

# United States Senate

WASHINGTON, DC 20510

April 26, 2010

The Honorable Maria Cantwell  
United States Senate  
511 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Bill Nelson  
United States Senate  
716 Senate Hart Office Building  
Washington, DC 20510

The Honorable Byron Dorgan  
United States Senate  
322 Hart Senate Office Bldg  
Washington, DC 20510

The Honorable Tom Harkin  
United States Senate  
713 Hart Senate Office Building  
Washington, DC 20510

The Honorable Sherrod Brown  
United States Senate  
713 Hart Senate Office Building  
Washington, DC 20510

The Honorable Olympia Snowe  
United States Senate  
154 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Cantwell, Feinstein, Nelson, Dorgan, Harkin, Brown and Snowe:

We write in response to your April 23 letter asking that Chairmen Dodd and Lincoln work together to merge their individual bills into a single bill that, “includes the strongest and most effective possible regulation of [over-the-counter] derivatives”. We are pleased to report that these chairmen and their staffs reached agreement this weekend on a single bill that does just that. Furthermore, we want you to know that we intend to offer this merged bill as the first amendment once the Senate begins consideration of financial reform legislation.

Specifically, your letter enumerates eleven issues that we agree must be adequately addressed in financial regulatory reform legislation in order to meet your test for strong reform. We believe the merged bill addresses each of these issues in a manner consistent with the views expressed in your letter.

In essence, the new joint title on derivatives combines the strongest features of the Senate Agriculture and Banking Committee’s framework for mandatory clearing, exchange trading, margin and capital requirements. It brings transparency and regulation to a market that currently operates with little of either. For firms whose positions could seriously destabilize the financial system, this joint product would subject them to stronger margin and capital

requirements. We are confident this new title maximizes transparency and prevents risky activities from escaping tough regulatory requirements, thereby ensuring a safer, sounder financial system.

As a result of the excellent work by the Banking and Agriculture Committees, advocates for true Wall Street reform are now in the best position possible to deliver the kind of reform the American people expect. We hope you will agree with us that this merged bill meets the tests of strong reform and encourage you to vote with us to proceed to Wall Street reform legislation.

Sincerely,



---

Harry Reid



Chris Dodd

Blanche Lincoln