

SHERROD BROWN

OHIO

COMMITTEES:

AGRICULTURE, NUTRITION,
AND FORESTRY

BANKING, HOUSING,
AND URBAN AFFAIRS

FINANCE

VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510 - 3505

August 6, 2018

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

The Honorable Joseph M. Otting
Comptroller
Office of the Comptroller of the Currency
400 7th Street, S.W.
Washington, D.C. 20219

The Honorable Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
17th Street, N.W.
Washington, D.C. 20429

The Honorable Jay Clayton
Chairman
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

The Honorable Christopher Giancarlo
Chairman
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Chairman Powell, Comptroller Otting, Chairman McWilliams, Chairman Clayton, and Chairman Giancarlo:

We write to request that your agencies allow for an additional 90 days of public comment for the recently-released proposal related to Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Wall Street Reform), commonly known as the "Volcker Rule."¹

The Volcker Rule was enacted in July 2010. The Financial Stability Oversight Council's (Council) Request for Information to inform the Council's congressionally-mandated study on the Rule was published in October 2010, and received more than 7,000 public comments.² The proposed rule, released in November 2011, received 600 unique public comment letters.³ Your agencies finalized the

¹ Office of the Comptroller of the Currency, Docket ID OCC-2018-0010, RIN 1557-AE27; Board of Governors of Federal Reserve System, Docket ID R-1608, RIN 7100-AF 06; Federal Deposit Insurance Corporation, RIN 3064-AE67; Securities and Exchange Commission, Release No. BHCA-3, File Number S7-14-18, RIN 3235-AM10; Commodity Futures Trading Commission, RIN 3038-AE72.

² Financial Stability Oversight Council. "Public Input for the Study Regarding the Implementation of the Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds," 75 FR 61758. October, 6, 2010. Available at: <https://www.gpo.gov/fdsys/pkg/FR-2010-10-06/pdf/2010-25320.pdf>

³ Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Securities and Exchange Commission. "Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds," 76 Fed. Reg. 68846. November 7, 2011. Available at: <https://www.federalregister.gov/d/2011-27184>; and Commodity Futures Trading Commission. "Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds," 77 Fed. Reg. 8332. February 14, 2012. Available at: <https://www.federalregister.gov/d/2012-935>.

Rule in January 2014⁴ – taking more than two years to evaluate the vast information received via the public comment process.

Given the time and care your agencies put into finalizing the Volcker Rule in 2014, and the level of public engagement on this topic in the past, it is reasonable to provide for a longer public comment period to give stakeholders adequate time to evaluate and respond to the 342 enumerated questions in the proposal.

While Vice Chairman Quarles noted at the Fed's public meeting to consider the proposed changes to the Volcker Rule that the agencies adopted these amendments on a "short timeline,"⁵ the amendments to the rule are significant and complicated changes that deserve thoughtful consideration and the benefit of robust public input. Accordingly, a 90-day extension of the public comment period is appropriate for adequate consideration of the proposal.

Thank you for your attention to this matter.

Sincerely,



Sherrod Brown
United States Senator



Jeffrey A. Merkley
United States Senator

⁴ Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Securities and Exchange Commission. "Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds," 79 Fed. Reg. 5536. January 31, 2014. Available at: <https://www.federalregister.gov/d/2013-31511>; Commodity Futures Trading Commission. "Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds," 79 Fed. Reg. 5808, 5812. January 31, 2014. Available at <https://www.gpo.gov/fdsys/pkg/FR-2014-01-31/pdf/2013-31476.pdf>.

⁵ Quarles, Randal K. "Opening Statement on the Volcker Rule Proposal by Vice Chairman for Supervision Randal K. Quarles." *Press release*, May 30, 2018. Available at: <https://www.federalreserve.gov/newsevents/pressreleases/quarles-statement-20180530.htm>