

United States House of Representatives
Committee on Financial Services
Washington, DC 20515

May 25, 2010

The Honorable Barney Frank
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank:

It is my understanding that Democrat leaders are planning a June conference on the competing financial regulatory reform bills passed by the House and Senate, with the intention of having the bill signed into law before the July 4th District Work Period. With the Senate appointing its conferees this week, I am writing to request that the House name its conferees immediately so that we can begin to engage in a transparent and public process to reconcile the differences between the bills.

In light of the compressed timetable you have proposed for completing the conference process, it is worth noting that past House-Senate conferences on financial services legislation have taken far longer. For example, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) took 42 calendar days from the naming of Conferees to House and Senate agreement on a Conference Report. Similarly, the Gramm-Leach-Bliley Act, in 1999, took 97 calendar days. Neither of these pieces of legislation was of nearly the complexity or far reaching impact as the legislation that will be the subject of this conference. Consequently, it is imperative that the Conference begin its work now, and that our conferees are appointed immediately, so that we may have an adequate opportunity for discussion and review.

While no firm rules apply during Conference, it is my hope that you will follow the precedents established by your predecessors when reviewing legislation of this magnitude. During consideration of what became the Gramm-Leach-Bliley Act, the Chair of the Conference consulted and took into account suggestions from the minority on the optimal conditions for a transparent and open process. In fact, there were a minimum of five meetings held just to discuss how to run the Conference. To that end, a Conference agenda was proposed and a process for offering amendments and voting was put in place to respect the rights of all conferees to be heard. Republicans would ask that the Gramm-Leach-Bliley precedent be followed in this instance, and that we be consulted in developing a conference process that will be fair and balanced for all participants.

As a result of the bipartisan approach during the Gramm-Leach-Bliley conference, the Chair circulated a "Chairman's Mark" at the outset of the conference that blended both the House and Senate bills as a basis for beginning discussions. Similar to a Committee markup, the Chair instituted a process where amendments could be offered by any Member. However, that amendment could only be amended by Members within the body of the offeror until it was formally presented to the other side, at which point it could be amended by that side. The original offeror, however, could accept suggestions from any

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member of the Conference and, at his or her discretion, modify an amendment before it was presented to the other body.

In terms of voting, the Gramm-Leach-Bliley Conference specified a preference for airing views on the most controversial subjects with the objective of developing one comprehensive product, which in turn might be subject to modification. The first conference meeting discussed and voted on staff recommendations on relatively non-controversial provisions. The Conference then proceeded to discuss controversial issues with the possibility of individual votes.

It is my strong belief that the American people – who will be greatly impacted by this legislation – must be given sufficient time to fully review its final contents. And while I appreciate your assurances that Democrats want a fair, open and transparent conference, for that goal to be met, we need to start the process *now* under an agreed upon set of rules and procedures that protects the rights of the Minority and honors our democratic values.

Thank you for promptly addressing this matter, and I look forward to your reply.

Sincerely,


SPENCER BACHUS
Ranking Member

cc: The Honorable Nancy Pelosi, Speaker
The Honorable Steny Hoyer, Majority Leader
The Honorable John Boehner, Republican Leader
The Honorable Eric Cantor, Republican Whip