



January 11, 2017

Dear Representative:

This week the House is voting on three pieces of legislation -- HR 5 (the Regulatory Accountability Act), HR 78 (the SEC Regulatory Accountability Act), and HR 238 (the Commodity End User Relief Act) -- that would severely damage the capacity of the Federal government to protect the public. This legislation would disastrously weaken oversight of major Wall Street institutions and financial markets. Proper oversight of big banks and financial markets is crucial to the economic well-being of workers, families, and communities.

On behalf of the twenty-one undersigned organizations, representing millions of Americans, we urge you to vote against all of these bills.

The **Regulatory Accountability Act** would have a crippling impact on the ability of any Federal regulatory agency to pass a significant rule or guidance. This legislation would impose dozens of additional analytic requirements before an agency could take action to protect the public. Any disagreement by a regulated entity with agency findings related to any of these requirements could be the basis for a lawsuit that would halt or overturn the rule. Courts would not be required to defer to agency judgement in any way in deciding these lawsuits. The barriers to agency action in the Regulatory Accountability Act are so extensive and so open to manipulation that they would give regulated businesses effective veto power over government rules that affect them, even if such rules were authorized by statute and justified to protect the public.

The **SEC Regulatory Accountability Act** would mandate that the Securities and Exchange Commission identify every “available alternative” to a proposed regulation or agency action and quantitatively measure the costs and benefits of each such alternative prior to taking action. Since there are always numerous possible alternatives to any course of action, this requirement alone could force the SEC to complete dozens of additional analyses before passing a rule or guidance, any of which could be the basis for a lawsuit. The SEC would also be required to review every single regulation in effect within one year after the passage of this Act, and again every five years thereafter, with an eye to weakening or eliminating such regulations.

The **Commodity End User Relief Act** would freeze the funding of the Commodity Futures Trading Commission (CFTC) at its current inadequate level of \$250 million annually for the next five years. Such a funding freeze would greatly weaken the CFTC’s ability to carry out its responsibilities, which range from regulation of hundreds of trillions of dollars in complex financial derivatives to oversight of commodity markets that determine prices of everyday goods ranging from gasoline to groceries. The legislation also imposes numerous additional cost-benefit requirements on the agency, in addition to the extensive analytic requirements that already apply to CFTC rulemaking. HR 238 would also restrict agency discretion in a number of critical areas, including by sharply limiting the ability of the CFTC to regulate risky derivatives

activities conducted by foreign affiliates of major Wall Street banks. Such foreign subsidiary activities were a significant contributor to the financial crisis of 2008.

The 2008 financial crisis demonstrated beyond doubt that the well-being of America's working families is dependent on strong and effective regulation of Wall Street financial markets. These three pieces of legislation would cripple the capacity to properly regulate such markets. We urge you to reject all three.

Sincerely,

AFL-CIO

Americans for Financial Reform

California Reinvestment Coalition

Center for Popular Democracy CPD Action

Center for Responsible Lending

Communications Workers of America

Consumer Action

Consumer Federation of America

Corporation for Enterprise Development

Institute for Agriculture and Trade Policy

Interfaith Center on Corporate Responsibility

Main Street Alliance

Massachusetts Community Action Network

Michael Greenberger, University of Maryland School of Law

NAACP

National Association of Consumer Advocates

National Consumer Law Center (On behalf of its low income clients)

National Consumers League

National Fair Housing Alliance

Public Citizen

Public Investors Arbitration Bar Association

U.S. PIRG