General Observations

- Diversity of the Special Entity group should be kept in mind as rules are crafted. Even within the public pension community there is a broad range of resources and investment approaches. Background information on the industry.
- Coordination of SEC and CFTC is important.
- Timing of rulemaking is important. Due deliberation required, but early clarity desirable.

Basic Principles

- Concerned over any treatment that will result in Special Entities having higher costs or less market access than non-Special Entities.
- Not the topic for discussion on August 12, but the delineation of transactions to be conducted on exchanges or swap execution facilities will impact significantly the specific issues identified below.

Specific Issues of interest

- What will distinguish an advisory relationship?
- What is the definition of “independent representative.” Will investment staff qualify and under what circumstances?
- What will qualify as a “reasonable basis” for determining that an independent representative meets prescribed requirements?
- What will constitute “appropriate disclosure” by an independent representative?
- Further clarity on “primary purpose of hedging commercial risk of the plan?”
- Will margin and other requirements be uniform for Special and non-Special Entities? Types of collateral that may be posted?
- In general are there rules or requirements being contemplated that will not be uniform for Special and non-Special Entities?