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# Coalition for Derivatives End-Users

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December 6, 2012

TO THE MEMBERS OF THE UNITED STATES SENATE:

The undersigned companies urge the Senate to protect main street businesses from unnecessary and costly regulation by taking up and passing two commonsense bills that have bipartisan support—S. 3480, *to provide end user exemptions from certain provisions of the Commodity Exchange Act and the Securities Exchange Act of 1934*, and H.R. 2779, *to Exempt Inter-Affiliate Swaps from the Regulatory Requirements of Title VII of the Dodd-Frank Act*. Last spring, the House passed H.R. 2779 and H.R. 2682—the House companion to S. 3480—the *Business Risk Mitigation and Price Stabilization Act* with overwhelming bipartisan support.

Senate approval of these bills by the end of the current legislative session would help ensure that unnecessary regulations, which could lead to decreased competitiveness and the loss of hundreds of thousands of jobs, are not imposed on businesses that use derivatives to manage risks. S. 3480 codifies the statements made by the Dodd-Frank Conference Managers that margin requirements should not apply to non-financial businesses that use derivatives to hedge commercial risk. H.R. 2779 prevents internal, inter-affiliate trades from being subject to the same regulatory burdens that were meant for market-facing swaps and ensures that companies are not forced to abandon the hedging through central risk-mitigation centers.

H.R. 2779 and the House counterpart to S. 3480 (H.R. 2682) were products of bipartisanship and collegiality from their introduction through committee consideration to final passage. The approach taken by representatives from both sides of the aisle to sensibly work through any substantive objections that arose led the House Financial Services Committee to adopt H.R. 2779 by a unanimous vote and the House Agriculture Committee to adopt both bills by voice votes. Both bills were passed by the full House with overwhelmingly bipartisan votes.

Throughout the legislative and regulatory processes surrounding the Dodd-Frank Act, the Coalition has advocated for strong regulation that brings transparency to the derivatives market and imposes thoughtful new regulatory standards that enhance financial stability while avoiding needless costs. The passage of S. 3480 and H.R. 2779 by the Senate would help ensure that new regulations achieve these goals without impeding innovation, diminishing U.S. competitiveness, or restraining job creation and economic expansion.

Sincerely,

3M  
Agricultural Retailers Association  
Arch Coal  
BP America  
Business Roundtable  
Cargill  
Caterpillar Inc.  
Commodity Markets Council

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Crosstex Energy Services  
Deere & Company  
Devon Energy  
Drew Industries Incorporated  
DuPont  
DuPont Fabros Technology  
Eaton Corporation  
Edison Electric Institute  
Eli Lilly and Company  
EnerVest, Ltd.  
Financial Executives International  
FMC Corporation  
Ford Motor Company  
General Electric Company  
General Motors  
GenOn Energy, Inc.  
GFI Group Inc.  
HCA  
Honeywell  
Independent Petroleum Association of America  
LORD Corporation  
MillerCoors  
Motor & Equipment Manufacturers Association  
National Association of Corporate Treasurers  
National Association of Manufacturers  
National Mining Association  
Nissan North America, Inc.  
Peabody Energy  
Proper Group International  
Shell Trading  
Siemens Capital Company LLL  
SL Green Realty Corp.  
The Boeing Company  
The Dow Chemical Company  
The JBG Companies  
The Procter & Gamble Company  
Time Warner Inc.  
U.S. Chamber of Commerce  
United Launch Alliance  
Vanguard Natural Resources, LLC  
Volvo Group North America  
Whirlpool Corporation  
Zimmer, Inc.  
Zippo Manufacturing Inc.

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