

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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April 19, 2013

The Honorable Richard C. Shelby
United States Senate
Washington, DC 20510

Dear Senator Shelby:

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, thanks you for introducing S. 737, the "Basel III Impact Study Act."

The Chamber strongly supports requiring Federal banking agencies to study the cumulative effect of certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III capital accords before issuing the final rules implementing Basel III.

The Chamber has repeatedly called for a comprehensive study of the cumulative impacts of Dodd-Frank and Basel III upon the capital formation capabilities for non-financial companies. As an example, the failure to have a clear derivatives end-user exemption could hamper the ability of a company to mitigate risk, and the Volcker Rule may impede the ability of businesses to raise capital in the debt and equity markets. Basel III could harm business lending through negative risk weights for commercial lines of credit, while looming money market fund regulations may hurt the ability of businesses to access the commercial paper markets and use effective cash management techniques.

The one place these initiatives converge is at the corporate treasurer's desk. If the treasurer cannot raise capital, or only do so in a less liquid and more expensive environment, then businesses cannot grow and create jobs and may even have to shutter their doors. For these reasons, the Chamber last week issued a study [*How Main Street Businesses Use Financial Services*](#) to show how businesses use financial services. A comprehensive study of the cumulative impacts of these regulatory initiatives upon this diverse mosaic of capital formation is needed before Basel III and certain Dodd-Frank provisions, such as the Volcker Rule, are implemented.

The Chamber strongly supports S. 737, the “Basel III Impact Study Act” and looks forward to working with you on these important issues to ensure that the United States has the efficient capital markets needed to spur economic growth and job creation.

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