

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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June 8, 2015

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 2289, the "Commodity End-User Relief Act," a bipartisan bill that would reauthorize the Commodity Futures Trading Commission (CFTC). This bill also includes a number of important reforms designed to promote smart regulation, enhance accountability at the CFTC, and protect Main Street businesses from onerous and unintended derivatives regulation.

The Chamber is particularly supportive of provisions in H.R. 2289 that would help preserve the ability of commercial end users to manage their financial risks by using derivatives. This bill includes a critical fix that would ensure non-financial companies would be protected from burdensome and unnecessary regulations, consistent with Congress's clear intent under the Dodd-Frank Act almost five years ago. Non-financial companies that use centralized treasury units to manage their enterprise-wide risk should not be penalized for adopting this risk reducing structure, and H.R. 2289 acknowledges and would address this issue.

This bill also takes a practical approach to address one of the most problematic areas of regulatory implementation in the global derivatives market: cross-border harmonization. Many end users operate internationally and are struggling to meet the changing demands of multiple, conflicting, and sometimes duplicative regulatory regimes. H.R. 2289 would require the CFTC to move quickly to make substituted compliance determinations that would significantly reduce needless complexity and uncertainty for U.S. businesses, without reducing market transparency.

The Chamber also supports provisions in this bill intended to promote transparency and accountability in the CFTC's rulemaking process, including a requirement to conduct a cost-benefit analysis for new rules, and the establishment of an Office of the Chief Economist to support such analysis. Cost-benefit analysis has been a fundamental tool of effective government for more than three decades, and these requirements would help protect Main Street businesses, investors, and consumers from some of the unintended consequences of regulation.

Additionally, H.R. 2289 contains a number of sensible provisions that would promote principles of good governance, including providing market participants with better Commission oversight regarding "no action" letters issued by the CFTC staff, and a requirement that the CFTC develop internal risk control mechanisms in order to protect sensitive market data. These

are common sense measures that would help make the CFTC a more effective and accountable regulator, and the Chamber appreciates their inclusion in this bill.

The Chamber strongly urges you to support H.R. 2289 and may consider including votes on, or in relation to, this bill in our annual *How They Voted* scorecard.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being the most prominent parts.

R. Bruce Josten