

Joint Letter Backing Senate Resolution on U.S. Market Competitiveness, February 2007

February 14, 2007

The Honorable Mike Crapo
United States Senate
SD-239
Washington, DC 20510

Dear Senator Crapo:

We, the below listed trade associations, offer our support for your amendment to H.J. Res. 20 regarding the sense of the Senate concerning American competitiveness in the area of financial services. It is our belief that the Interim Report of the Committee on Capital Markets Competitiveness and the McKinsey Report on New York Competitiveness (Commissioned by Senator Schumer and Mayor Bloomberg), as noted in the amendment, highlight the need for proactive measures to help maintain America's preeminence in certain areas of the financial services trade, and to regain ground lost to foreign markets in others.

As noted in the amendment and the Committee on Capital Markets Report: "Maximizing the competitiveness of U.S. capital markets is critical to ensuring economic growth, job creation, low cost of capital, innovation, entrepreneurship and a strong tax base. ..." Yet, as both reports note, in key areas the United States is falling behind foreign competitors to the long-term detriment of America's business, workers and citizens. The resolution urges Congress, the President, industry leaders and other stakeholders to take the necessary steps to restore America's preeminence in the financial services industry. In particular the resolution urges financial services regulators—both domestically and globally—to coordinate so as to not impose unwarranted regulations which may have an adverse affect on innovation, or which have costs that exceed the expected benefits. At the same time the resolution urges financial services regulators to uphold the highest standards of investor protection. We wholeheartedly agree with these suggestions.

As your amendment and the competitiveness reports make clear, the U.S. is already losing ground in the key areas of initial public offerings and over-the-counter derivatives. We also strongly support continued efforts from the Congress and Administration to work to eliminate barriers that US financial services firms face in foreign markets that directly harm the competitiveness of this vital sector of the economy. In order for America to continue to provide economic growth and job creation, it is imperative that Congress act to promote American financial services competitiveness. We stand ready to work with the Congress and support your effort as an important step on the road to promoting America's leadership in this vital area.

Sincerely,

American Bankers Association
Business Roundtable
Chamber of Commerce
Financial Services Forum
Futures Industry Association
Investment Company Institute
International Swaps and Derivatives Association
Securities Industry and Financial Markets Association