

CONTACT: Jennifer Devlin
703-876-1714

Tuesday, March 13, 2007

U.S. Must Reform Capital Markets or Face Economic Decline, Says Bipartisan Commission

Issues recommendations to make U.S. markets more efficient and appealing

WASHINGTON, DC--Streamlining regulations, ensuring the viability of the auditing profession, and improving implementation of the Sarbanes-Oxley law are among the recommendations of the U.S. Chamber of Commerce's independent, bipartisan Commission on the Regulation of U.S. Capital Markets in the 21st Century.

"International financial markets are becoming increasingly competitive, and we need to step-up our game and respond," said William Daley, Co-Chair of the Commission and Vice Chairman, JPMorgan Chase. "Our economy has enjoyed tremendous advantages from our deep and efficient capital markets. Growing companies have had access to capital – and millions of investors have shared in the wealth created by these companies. It will all be at risk if we are complacent."

Among the principal recommendations are:

- **Modernize the federal government's regulatory approach to financial markets**
- **Convince businesses to stop issuing quarterly earnings guidance**
- **Call on policy-makers to address the serious challenges facing the public company audit profession**
- **Give the SEC the flexibility to address issues relating to the implementation of SOX by making SOX part of the Securities Exchange Act of 1934**
- **Facilitate the ability of employers to offer retirement savings plans**
- **Encourage employers to sponsor retirement plans through a simpler, consolidated 401(k)-type program**

"More than 57 million Americans are active in U.S. capital markets," said Commission Co-Chair A.B. Culvahouse, Chair of O'Melveny & Myers LLP. "The strength of those markets is as important to folks around the kitchen table as it is to those around the boardroom table. If implemented, our recommendations will help ensure that U.S. capital markets are the most fair, efficient, transparent, and attractive in the world."

During a year of study and discussion, the Commission conducted four public "town halls" in Chicago, New York, Washington, DC, and San Francisco at which it received the views of many commentators, including academics, institutional investors, former regulators, venture capitalists, investment bankers, labor leaders, exchange officials, and entrepreneurs. The Commission also met formally and informally with current and former regulators and executive branch and Congressional officials. The Commission received a broad range of informal views and thoughtful concerns.

About the Commission on the Regulation of U.S. Capital Markets in the 21st Century

The Commission on the Regulation of U.S. Capital Markets in the 21st Century is an independent, bipartisan panel formed by the U.S. Chamber of Commerce to consider the impact of recent regulatory changes on the capital markets and the appropriate overall legal and regulatory framework to ensure efficient capital flows throughout our economy. The commission is made up of four working groups: Issuers & Auditors, Financial Services Industry, Global Marketplace, and Accumulated Savings and Investor Protection. In addition to Co-Chairs William Daley, Vice Chairman, JP Morgan Chase, and A.B. Culvahouse, Chair of O'Melveny & Myers LLP, members include:

- John Bachmann, Senior Partner, Edward Jones
- John Bohn, Chairman, GlobalNet Venture Partners
- Jim Copeland, former CEO, Deloitte & Touche
- Christine Edwards, Partner, Winston & Strawn
- Peter Gilbert, Chief Investment Officer, Pennsylvania State Employees' Retirement System
- Melody Hobson, President, Ariel Mutual Funds
- Jim Johnson, Vice Chairman, Perseus LLC
- Mickey Kantor, Partner, Mayer, Brown, Rowe & Maw LLP
- Eric Mindich, Founder, Eton Park Capital Management
- Rick Murray, Managing Director & Chief Claims Strategist, Swiss Re
- Don Nickles, Chairman and CEO, The Nickles Group
- Bob Pozen, Chairman, MFS Investment Management

###

[home](#) | [contact us](#) | [join us](#)