

# MAIN STREET INDUSTRY ALLIANCE

June 9, 2010

Dear Conferee:

The undersigned trade associations represent hundreds of thousands of American businesses and tens of millions of American workers in the manufacturing, retail and natural resource industries. Against the backdrop of an economy still in recovery mode, we are writing to express our support for provisions of the Senate version of H.R. 4173 that define the term “nonbank financial company” in such a way as to prevent non financial businesses from becoming subject to regulation by the Federal Reserve.

America’s manufacturers, retailers and natural resource providers are clearly not meant to be the focus of Wall Street reform legislation. However, several versions of H.R. 4173 contained such open ended definitions as to create the possibility that America’s largest non financial employers might end up subject to being regulated as though they were banks. This danger was due primarily to the fact that the relevant definitions hinged on whether or not a company is engaged in “financial activities” as defined under the Bank Holding Company Act of 1956. Because that term is so broadly defined it encompasses things like lending money, offering guarantees, and even providing certain software sales. In other words, without clarification literally any company in America could be considered a “financial company.”

Fortunately this deficiency was corrected when the Senate adopted a bipartisan amendment clarifying that a nonbank financial company is one predominantly engaged in financial activities. At the same time, the amendment gave the systemic risk council authority to regulate companies intentionally structured so as to evade the purposes of the Act. The amendment language strikes the right balance between ensuring that truly financial companies are regulated while giving certainty to America’s other, non-financial employers.

We urge you in any conference report of H.R. 4173 to retain the Senate definition of “nonbank financial company.”

Sincerely,



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Tax and Domestic Economic Policy  
National Association of Manufacturers



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Executive Vice President of  
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