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Designation, MetLife had no opportunity to demonstrate to FSOC its utter absurdity in this context.

Consequences of Designation. MetLife submitted extensive evidence demonstrating that designation and the resulting increased capital requirements could have severe consequences for MetLife and its shareholders and customers. JA 1929-34. At the hearing, MetLife's Chief Executive Officer confidentially disclosed to FSOC that the Company had retained a firm to assess the potential effects of designation and to evaluate options for breaking up the Company in the event it was designated. JA 2390-92. FSOC nevertheless declined to consider the effects of designation, insisting instead that the Dodd-Frank Act does not expressly require a cost-benefit analysis and thus that it need not consider the consequences of its regulatory action. *See* JA 371.

B. Dissents From The Final Designation

Two of FSOC's members dissented from the Final Designation. S. Roy Woodall, who serves as the statutorily-mandated "independent member . . . having insurance expertise," 12 U.S.C. § 5321(b)(1)(J), criticized FSOC for declining to adopt an activities-based approach for assessing the risks associated with MetLife's capital markets activities, and for conducting an asset-liquidation analysis that was based on "implausible, contrived scenarios" rather than "substantial evidence in the record" and "logical inferences from the record." JA 641. He further criticized FSOC for assuming, as "the central foundation for [the] designation," a "sudden and unforeseen insolvency of unprecedented scale, of unexplained causation, and without effective regulatory responses or safeguards," JA 643, and for being generally "dismissive of" the "U.S. State insurance regulatory framework, the panoply of State regulatory authorities, and the willingness of State regulators to act," JA 641-42.

60)—is among the grounds on which agency actions are most commonly invalidated. *See Bus. Roundtable*, 647 F.3d at 1150-52 (striking down rule because the SEC "relied upon insufficient empirical data" when considering its effects); *see also North Carolina*, 531 F.3d at 906-08.

FSOC's duty to consider the consequences of designation emanates from both Dodd-Frank and the APA. Specifically, Section 113(a)(2)(K) of Dodd-Frank makes clear that the statutory factors enumerated by Congress are not intended to be exhaustive and should be supplemented by FSOC as "appropriate." 12 U.S.C. § 5323(a)(2)(K). Relatedly, Section 113(h) of Dodd-Frank imposes on FSOC the duty to refrain from arbitrary and capricious action. *Id.* § 5323(h). Section 113(h) therefore imports into the designation inquiry an agency's obligation to consider the effects of its regulatory action as an additional "appropriate" consideration. *See Bus. Roundtable*, 647 F.3d at 1150-52. That duty is particularly important in the SIFI designation setting because Congress plainly did not intend FSOC to take regulatory actions that weaken the designated company and leave it more susceptible to material financial distress.

Had FSOC considered the consequences of designation, it would have been compelled to conclude that the imposition of enhanced prudential standards on MetLife would increase the Company's costs and capital requirements, resulting in higher prices for policyholders, a reduction in benefits, and MetLife's possible departure from certain product markets. *See* JA 1603-04; JA 1929-34. Indeed, General Electric Company has already announced plans to sell off most of the assets of General Electric Capital Corporation—one of the four nonbank SIFIs—in a move widely perceived as a response to the burdens of SIFI designation, Joann S. Lublin *et al.*, *GE Seeks Exit from Banking Business*, Wall St. J. (Apr. 10, 2015), http://www.wsj.com/articles/ge-prepared-to-exit-the-bulk-of-ge-capital-1428662109. In the case of MetLife, the Chief Executive Officer advised FSOC that designation could result in the break-up of the Company—