

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
202/463-5310

December 4, 2013

The Honorable Peter King
U.S. House of Representatives
Washington, DC 20515

Dear Representative King:

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 sponsoring the "U.S. Financial Services Global Viability Act." This legislation would prevent the United States capital markets from having to operate at a competitive disadvantage that may hinder economic growth and job creation.

On January 21, 2010, President Barack Obama proposed a ban on proprietary trading by financial institutions and named it after former Federal Reserve Chairman Paul Volcker, its chief architect. The Obama Administration requested other nations to follow suit, which was universally rejected.¹ The Volcker Rule was eventually made a part of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") through the passage of the Merkley-Levin Amendment. International rejection of the Volcker Rule continued after the passage of the Dodd-Frank Act. Therefore, our financial services sector will not be able to engage in certain types of activities, adversely impacting capital formation activities in which our competitors can engage.

Additionally, the activities covered by the Volcker Rule directly impact the ability of non-financial companies to raise capital in the equity and debt markets. Therefore, the international rejection of the Volcker Rule creates a competitive disadvantage for the American financial services and non-financial companies in a global economy.

The U.S. Financial Services Global Viability Act would stay the enforcement of the Volcker Rule pending the Treasury Secretary identifying major international financial services competitors to the United States and certifying that those competitors are also following a Volcker Rule policy banning proprietary trading. This legislation would help prevent the United States from operating at a competitive disadvantage while fulfilling the original intent of the proposal that it be international in its scope and enforcement.

¹ See E.U. Ministers to Resist Obama's Proposal for Banking Overhaul, *Bloomberg News*, Feb. 16, 2010.

The Chamber strongly supports the U.S. Financial Services Global Viability Act and looks forward to working with you on this important issue.

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 legible parts.

R. Bruce Josten