



CENTER FOR CAPITAL MARKETS
C O M P E T I T I V E N E S S

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November 16, 2012

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve
20th Street and Constitution Avenue
Washington, DC 20551

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Office of the Comptroller of the
Currency
250 E Street, SW
Washington, DC 20219

Mr. David Stanwick
Secretary
Commodities and Futures Trading
Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: Prohibitions and Restrictions on Proprietary Trading and Certain Interests in and Relationships With, Hedge Funds and Private Equity Funds. Docket ID OCC-2011-0014, RIN 1557-AD44; Docket No. R-1432, RIN 7100 AD 82; RIN 3064-AD85; Release No. 34, RIN 3235-AL07; File Number S7-41-11.

Dear Ms. Johnson, Mr. Feldman, Ms. Murphy, Mr. Stanwick and To Whom It May Concern:

The U.S. Chamber of Commerce (“Chamber”) is the world’s largest business federation representing the interests of over three million companies of every size, sector and region. The Chamber created the Center for Capital Markets

Ms. Jennifer J. Johnson
Mr. Robert E. Feldman
Ms. Elizabeth M. Murphy
Mr. David Stanwick
To Whom it May Concern
November 16, 2012
Page 2

Competitiveness (“CCMC”) to promote a modern and effective regulatory structure for the capital markets to fully function in a 21st century economy. The CCMC is submitting this letter and attachment for comment and input as regulators consider the proposed rule, ***Prohibitions and Restrictions on Proprietary Trading and Certain Interests in and Relationships With, Hedge Funds and Private Equity Funds*** (“the Volcker Rule Proposal”).

The CCMC supports the intent to limit irresponsible risk taking. We are concerned, however, that the Volcker Rule Proposal does much more than this. In doing so, it poses implementation issues and severe costs and burdens that threaten the efficient, competitive and dynamic capital markets that foster effective capital formation and the job creation it engenders.

At the invitation of the House Financial Services Committee the CCMC submitted the following letter on Volcker Rule Alternatives. These suggested alternatives to the Volcker Rule include:

- **Repeal and replace the Volcker Rule with higher capital standards for proprietary trading;**
- **Suspend enforcement of the Volcker Rule pending international adoption and reconciliation with existing trade agreements; or**
- **Resolve specific issues including:**
 - **Eliminate compliance programs for companies and financial institutions that never engaged in proprietary trading;**
 - **Exempt illiquid issuances;**
 - **Exempt joint ventures;**

Ms. Jennifer J. Johnson
Mr. Robert E. Feldman
Ms. Elizabeth M. Murphy
Mr. David Stanwick
To Whom it May Concern
November 16, 2012
Page 3

➤ **Exempt State and Municipal debt issuances; and**

➤ **Conduct a study of Market Making and Underwriting impacts.**

These suggested alternatives are discussed in greater detail in the attached letter. The CCMC believes that these alternatives to the Volcker Rule should be considered as potential substitutes to the current Volcker Rule proposal.

As always, we are happy to meet to discuss these issues further to give you a better understanding of their rationale and how these alternatives to the Volcker Rule will prevent irresponsible risk taking while minimizing impacts upon capital formation and investor return.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK' followed by a long horizontal flourish.

Tom Quaadman