

## Chamber Offers Six Suggestions for U.S. Markets

Washington (March 13, 2007) - The U.S. Chamber of Commerce had offered up a number of recommendations for changes to the country's legal and regulatory framework -- taking aim at Securities and Exchange Commission and the Sarbanes-Oxley Act in the process.

The chamber, which lobbies for 3 million companies and more than 800 business associations, has been a vocal critic of both the SEC and SOX -- going so far as to question the constitutionality of the Public Company Accounting Oversight Board, created as part of the legislation, in a lawsuit.

The chamber's Commission on the Regulation of U.S. Capital Markets in the 21st Century issued the report Monday, and among its recommendations, says that the SEC should appoint a committee to study ways to reform and modernize the government's regulatory approach to financial markets and market participants. As part of that reform, the chamber suggests that the SEC should be forced to consider potential costs to companies when writing new rules and that the agency should be given the flexibility to address issues relating to the implementation of SOX by making the legislation part of the Securities Exchange Act of 1934.

The report also calls on domestic and international policymakers to consider proposals that address the risks faced by the public audit profession from litigation that could potentially lead to further contraction of the major firms. Most of those proposals have centered around creating a liability cap on auditors' work. The chamber also supports a past SEC proposal that national audit firms be allowed to raise capital from private shareholders, other than audit partners.

Among the report's other major recommendations:

- Public companies should stop issuing earnings guidance or, alternatively, move away from quarterly earnings guidance with one earnings-per-share number, and towards annual guidance with a range of projected numbers;
- Increase the number of retirement savings plans by connecting all employers of 21 or more employees who don't currently have any retirement plan in place to a financial institution that will offer a retirement arrangement for those workers; and,
- Encourage employers to sponsor retirement plans and enhance the portability of retirement accounts through the introduction of a simpler, consolidated 401(k)-type program.

The chamber will hold a meeting Wednesday to discuss the proposals.

The commission is headed by Arthur B. Culvahouse, chairman of law firm O'Melveny & Myers, who served as White House counsel in the Reagan administration, and William Daley, a Commerce secretary in the Clinton administration who now is a vice chairman of JPMorgan Chase & Co. Members include executives from the investment, accounting, insurance and law industries, as well as representatives from a venture capital firm and a state employees pension fund.

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