



June 25, 2009

Speaker Pelosi
235 Cannon HOB
Washington, DC 20515

Representative Steny Hoyer
1705 Longworth House Office Building
Washington, D.C. 20515

Representative John Boehner
1011 Longworth HOB
Washington, DC 20515

Representative Eric Cantor
329 Cannon Building
Washington, DC 20515

Re: The American Clean Energy and Security Act of 2009 (H.R. 2454)

Dear Madame Speaker and Representatives Hoyer, Boehner and Cantor:

We the undersigned would like to raise our concerns over several provisions in the American Clean Energy and Security Act of 2009 (HR 2454) that will adversely affect the ability of American businesses to manage risk and control funding costs through the use of the derivatives markets. Our memberships represent participants in the privately negotiated derivatives industry. Our members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities, investment managers and other end users that rely on over-the counter derivatives to manage efficiently the financial market risks that are central to their businesses. Sections 341 and 351 through 358 would disrupt the risk management capabilities of businesses and strip liquidity from important price discovery markets.

We believe OTC derivatives offer significant value to customers who use them. We also recognize that the industry today faces significant challenges and we are diligently moving forward with new solutions to address these challenges. The Administration addresses many of these challenges in its white paper on Financial Regulatory Reform, released on June 17, 2009. Legislative proposals to implement the Administration's recommendation will be considered fully by Congress over the next months. We will work closely with the Administration and the Congress to address these challenges while preserving the flexibility in the derivatives markets that is necessary to American businesses.

The provisions in Sections 341 and 351 through 358 of HR 2454 deal with matters raised in the Administration's recommendations for broad financial regulatory reform, not with energy or environmental policy. The amendment to repeal automatically many of these provisions if



Congress later enacts derivatives regulatory reform legislation confirms that enactment of Sections 341 and 351-358 would be ill-advised. Comprehensive derivatives reform legislation should be considered on its merits and subject to the full range of input from the appropriate committees of jurisdiction. Therefore, these provisions should not be considered by the House as part of the climate change legislation. We ask that Sections 341 and 351-358 be removed from H.R.2454.

Thank you for your consideration.