable Hester M. Peirce, Commissioner
The Honorable Allison Herren Lee, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner
William Birdthistle, Director, Division of Investment Management