

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
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June 20, 2018

The Honorable Richard Shelby
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Patrick Leahy
Ranking Member
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Chairman Shelby and Ranking Member Leahy:

As the Committee prepares to mark up the Fiscal Year 2019 Financial Services and General Government Appropriations bill, the U.S. Chamber of Commerce urges you to consider the following recommendations. Given the need to restrain overall federal spending and the discretionary spending caps currently in effect, the Chamber urges you to focus federal resources on projects and activities that offer the greatest potential to contribute to an environment conducive to stronger economic growth.

- Support bringing both the Consumer Financial Protection Bureau (CFPB) and Office of Financial Research under the normal appropriations process to ensure accountability.
- Support restricting the CFPB from issuing a rulemaking on small business data collection until the Government Accountability Office and Small Business Administration (SBA) have conducted a study on access to credit for small businesses.
- Support restricting the Financial Stability Oversight Council from designating nonbank entities as systemically important.
- Support restricting the Securities and Exchange Commission (SEC) from considering a rulemaking petition on political spending disclosures. Electioneering activities that are the subject of such a rulemaking petition are already disclosed under election law, and such a petition is outside of the jurisdiction of the SEC. Furthermore, shareholders have routinely rejected these disclosures when they have been proposed by shareholder resolution.¹ 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.

¹ A study by the Manhattan Institute has found that shareholder proposals for political spending disclosures at Fortune 250 companies only garner, on average, 18% support.

- Support a provision prohibiting the SEC from developing, implementing, finalizing, or enforcing universal proxy ballot proposals, and prohibiting any SEC rulemaking to allow or explore universal proxy ballots.
- Support a provision that would repeal the Volcker Rule. Repeal of the Volcker Rule would remove unjustifiable impediments to non-financial businesses' ability to access the debt and equity markets. The Volcker Rule has placed market participants operating in the U.S. at a global competitive disadvantage.
- 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 ensure that policy aims are consistent with and meet legislative goals.
- Support funding of no less than \$500,000 for the Office of the Intellectual Property Enforcement Coordinator (IPEC) within the Office of Management and Budget for additional permanent positions within IPEC to include one full time equivalent for a Deputy Director. Funding a dedicated, full-time staff will assist the IPEC in fulfilling its mission of improving government agency efficiencies and coordination and supporting private sector initiatives to combat intellectual property theft and counterfeiting of domestic products.
- Support lending authority in the amount of \$29 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 FY19.
- Support an appropriation of \$30 million for State Trade and Export Promotion (STEP) grants under section 1207 of the Small Business Jobs Act of 2010 (P.L. 111-240). These grants have been instrumental in helping states provide assistance for small businesses to export.
- Support funding for section 1, Cybersecurity of Federal Networks, of the Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure (EO 13800).
- Support eliminating initial margin requirements for inter-affiliate security-based swaps. Inter-affiliate transactions are internal, risk management transactions that enable firms to centralize their risk management activities between affiliated counterparties. As such, these transactions do not raise the systemic risk concerns that Dodd-Frank is intended to address because they do not create counterparty exposure outside of the corporate group.
- Support full funding for the Technology Modernization Fund (TMF), which was authorized as part of the Modernizing Government Technology Act, or MGT Act.

Federal agencies spend nearly 80% of their total information technology (IT) budgets on maintaining aging, insecure, and expensive legacy systems. Among other things, the TMF will help the federal government improve the cybersecurity posture of its networks and information systems.

The Chamber appreciates your consideration of these recommendations as you prepare to mark up the Fiscal Year 2019 Financial Services and General Government Appropriations bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a large, stylized flourish at the end.

Neil L. Bradley

cc: Members of the Committee on Appropriations