



SEC on a Dodd-Frank ‘death march,’ Gallagher says

By Melanie Waddell

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SEC Commissioner Daniel Gallagher said Wednesday that since the passage of the Dodd-Frank Act four years ago, the law’s rulemaking mandates have been an “unfettered distraction” for the securities regulator and that the agency has been on a “death march” to finish Dodd-Frank rulemakings that are unrelated to its core mission.

“The amount of time consumed” at the Securities and Exchange Commission on Dodd-Frank rulemakings that are “entirely unrelated to the agency’s core mission and entirely unrelated to what caused the financial crisis itself is a shame, and taxpayers should be horrified,” Gallagher told attendees at an event held jointly by the libertarian Cato Institute and George Mason's market-oriented Mercatus Center at the Newseum in Washington.

The event was titled "After Dodd-Frank: The Future of Financial Markets."

Gallagher opined that the root cause of the financial crisis was “failed federal housing policy and loose monetary policy,” none of which was addressed in Dodd-Frank.

While the agency has completed 42 rulemakings out of 100 mandated ones, Gallagher added that it was a “silly notion” to think that the SEC could actually meet the one- to two-year deadlines imposed by Congress.

“Unfortunately,” he said, the SEC is “still getting lots of pressure to finish the remaining 58 rulemakings on its plate.”

Indeed, in comments a day before, former Sen. Chris Dodd, D-Conn., noted that the rulemaking process at agencies “has slowed,” with agencies like the SEC having “far too many rules to implement.”

Scott O’Malia, a commissioner at the Commodity Futures Trading Commission, who spoke on the panel with Gallagher, conceded that while “four years later we’re not going to undo Dodd-Frank,” he noted the CFTC has “massive regulatory mandates, yet our capacity to implement them ourselves is just not there.”