

MICHAEL F. BENNET
COLORADO

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY

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HEALTH, EDUCATION, LABOR,
AND PENSIONS

SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510-0609

February 24, 2012

WASHINGTON, DC:
450 Russell Senate Office Building
Washington, DC 20510
(202) 524-2662

COLORADO:
1127 Sherman Street
Suite 150
Denver, CO 80203-2289
Phone: 303.733.1707

The Honorable Ben Bernanke
Chairman
Board of Governors of the Federal Reserve
System
Twentieth and Constitution Avenue, NW
Washington, DC 20551

The Honorable Martin Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation
550 Seventeenth Street, NW
Washington, DC 20429

The Honorable John Walsh
Acting Comptroller
Comptroller of the Currency
250 E Street, SW, Room 9048
Washington, DC 20219

The Honorable Mary Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

The Honorable Gary Gensler
Chairman
U.S. Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Dear Chairmen Bernanke, Schapiro, Gensler, Acting Chairman Gruenberg, and Acting
Comptroller Walsh:

I write to express some concerns about certain aspects of the joint proposed rule implementing
Section 619 of the Dodd-Frank Consumer Protection and Wall Street Reform Act (hereinafter
"the Volcker Rule").

To be clear, I support your efforts to temper excessive risk taking at our nation's major financial
institutions. It is nonetheless my hope that the final version of the Volcker Rule is consistent
with congressional intent and minimizes any disruptions to common commercial and financial
transactions.

At the outset, I have some concerns that the proposed rule may unintentionally chill basic market
making activities, which are explicitly permitted under the Volcker Rule. As you know, the
proposed rule highlights seventeen measurements that a financial institution must calculate
regarding its market making activities. It also contains a list of qualitative criteria that an
institution must satisfy. Some aspects of the proposed rule, however, could potentially work to
place an institution at risk of an enforcement action for undertaking proprietary trading even if it
satisfies both the metrics and the qualitative criteria. It is my hope that the final rule will provide
a greater degree of certainty as to what constitutes permissible market making activities. This is

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael F. Bennet", with a stylized flourish at the end.

Michael F. Bennet
U.S. Senator