

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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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, urges you to consider the following recommendations as you prepare to consider H.R. 5485, the "Financial Services and General Government Appropriations Act, 2017."

- Support suspending the Consumer Financial Protection Bureau's (CFPB) rulemaking on consumer arbitration agreements until it properly considers the demonstrable benefits of consumer arbitration and oppose any amendments to strike this provision.
- Support bringing both the CFPB and Office of Financial Research under the normal appropriations process to ensure accountability.
- Support an amendment expected to be offered that would place a funding limitation prohibiting the Securities and Exchange Commission (SEC) from developing, implementing, finalizing or enforcing universal proxy ballot proposals or SEC rulemaking to allow or explore universal proxy ballots.
- Support reporting to Congress by financial regulators on their interactions and negotiations with international bodies such as the G20, Financial Stability Board (FSB), and the International Organization of Securities Commissions. While these activities can be productive and beneficial, transparency could help insure that policy aims are consistent with and meet legislative goals.
- Support restricting the SEC from considering a rulemaking petition on political spending disclosures. Electioneering activities that are subject to this rulemaking petition are already disclosed under election law, and the petition is outside of the jurisdiction of the SEC. Furthermore, shareholders have routinely rejected these disclosures when they have been proposed by shareholder resolution. Also support maintaining the funding restriction that prohibits political spending or campaign activity reporting requirements or regulations as a condition of submitting any federal contract offers.
- Support a requirement for a report on the SEC's implementation of Division G of the Fixing America's Surface Transportation Act (FAST Act). Division G of the FAST Act includes several provisions to facilitate the ability of businesses to access capital markets and the pathway to going public. This would allow Congress to monitor the speed of implementation of the FAST Act.

- Support provisions requiring the Department of the Treasury's Office of Financial Stability to provide a report to Congress on the economic and liquidity impacts of the Basel III capital standards, the Volcker Rule, the Foreign Bank Operations Rule, and Money Market Fund rules. Financial services regulators have promulgated a series of regulations to raise capital standards, reduce proprietary trading, truncate the operation of foreign banks in the US, and lessen volatility in money market funds. The study of the economic and liquidity impacts of these rules would help regulators and policy leaders understand the potential unforeseen consequences of these rules and take corrective action if needed.
- Support requiring all records of any individual payments under 31 U.S.C. 1304 (the Judgment Fund) be reported to Congress and made available to the public. Currently there is no requirement that payments from the Judgment Fund be reported to Congress and made available to the public. Requiring this would provide needed transparency.
- Support an appropriation of \$120 million for the Small Business Administration's (SBA) Small Business Development Centers (SBDCs).
- Support an appropriation of \$11 million for the SBA's Service Corps of Retired Executives (SCORE) program.
- Support an appropriation of \$12.3 million for SBA's Veterans Outreach programs.
- Support \$15 million for State Trade and Export Promotion (STEP) grants under section 1207 of P.L. 111-240. These grants have been instrumental in helping states provide assistance for small businesses to export.
- Support an appropriation of \$9.4 million for the SBA Office of Advocacy.
- Support lending authority in the amount of \$28 billion for the SBA 7(a) lending program. Regulation meant to greatly reduce risk within the banking system has had the unintended consequence of reducing traditional avenues for lending for small business. As a result, financial institutions have sought other means to mitigate the risk of lending to small businesses. More robust funding authorization is needed for FY17.
- Support full funding for dedicated, full-time staff to assist the Intellectual Property Enforcement Coordinator to fulfill its mission of improving government agency efficiencies and coordination and private sector initiatives to combat intellectual property theft and counterfeiting of domestic products.

The Chamber strongly supports Section 127 of this bill, which is designed to depoliticize the tax exempt status determination by the IRS for 501(c)(4) organizations. The Chamber urges you to oppose any attempts to remove this section from this bill.

Additionally, the Chamber maintains a longstanding position of supporting normalized relations and an increased commercial relationship with Cuba. Accordingly, the Chamber strongly supports an amendment offered by Rep. Mark Sanford that would remove barriers preventing American citizens from freely traveling to Cuba. Today, Cuba is the only country in

the world where the U.S. government restricts travel by American citizens. A strong case may be made that additional people-to-people contacts, such as those encouraged by the U.S. government in Eastern Europe during the Cold War, would lead to Cuba becoming more open and democratic. Greater engagement with U.S. citizens, school and church groups, and cultural institutions would benefit many Cubans. In addition, lifting the travel ban could help thousands of Cubans improve their standard of living and their economic independence from the state.

Moreover, the Chamber also strongly supports an amendment offered by Rep. Rick Crawford that would reduce barriers for agricultural exports to Cuba. Over a decade ago, the Chamber actively worked with the Congress to lift the food and medicine sanctions on Cuba. Since the Trade Sanctions Reform and Export Enhancement Act (TSRA) was implemented in 2000, the United States has exported nearly \$5 billion worth of agricultural products to Cuba—creating jobs here in the United States. Recently, however, U.S. market share has declined due to increased competition, especially from countries able to provide export credits to the Cuban import authorities. For too long, the United States has penalized the American farmer by imposing unilateral sanctions on Cuba and other countries which severely restrict trade opportunities capable of increasing demand for U.S. agricultural products.

The Chamber strongly opposes amendments offered by Rep. Peter Roskam that would prohibit approval of the sale or lease of commercial aircraft, related parts, or service with Iran and that would prohibit the involvement of a U.S. financial institution in the sale or lease of commercial aircraft to Iran. As a matter of policy, amendments such as these should not be included in appropriations bills and should be left to the authorizing committees. Indeed, Congress should avoid intervening in commercial contract agreements in instances such as these where national security matters are not involved.

On the substance of the matter, Iran has one of the oldest commercial airline fleets in the world and reportedly needs to acquire at least 400 planes in coming years to update its fleet with safe equipment. The export of U.S.-manufactured civil aircraft under proper licensing procedures poses no risk whatsoever for U.S. national security and would support tens of thousands of American jobs. Prohibiting American manufacturers from competing for business in this market would only shift these exports to foreign competitors rather than supporting good manufacturing jobs here in the United States.

The Chamber appreciates your consideration of these recommendations as you consider H.R. 5485, the “Financial Services and General Government Appropriations Act, 2017.” **The Chamber may consider including votes on, or in relation to, this legislation and amendments 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