## Connress of the United States Mashinaton, DC 20515

December 20, 2011

The Honorable Ben S. Bernanke Chairman Federal Reserve Board 20<sup>th</sup> Street & Constitution Avenue, NW Washington, D.C. 20551

The Honorable Gary Gensler Chairman Commodity Futures Trading Commission Federal Deposit Insurance Corporation Three Lafavette Centre 1155 21<sup>st</sup> Street, NW Washington, D.C. 20581

The Honorable Mary Schapiro Chairman Securities and Exchange Commission 100 F Street, NE Washington, D.C. 20549

The Honorable Martin J. Gruenberg Acting Chairman 550 17th Street, NW Washington, D.C. 20429

Mr. John Walsh Acting Comptroller of the Currency Office of the Comptroller of the Currency 250 E Street, SW Washington, D.C. 20429

Dear Sirs and Madam:

We are writing to express our initial views related to the proposed rule on Section 619 of Dodd-Frank, also known as the "Volcker Rule." Numerous questions have been raised about the proposal, as drafted, that must be carefully examined given the potential impact on capital formation for American businesses and a broader U.S. economic recovery.

Congress tasked your agencies with joint responsibility to draft rules prohibiting proprietary trading, while expressly including important exemptions for several activities that are vital to our capital markets, such as market making. The product of this joint undertaking is a proposed rule that is approximately 300 pages and includes a request for comment on more than 1,300 questions by mid-January. Furthermore, the U.S. Commodity Futures Trading Commission (CFTC) has not signed onto the proposal and may issue a separate proposal.

Given the short timeline for comment and the rapidly approaching July 2012 implementation deadline, concerns have been raised that affected stakeholders will not have a sufficient opportunity to examine the rule and provide meaningful comment, and that regulators will not have adequate time to digest these comments. The complexity of these issues necessitates a deliberative and thoughtful process that considers an appropriately tailored proposal to improve safety and soundness without disrupting market liquidity for investors and the flow of capital to American

PRINTED ON RECYCLED PAPER

businesses. With these concerns in mind, we ask that, in accordance with the recent letter from Chairman Bachus, the regulators extend the comment period at least 30 days. Additionally, regulators should consider producing an interim proposed rule reflecting the comments from affected stakeholders and the CFTC, and extend the implementation deadline.

Ultimately, the significance of any final rule for American businesses, and by extension American households, cannot be overstated given the direct impact on the U.S. capital markets, which today are the deepest and most liquid in the world. Initial reports from asset managers, mutual funds, pension plans and other stakeholders suggest that the rule, as drafted, would result in higher borrowing costs for American businesses, thereby impacting economic growth and job creation. For example, given the nearly \$8 trillion corporate bond market, if the cost of borrowing increases by just one-quarter of a percent for investment-grade bonds, and one-and-aquarter percent for high-yield bonds, the impact on the economy will be greater than \$45 billion for corporate bonds alone. This estimate does not consider the costs associated with consumer lending (*e.g.* student loans, auto loans), commodities, or other impacted markets. The effects are expected to be most pronounced for small and medium-sized companies.

Accordingly, it is imperative that regulators and stakeholders have sufficient time to carefully examine this proposal and related comments to ensure that American businesses have access to capital in order to fund day-to-day operations and to preserve and create jobs. With the U.S. economy at a critical juncture, the stakes are simply too high to proceed with undue haste, and not ensure that the rule embraces congressional intent in a way that supports our recovery.

alph M. Hall

Sincerely, July Biggert Jule Dump Bill Pasy Ladd Lucos

EilPanken

Nonie V. Anos MV-2

2). (020 ali 1 Sc.03 Will R. Vonpo KS-4

Robert J Sold

Kii /00er (15=3)

fatrich 7. mosterny NC-10

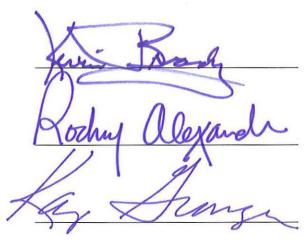
Sur myrich Vally Horger

Gregg Harper 12 Hanner

ott Sen S Minke Safar Bishop J. 2 The ( (on-16) M Boh (co-04) Sandy Adams (FL-24)

P. Aman (22-6)

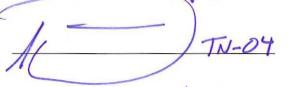
Jala Rokto



Cil By

Paul Bar

Aumfalogo



Tin Wallong

Hutty

Lolan Dut

Sta Charles dix-

Jun Junkins

Kh Kpr co.)

four Cal Thomastin

John Fleming Scallits

Ster Salise

Set Wulth

see Aivers

Devi Mine

Stuff Frut

Pedian Brita

Batrick Meek Martis

Food Jain

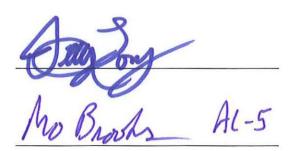


Mike Coffman

V Carsial TX-23

Ch Son my

Din Flores



Michal A. Jaim

M. O. O. Mugh

Find Munter

Mire Appelie

Virginia Josep

Tim gifti

Ben Que

ulumer rela

resser Allmin

Bill Cassily 3. Bell

K. Milling Cachy the hom fodgen

M. 11-19 I Whit fild

Watter B. Jones

59 Wilson

Peter Sesup TX-32

Lolut B. Adula

EM-

dux Walden il Johnson

An Canfbell

Lynd West Jean Schnide John Culburan Stru astot Vac / any Work A.M. Mulle JO Bonner Mar /hty Ed Royce Fat libren Hum Na Hayworth

fang buchor

Aufur mte

young

Sohnson

[il

Ola eto

ne Black

a con