

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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July 14, 2014

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

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 as the House prepares to consider H.R. 5016, the "Financial Services and General Government Appropriations Act, 2015."

- Support bringing the Office of Financial Research under the normal appropriations process to ensure accountability.
- Support bringing the Consumer Financial Protection Bureau under the normal appropriations process to ensure accountability.
- Support reporting to Congress by financial regulators on their interactions with international bodies such as the G20, Financial Stability Board, and the International Organization of Securities Commissions. While these activities can be productive and beneficial, transparency can help insure that policy aims meet legislative goals.
- Support reporting to Congress by banking regulators on compliance with the cost-benefit analysis requirements of the Riegle Community Development and Regulatory Improvement Act.
- Support directing the Securities and Exchange Commission (SEC) to undertake a comprehensive reorganization and conduct a "look back" of regulations to determine impact of major rules.
- 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.¹
- Support directing the SEC to consider the impact of proposed changes to money market mutual fund regulations on cash management and short-term funding and to engage with all stakeholders to address concerns and ensure any final rule fully addresses tax

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.

complications and operational challenges. Specifically, transparency on how the Internal Revenue Service is addressing the tax issues arising from a floating share price for money market funds allows for due process and is needed to provide certainty before the SEC finalizes regulations.

- Support restricting the Financial Stability Oversight Council (FSOC) from moving forward with final recommendations on money market fund reform using Section 120 of the Dodd-Frank Act and allowing the SEC to work independently on the rulemaking. The SEC, an independent agency, should be allowed to complete its work without unwarranted influence or action from the Council or other agencies.
- Support restricting the FSOC from moving forward with the “systemically important financial institution” designations (SIFI Designations) until the Federal Reserve has finalized the enhanced prudential standards rulemaking. Such action would help ensure that the Council is fully informed of and has appropriately evaluated the consequences of designation before determining whether to designate a nonbank financial company as a SIFI.
- 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 \$115 million for the Small Business Administration’s (SBA) Small Business Development Centers (SBDCs).
- Support full funding for the SBAs Service Corps of Retired Executives (SCORE) and the 7(a) and 504 loan programs.
- 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.
- Support an appropriation of \$9 million for the SBA Office of Advocacy.

In addition, the Chamber opposes adoption of any prospective amendment that would ban U.S. companies that have reincorporated in Bermuda or the Cayman Islands from contracting with the federal government. Congress has enacted numerous such restrictions over the years which have complicated an already overburdened federal contracting process. Further, passage of such an amendment would potentially impede the government's access to the private sector workforce. Rather than punitive, piecemeal efforts to limit federal agencies from acquiring goods and services, the Chamber urges Congress to address the root of the underlying problem - the anti-competitive and antiquated U.S. tax code - through comprehensive tax reform.

The Chamber also strongly opposes any amendment that would undermine the current federal contracting suspension and debarment process by automatically debarring contractors for legal infractions or tax delinquency. Existing Federal Acquisition Regulations provide adequate enforcement authorities for any necessary contractor suspension and debarment actions.

Lastly, the Chamber opposes efforts to add any provision that would override the current process for holding contractors accountable for their violations of workplace laws like the Fair Labor Standards Act (FLSA). Contracting offices are currently able to take into account contractor compliance with a variety of workplace laws and requirements, including the FLSA, which can go as far as suspension and debarment from federal contracting if the violations are recurring or severe. Amendments have been offered by Rep. Ellison on other appropriations bills that would ignore the existing process and mandate debarment—a draconian penalty with no exceptions for minor violations. These amendments would lead to many current contractors being debarred, ultimately resulting in job losses and major disruptions in supplying the federal government with necessary goods and services. If such an amendment is offered to this bill, the Chamber urges you to oppose it.

The Chamber appreciates your consideration of these recommendations as you consider H.R. 5016, the “Financial Services and General Government Appropriations Act, 2015.”

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten