



September 22, 2011

The Honorable Timothy F. Geithner  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

**Re: Continuing Opposition to the Financial Transaction Tax**

Dear Secretary Geithner:

We wish to reiterate our strong opposition to the imposition of a financial transaction tax (“FTT”) in the United States, or other substitute form of the FTT, and urge you to continue to encourage other members of the G20 to resist pressures to adopt such proposals on a global basis. We are strongly supportive of the Administration’s public opposition to such a tax - reinforced by reports of your restatement of opposition to the EU Finance Ministers this past weekend, and your 2009 statement that a “day-by-day financial transaction tax is not something we are prepared to support.” We are concerned, however, with the French and German effort to seek endorsement of such a tax through the G20 mechanism.

The case against the imposition of such a tax is strong, and the arguments well known. A transaction tax will cycle through the entire U.S. economy, harming

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both investors and businesses. As you know, a number of studies have shown that a FTT will impede the efficiency of markets, impair depth and liquidity, raise costs to issuers, investors, and pensioners, and distort capital flows by discriminating against asset classes. Major economies that have adopted a FTT and FTT-like initiatives have had overwhelmingly negative results, including reduced asset prices, trading moving to other venues, market dislocation, and a decrease in liquidity. In light of the current fragile state of the global markets and the economy, and with many economies experiencing high levels of unemployment and sluggish recoveries, the imposition of such a tax would be particularly harmful.

The G20 members have committed to work together to support policies that will lead to strong, sustainable and balanced growth. The imposition of a financial transaction tax would run counter to achieving these objectives. Consequently, we urge you and your colleagues to continue to vigorously object to attempts to undertake a G20 initiative to impose a global financial transaction tax.

Sincerely,

Business Roundtable  
Financial Services Forum  
Investment Company Institute  
National Association of Manufacturers  
National Federation of Independent Business  
Securities Industry and Financial Markets Association  
U.S. Chamber of Commerce

c: The Honorable Lael Brainard  
Michael Froman