

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

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May 24, 2016

The Honorable Ander Crenshaw  
Chairman  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable José Serrano  
Ranking Member  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Crenshaw and Ranking Member Serrano:

As the Subcommittee prepares to mark up the Fiscal Year 2017 Financial Services and General Government Appropriations bill, 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:

- Support bringing both the Consumer Financial Protection Bureau (CFPB) and Office of Financial Research under the normal appropriations process to ensure accountability.
- Support suspending the CFPB's rulemaking on consumer arbitration agreements until it properly considers the demonstrable benefits of consumer arbitration.
- Support 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.<sup>1</sup> 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.

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<sup>1</sup> 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.

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 appreciates your consideration of these recommendations as you prepare to mark up the Fiscal Year 2017 Financial Services and General Government Appropriations bill.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten

cc: Members of the Subcommittee on Financial Services and General Government