

CENTER FOR CAPITAL MARKETS COMPETITIVENESS

OF THE

UNITED STATES CHAMBER OF COMMERCE

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October 11, 2011

The Honorable Timothy Geithner
Secretary
United States Department of the Treasury
1500 Pennsylvania, Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

The U.S. Chamber of Commerce (“Chamber”) is the world’s largest business federation representing the interests of over three million companies of every size, sector, and region. The Chamber created the Center for Capital Markets Competitiveness (“CCMC”) to promote a modern and effective regulatory structure for capital markets to fully function in a 21st century economy. Regulatory certainty is an important function of efficient markets and it is important that regulators are appropriately coordinated in the regulatory implementation process regarding what is commonly known as the Volcker Rule.

Section 619 of the Dodd-Frank Act (the “Volcker Rule”) requires joint implementation of the rule by the Federal Reserve, Federal Deposit Insurance Corporation (“FDIC”), the Office of the Comptroller of the Currency (“OCC”), the Securities and Exchange Commission (“SEC”), and the Commodity Futures Trading Commission (“CFTC”). On October 11, 2011, the FDIC and Federal Reserve approved a proposed rule for public comment, and the SEC is expected to vote on the proposed rule later this week. The OCC is listed in the releases proposed by the FDIC and Federal Reserve as an agency whose staff was involved in the proposed rule. However, the CFTC was not so listed, and does not appear to be coordinating with the other agencies.

Implementation of the Volcker Rule will have broad implications for covered institutions, as it significantly limits institutions’ ability to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. The Chamber is concerned that the lack of coordination between the CFTC

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and the other responsible agencies injects additional uncertainty into an already fragile economy, and threatens to further endanger the economic recovery.

The Financial Stability Oversight Council (“FSOC”) possesses authority under Section 112(a) of Dodd-Frank Act to provide a forum for the resolution of any differences in interpretation between the financial regulars, including differences between the regulators responsible for implementing the Volcker Rule. We respectfully request that the FSOC exercise this authority to resolve any differences that exist between the agencies and ensure that their actions in implementing the Volcker Rule are coordinated and regulatory uncertainty is minimized to the greatest extent possible. This authority was central to the creation of the FSOC as a council of regulators, and must be exercised in this case to avoid the injection of further uncertainty into the financial system.

Thank you for your attention to this important issue and we look forward to working with you to provide certainty to America’s job creators.

Sincerely,

A handwritten signature in black ink that reads "David Hirschmann". The signature is written in a cursive, slightly slanted style.

David Hirschmann