



OVERCOMING INERTIA: PUTTING FINANCIAL REFORM INTO ACTION

On January 28, 2008 Steve Bartlett, president and CEO of The Financial Service Roundtable, delivered a speech about the growing consensus of support for an overhaul of the U.S. financial regulatory system, specifically for many of the reforms set forth in the Roundtable's *Blueprint for U.S. Financial Competitiveness*.

The evidence of consensus for financial regulatory reform was found in the many comment letters filed with the U.S. Treasury Department as part of Secretary Henry Paulson's review of the nation's financial markets and financial regulatory systems.

Mr. Bartlett outlined a number of "bold, comprehensive, and pragmatic recommendations" that the industry, Congress and the regulatory agencies need to act on in order to move us away from our outdated rules-based regulatory system and toward the principles-based approach that most other nations employ.

"One approach is for policymakers to start on three discreet and achievable reforms. Each of these reforms can be achieved in 2008, although they would be not be easy. They are: (1) principles-based regulation; (2) prudential supervision; and (3) optional national insurance charter."

Mr. Bartlett also highlighted the specific steps the Roundtable has already taken to advance these regulatory reforms, including the drafting of a bill "that would establish Guiding Principles for U.S. financial regulators, markets and firms" and legislation to implement prudential supervision.

Mr. Bartlett's speech served as a call to action to both industry and policymakers. In closing, he urged the Treasury Department and the Congress "to let the force of inertia work for us with action, rather than against us with inaction. A consensus has emerged in support of principles based regulation, prudential supervision, and optional federal insurance charter. These reforms can be achieved in the near term."

For a copy of Mr. Bartlett's full remarks, visit www.fsround.org.