

United States Senate

WASHINGTON, DC 20510

October 25, 2012

Hon. Ben Bernanke
Chairman
Federal Reserve Board of Governors
20th Street and Constitution Avenue NW
Washington, DC 20551

Hon. Martin Gruenberg
Acting Chairman
Federal Deposit Insurance Commission
550 17th Street, NW
Washington, DC 20429

Hon. Thomas Curry
Comptroller of the Currency
Office of the Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Hon. Mary Shapiro
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Hon. Gary Gensler
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Sir or Madam:

The Merkley-Levin Provisions on proprietary trading and conflicts of interest, commonly referred to as the “Volcker Rule,” have been the law of the land for over two years. Now, nearly four months past the deadline for it to go into effect, we call for an end to the delay in issuing its implementing regulations.

While American families and businesses should be enjoying the protection of the Volcker Rule, your agencies’ ongoing failure to implement these important protections has left them and our economy at greater risk of another financial crisis. In the years since the law was passed, we have all seen a series of high-profile trading losses at banks and non-bank financial companies – instances where the Volcker Rule, if properly implemented, could have prevented significant losses that once again have undermined confidence in our markets and institutions.

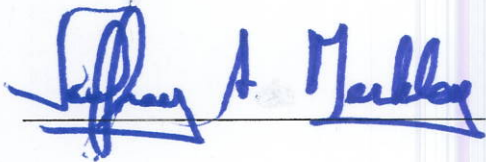
The U.S. Congress passed, and President Obama signed into law, the Merkley-Levin Provisions to ensure that banking institutions are in the business of taking deposits, making loans, and serving customers, and not in the business of making high-risk proprietary bets. Until a strong Volcker Rule is firmly in place and meaningfully enforced, families, businesses, and investors will continue to doubt the U.S. commitment to Wall Street reform, and U.S. taxpayers will

remain exposed to the dangers of high-risk trading and conflicts of interest by Wall Street's largest firms.

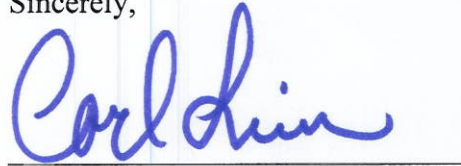
As with any rulemaking, different agencies may have their own perspectives on various provisions. While we are cautiously pleased to see reports that a consensus is emerging, we are concerned that some ongoing staff-level differences may be obstructing progress. The time for resolving those differences is long overdue. We urge you to move quickly, make the final adjustments needed to simplify and strengthen the October 2011 proposal, and bring the process to a conclusion. The final regulations needed to implement the ban on high-risk trading and conflicts of interest should be issued without delay and no later than the end of the year, so that our financial institutions can speed the process of eliminating the risks and conflicts of interest that continue to endanger the U.S. financial system.

If, because of differing agency procedures or timelines, not all of you can finalize the rule simultaneously, so be it. The statute was constructed with that possibility in mind. We are confident that if the majority of you act, any remaining agency or agencies will soon follow suit. As our economy continues to strengthen, it is critical that you do not further withhold the Volcker Rule protections from American families and businesses. America is still feeling the effects of Wall Street's bad bets. We can ill afford to let reform stall now.

Sincerely,



Handwritten signature of Jeffrey A. Mankley in blue ink, positioned above a horizontal line.



Handwritten signature of Carl Dine in blue ink, positioned above a horizontal line.

cc: Hon. Barack Obama, President of the United States
Hon. Timothy Geithner, Secretary of the Treasury
Hon. Paul Volcker