

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

1615 H STREET, N.W.  
WASHINGTON, D.C. 20062-2000  
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November 15, 2011

The Honorable Jack Reed  
Chairman  
Subcommittee on Securities, Insurance  
and Investment  
Committee on Banking, Housing and  
Urban Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Michael D. Crapo  
Ranking Member  
Subcommittee on Securities, Insurance  
and Investment  
Committee on Banking, Housing and  
Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Chairman Reed and Ranking Member Crapo:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector and region, believes that effective regulators are needed to ensure the safety and soundness of the financial markets.

As the Senate Committee on Banking, Housing and Urban Affairs Subcommittee on Securities, Insurance and Investment holds a hearing entitled "*Management and Structural Reforms at the SEC*," the Chamber would like to draw your attention to a report, [\*Examining the Efficiency and Effectiveness of the U.S. Securities and Exchange Commission\*](#) ("Report"). This report was released by the Chamber on February 11, 2009 and makes 23 recommendations to refine the core operations of the SEC to improve the agency's regulatory oversight.

While some improvements have been made to the management and operations of the SEC, much remains to be done. Effective financial regulatory reform cannot take place until the regulators themselves are better managed and have the tools and expertise needed to understand the markets that they regulate. Among the recommendations that are needed to create a more effective agency includes:

- The SEC should create a Chief Operating Officer (COO) position with sufficient authority to oversee daily operations throughout the SEC;
- The SEC should establish a coordinating council, chaired by the COO, to resolve issues or disagreements involving more than one division or office;
- The SEC should expand the breadth of its staff expertise complementing legal and accounting expertise with staff experts in capital markets operations and the business operations of regulated entities as well as financial economics;

- The SEC should realign The Division of Trading and Markets and the Division of Investment Management into a Division of Investor Protection and Retail Financial Services Regulation and a Division of Market Oversight and Operations; and
- The SEC should create an accelerated conditional approval process for new investment products or services.

The Chamber will release new recommendations on December 14, 2011 when the second report on SEC efficiency and effectiveness is released.

The Chamber looks forward to working with the Subcommittee on this issue and others to insure the vibrancy of the American capital markets that is necessary to fuel the creation of 20 million jobs over the next 10 years.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten

cc: Members of the Senate Subcommittee on Securities, Insurance and Investment