



Senate Republican Capital Markets Task Force

February 5, 2008

Mr. John J. Castellani
President
Business Roundtable

Mr. Robert S. Nichols
President and COO
Financial Services Forum

Mr. Robert Pickel
Executive Director
International Swaps and
Derivatives Association

Mr. Richard Baker
President and CEO
Managed Funds Association

Mr. James Newsome
President and CEO
NYMEX

Mr. T. Timothy Ryan, Jr
President and CEO
Securities Industry and Financial
Markets Association

Mr. Craig Donohue
CEO
CME Group

Mr. Steve Bartlett
President and CEO
Financial Services Roundtable

Mr. Paul Stevens
President and CEO
Investment Company Institute

Mr. Robert Greifeld
President and CEO
NASDAQ

Mr. Duncan Niederauer
CEO
NYSE Euronext

Mr. Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce

Dear Gentlemen:

Thank you for the leadership shown by you and your organizations as America faces historic challenges in its role as leader of the worldwide capital markets. As members of the Senate Republican Capital Markets Task Force, we are seeking your input on what recommendations Congress should promote to reclaim the preeminent position of the United States in the global financial services marketplace.

Mike Crapo (ID), Chairman
Saxby Chambliss (GA)
Elizabeth Dole (NC)
Kay Bailey Hutchison (TX)
Pat Roberts (KS)

Wayne Allard (CO)
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John Ensign (NV)
Johnny Isakson (GA)
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Mike Enzi (WY)
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John Thune (SD)

Kit Bond (MO)
John Cornyn (TX)
Judd Gregg (NH)
Mel Martinez (FL)
David Vitter (LA)

Jim Bunning (KY)
Jim DeMint (SC)
Orrin Hatch (UT)
Lisa Murkowski (AK)

As you are aware, the financial services sector plays a critical role in the U.S. economy. The sector is one of the largest components of GDP, composing 8 percent, and provides 1 in every 20 jobs in the country. America's economic well-being is greatly influenced by the success of the financial services sector, which not only facilitates the financing of American citizens and enterprise but also serves in its own right as a significant source of innovation and growth. The success of this segment of the economy remains a critical public policy objective.

Over the past year, four critical studies have identified several regulatory and legal problems that hinder the competitiveness of the U.S. capital markets in the face of intensifying global competition in initial public offerings, over-the-counter derivatives, securitization, and traditional lending. In addition, many firms and financial services trade associations have provided the Department of Treasury with input as it develops its own recommendations for reform.

In general, the recommendations from the four reports and the submissions to Treasury suggest the complexity of the U.S. financial regulatory system, the lack of regulatory coordination, the unpredictability of U.S. securities litigation, and the tax policy on capital formation need to be addressed in order to ensure that U.S. capital markets remain competitive. To move from the general objective of creating reform to specific proposals that achieve this result, please outline what top five issues should be addressed in a legislative or regulatory manner, how you think they should be resolved, and the effects on the U.S. economy, workers, and businesses you believe these changes would have.

In order to provide Congress the opportunity to consider reforms to improve global capital markets competitiveness this year, we are asking that you respond back to us by February 25, 2008.

Sincerely,

Mike Crapo

John Cornyn

Dirk Vitter

Joe Nease

Noah Coleman

Jim Bunning

Pat Roberts

Orin G. Hatch

Elizabeth Dole

Wayne Allard

Sam Brownback

John Cornyn

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