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October 19, 2007

The Honorable Christopher Cox  
Chairman  
U.S. Securities & Exchange Commission  
100 F Street, NE  
Washington, DC 20549



Re: File Number S7-37-04

Dear Chairman Cox:

The U.S. Chamber of Commerce is the world's largest business federation, representing more than 3 million businesses and organizations of every size, sector, and region. We appreciate the opportunity to comment on the Securities and Exchange Commission's (Commission) re-proposed rule defining eligible portfolio companies. However, we remain concerned that a final action related to this rule has not been taken.

As stated in our December 8, 2006, comment letter regarding the re-proposed rule defining eligible portfolio companies, the Chamber supports the Commission's "Alternative Two" of Rule 2a-46(b) defining eligible portfolio companies using a market capitalization standard of \$250 million or less. Those commenting on the re-proposed rule have provided substantial empirical data to support modernizing the definition of eligible portfolio companies to include exchange listed companies with \$250 million or less in market capitalization. The Chamber believes that this standard represents the most accurate approximation of the scope of eligible portfolio companies for business development companies (BDCs) as set forth by Congress.

We understand that the BDC industry has worked with Commission staff since July 2000 in an attempt to address, consistent with Congressional intent, the outdated definition of eligible portfolio companies. We are pleased that the Commission re-proposed the rule because BDCs are in great need of regulatory certainty. However, one of the few remaining issues that appear to be delaying final action on the rule is that of identifying the dollar amount of the maximum market capitalization or public


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float for eligible portfolio companies. As indicated above, the comment record is replete with support for the \$250 million market capitalization threshold.

According to data compiled by Merrill Lynch, listed BDCs have more than \$20 billion in market capitalization. These are resources that could be deployed to support the capitalization needs of smaller public companies. These same public companies have been disproportionately impacted by the current market turmoil and credit crunch. We urge the Commission to take quick action to finalize the re-proposed rule to remove an artificial barrier to capital formation.

Thank you for your consideration.

Sincerely,



Michael J. Ryan, Jr.

cc: The Honorable Paul S. Atkins, Commissioner  
The Honorable Kathleen L. Casey, Commissioner  
The Honorable Annette L. Nazareth, Commissioner  
Mr. Brian G. Cartwright, General Counsel