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HOUSE COMMITTEES:
ARMED SERVICES
EDUCATION AND THE WORKFORCE
RULES

Congress of the United States
House of Representatives
Washington, DC 20515

December 22, 2016

Mr. Robert deV. Frierson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Docket Nos.: R-1547 and RIN 7100 AE-58
"Regulations Q and Y; Risk-Based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-Based Capital Requirements for Merchant Banking Investments"

Dear Mr. deV. Frierson:

I write to express reservations regarding the Federal Reserve Board of Governor's proposed rule regarding financial holding companies' transactional activities in commodity trading.

The proposal suggests significant changes –some of which are statutory in nature and would come within the purview of Congress – and appear likely to impact customers and commodity end users in ways that dictate a closer review. Given the significant transition occurring in the federal government, consideration of the proposed rule should be withdrawn or postponed.

While strengthening America's banks and other financial institutions is and should remain a priority for both the Board and Congress, any action must consider the potential adverse impact upon costs to the American public, the reduction in competition, the loss of markets, and the potential for fewer credit worthy and highly regulated bank counterparties with whom end users may transact. Likewise, there should be concern regarding the alternatives to which end users would be forced to turn, such as unregulated commodity houses or offshore financiers.

Please accept this request to extend your time for comment and consideration at least until the 115th Congress has convened and had a chance for meaningful review of your proposal.

Very truly yours,

Bradley Byrne
MEMBER OF CONGRESS

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