



COLORADO ASSOCIATION OF MECHANICAL AND PLUMBING CONTRACTORS

October 11, 2012

Office of the Comptroller of the  
Currency  
250 E Street SW  
Washington DC 20219

Jennifer J. Johnson  
Board of Governor of the  
Federal Reserve  
20<sup>th</sup> Street & Constitution Ave SW  
Washington DC 20551

Robert E. Feldman  
Attn.: Comments/Legal ESS  
Federal Deposit Insurance Corp  
550 17<sup>th</sup> Street NW  
Washington DC 20429

Dear Financial Services Regulators:

On behalf of the Board of Directors and the 140 contractors members of our trade association, the Colorado Association of Mechanical and Plumbing Contractors (CAMPC), I am writing to express our serious concern with the implementation of new capital standards included in Basel III, for the financial services industry. We believe if these standards are implemented it would reduce lending by the financial services industry and increase fees and costs for businesses and consumers.

In Colorado and nationally, the construction industry has arguably been one of the hardest hit sectors of our economy during the recession. Unemployment rates in construction have been two and three times the national average. In Colorado, in 2006, more than 170,000 people worked in the construction industry. Fifteen months ago that number was 104,000 – or almost a 40% decline in employment. We are just beginning to see increases in employment within construction, and new regulations and standards such as Basel III will halt that progress.

Please do not take our comments as an objection to reform. We believe the meltdown of the financial services industry is an opportunity to look for fair and balanced reform in a pragmatic manner. The new standards included in Basel III are excessive. We believe further reforms, such as those in Basel III, will reduce or eliminate access to capital for developers and owners. The economy is teetering on soft ground already, and the standards in Basel III will certainly not have a positive impact on the economy or promote growth. It is also a concern these standards will significantly increase fees and costs on vulnerable businesses and struggling consumers.

While our membership is more active in the commercial, institutional, and industrial markets, some of our members work in the homebuilding sector of the industry. The proposal of moving to a risk-weighting system for the mortgage and real estate lending and delinquent loans is equally troublesome for us. While the spirit of the effort is likely filled with good intentions, it is our opinion it will have unintended consequences to an industry decimated by the recession (the homebuilders). A more well thought-out and balanced approach should be sought, including input from all downstream and impacted parties.

CAMPC respectfully requests you suspend efforts to implement Basel III proposed capital standards and the risk-weighting concepts contemplated. It is worthy of more work from your respective organizations. The construction industry, for one, would welcome the opportunity to work on such an

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effort with other impacted parties to deliver a more fair and balanced reaction. While protecting the businesses and consumers from future melt-downs by the financial services industry is important, doing so in the proposed manner in struggling economy will not have the impact you are seeking.

Should you have questions, please do not hesitate to contact me at (303) 757-3956. Thank you in advance for your consideration, and for taking the time to listen to our concerns.

Sincerely,



David M. Davia  
Executive Vice President & CEO  
Colorado Association of Mechanical & Plumbing Contractors

United States Senator Michael Bennett  
United States Senator Mark Udall  
United States Representative Diana DeGette  
United States Representative Jared Polis  
United States Representative Scott Tipton  
United States Representative Cory Gardner  
United States Representative Doug Lamborn  
United States Representative Michael Coffman  
United States Representative Ed Perlmutter  
John McNerney, Mechanical Contractors Association of America  
Mark Riso, National Association of Plumbing-Heating-Cooling Contractors  
Don Childears, Colorado Bankers Association  
Sara Cassidy-Thompson, Colorado Competitive Council