

**COMMITTEE LETTER****Urging Support for the Commodity Futures Modernization Act of 2000**

October 18, 2000

The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
Washington, D.C. 20515

The Honorable Richard Gephardt  
Minority Leader of the House of Representatives  
Washington, D.C. 20515

Dear Speaker Hastert and Minority Leader Gephardt:

The undersigned organizations, representing the full range of the interested U.S. financial sector, strongly urge you and each of your colleagues to support the Commodity Futures Modernization Act of 2000 (H.R. 4541) when it is considered by the House of Representatives this week.

This legislation would provide "legal certainty" that over-the-counter (OTC) derivatives transactions will continue to be enforceable in accordance with their terms. Enhanced legal certainty for OTC derivatives will reduce systemic risk, and the core legal certainty provisions of H.R. 4541 are based on the unanimous recommendations of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairmen of both the Securities and Exchange Commission and the Commodity Futures Trading Commission.

These core legal certainty provisions were approved by overwhelming and bipartisan majorities of the House Agriculture, Banking, and Commerce Committees and they have the virtually unanimous support of the private sector.

Final congressional approval of H.R. 4541 this year is urgently needed. In addition to providing legal certainty for OTC derivatives, H.R. 4541 will modernize the extremely outmoded Commodity Exchange Act. It will reduce

systemic risk, promote financial innovation, and enable the United States to retain its leadership role in the global financial markets.

Very truly yours,

*The Ad Hoc Coalition of Commercial and Investment Banks*

*The Bond Market Association*

*The Emerging Markets Traders Association*

*The Financial Services Roundtable*

*The Foreign Exchange Committee*

*The Futures Industry Association*

*The International Swaps and Derivatives Association*

*The Securities Industry Association*