

# Coalition for Derivatives End-Users

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September 13, 2013

The Honorable K. Michael Conaway  
U.S. House of Representatives  
2430 Rayburn House Office Building  
Washington, DC 20515

The Honorable David Scott  
U.S. House of Representatives  
225 Cannon House Office Building  
Washington, DC 20515

***Re: End-User Support for H.R. 1003, A Bill to Improve Consideration by the Commodity Futures Trading Commission of the Costs and Benefits of its Regulations and Orders.***

Dear Representative Conaway and Representative Scott:

The undersigned organizations—representing hundreds of end-user companies that employ derivatives to manage risk—write in support of H.R. 1003, a *bill to improve consideration by the Commodity Futures Trading Commission of the costs and benefits of its regulations and orders*. This bill would require the Commodity Futures Trading Commission (CFTC) to undertake rigorous quantitative and qualitative cost-benefit analysis before promulgating a new regulation or order. The Coalition supports the strong policy imperative for transparent economic analysis as part of the rulemaking process, even for independent regulators, and this legislation will ensure the CFTC balances the costs with the benefits before issuing rulemakings and orders.

The regulatory burden on derivatives end-users has grown dramatically as a result of the Dodd-Frank Act and the CFTC's regulations promulgated thereunder. While it might be assumed that new regulations would apply only to the largest or most active market participants, this is not the case. End-user companies that use derivatives predominantly to hedge or mitigate commercial risk are impacted by many recently promulgated CFTC regulations. H.R. 1003 would help ensure that end-user companies are not subject to costs that outweigh any potential benefits resulting from covered administrative action.

Throughout the legislative and regulatory processes surrounding the Dodd-Frank Act, the Coalition has advocated for strong regulation that brings transparency to the derivatives market and imposes thoughtful new regulatory standards that enhance financial stability while avoiding needless costs. The Coalition encourages you to support this bipartisan bill when it is voted on in the U.S. House of Representatives and ensure that derivatives regulators fully consider the costs and benefits when promulgating regulations affecting derivatives end-users.

Sincerely,

Agricultural Retailers Association  
Business Roundtable  
National Association of Corporate Treasurers  
National Association of Manufacturers  
U.S. Chamber of Commerce