

Coalition for Derivatives End-Users

October 11, 2011

The Honorable Mike Crapo
239 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Johanns
404 Russell Senate Office Building
Washington, DC 20510

Re: Support for S. 1650, the Dodd-Frank Improvement Act of 2011

Dear Senators Crapo and Johanns:

The Coalition for Derivatives End-Users represents thousands of companies across the United States that employ derivatives to manage business risks due to changing commodity prices, fluctuating currency exchange rates, and variable interest rates. **Today, we write to offer our support for S. 1650, the Dodd-Frank Improvement Act of 2011, which would take several steps to ensure that end-user companies, which did not cause the financial crisis, are not regulated as if they did.**

While the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and implementing regulations do much to increase transparency and reduce systemic risk in the derivatives markets, they include provisions that, if implemented as proposed or otherwise as expected, would impose unnecessary burdens on end-user companies. While we believe it is important to reduce risk within our financial markets, transactions with end-users have not been found to pose systemic risk. Our companies and our economy cannot afford to unnecessarily tie up capital that would otherwise be used to promote growth and create jobs.

The Dodd-Frank Improvement Act of 2011 includes several proposals that have been advocated by the Coalition. Among these are provisions that would:

- Facilitate a more orderly and considered implementation process;
- Ensure that margin requirements do not apply to end-user companies;
- Clarify that inter-affiliate swaps should not be subject to regulations intended for outward-facing transactions; and
- Prevent the extraterritorial application of the Dodd-Frank Act in ways that could disadvantage United States businesses.

While the Coalition takes no position on other provisions in S. 1650, we strongly support those just mentioned and thank you for your leadership on these important issues.

Sincerely,

Agricultural Retailers Association
American Petroleum Institute
Business Roundtable
Commodity Markets Council
Financial Executives International

National Association of Corporate Treasurers
National Association of Manufacturers
National Association of Real Estate Investment Trusts
The Real Estate Roundtable
U.S. Chamber of Commerce