



December 8, 2006

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Release No. IG-27539; File No. S7-37-04

Dear Ms. Morris:

The U.S. Chamber of Commerce is the largest business federation in the world, representing the interests of some three million companies of every size and industry. We appreciate the opportunity to comment on the Commission's re-proposed rule defining eligible portfolio companies.

The Small Business Investment Incentive Act of 1980 created business development companies (BDCs) in order to provide private and small public companies with alternative sources of capital. BDCs provide important resources to those companies that have few available sources of public capital and that do not have a broad market following. The legislative history suggests that nearly two-thirds of all public companies would have been eligible for BDC financing. As such, the Chamber agrees with the Commission that the standard should be further clarified to ensure that the definition is sufficiently broad as intended by Congress.

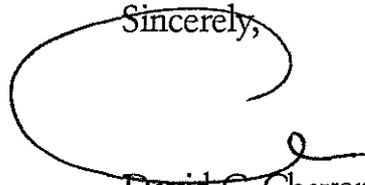
The Chamber believes that using a market capitalization standard rather than a company's trading platform best captures a company's ability to obtain financing for long-term growth. Accordingly, we support the Commission's "Alternative Two" of Rule 2a-46(b) defining eligible portfolio companies using a market capitalization standard of \$250 million or less. We believe that this most closely approximates the arena of eligible portfolio companies for BDCs as set forth by Congress.

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We further believe that this revised definition would not place undue cost burdens on BDCs or issuers and would promote more efficient capital formation.

We applaud the Commission for its proposal to broaden the definition of an eligible portfolio company to ensure that small, developing public companies are able to utilize BDC financing that is so important for their growth and expansion. Thank you for your consideration, and we would be happy to discuss with the relevant staff.

Sincerely,

A handwritten signature in black ink, appearing to read "David C. Chavern", written over a large, loopy oval scribble.

David C. Chavern
Senior Vice President and
Chief Legal Officer

cc: Christopher Cox, Chairman, U.S. Securities and Exchange Commission
Paul S. Atkins, Commissioner, U.S. Securities and Exchange Commission
Roel C. Campos, Commissioner, U.S. Securities and Exchange Commission
Kathleen L. Casey, Commissioner, U.S. Securities and Exchange Commission
Annette L. Nazareth, Commissioner, U.S. Securities and Exchange Commission