AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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LEGISLATIVE**ALERT**

May 6, 2013

The Honorable Jeb Hensarling, Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters, Ranking Minority Member
House Education and the Workforce Committee
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Minority Member Waters:

On behalf of the AFL-CIO, we urge you to oppose the "Business Risk Mitigation and Price Stabilization Act" (H.R. 634); the "Inter-Affiliate Swaps Clarification Act" (H.R. 677); the "Swaps Regulatory Improvement Act" (H.R. 992); the "SEC Regulatory Accountability Act" (H.R. 1062); the "Swaps Jurisdiction Certainty Act" (H.R. 1256); and the "Financial Competitive Act" (H.R . 1341) all scheduled for markup tomorrow. Each of these bills, if passed, would undermine the framework Congress put in place in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to prevent risky derivatives trading from contributing to another global financial crisis.

Reckless derivatives trading played a critical role in the 2008 financial crisis, turning the fallout from the crash of the domestic housing market into a global economic catastrophe. Whether measured in lost jobs and homes, lower earnings, eroding retirement security or devastated communities, working people paid a tremendous price for Wall Street's greed when the financial crisis hit.

The AFL-CIO strongly supports the common-sense protections put in place by Title VII of Dodd-Frank. Title VII creates basic structures that have existed in other, well-functioning financial markets for decades – clearinghouses to protect the safety and soundness of the market and its participants; exchanges and execution facilities to provide transparency; and business conduct standards to ensure that everyone plays fairly.

We oppose these bills because they would undermine the sensible framework for derivatives market regulation put in place by Dodd-Frank. One of these bills, H.R. 1062, would not only undermine derivatives regulation but would significantly undermine the SEC's ability to function by imposing substantial additional administrative burdens on the agency.

Less than five years have passed since the financial crisis wreaked havoc on the U.S. economy, yet Wall Street is back to raking in the profits while working people are struggling to get by. Now they are asking you to vote for bills that will allow them to return to the risky trading practices that caused the 2008 crisis.

We urge you to stand with the middle class and vote against these bills and preserve the basic derivatives market protections that Congress so sensibly put in place when it passed Dodd-Frank in 2010.

Sincerely,

William Samuel, Director
Government Affairs Department