

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, opposes an amendment expected to be offered by Sens. Casey, Brown, and Harkin to S. 3217, the "Restoring American Financial Stability Act of 2010 (RAFSA)," which would require the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) to conduct a study on *implementing* a fee on all security based transactions.

Decades of academic research, including several recently published studies, show how such a fee would harm Main Street, not Wall Street, and hardly raise the revenue that proponents claim it would. The United States, Sweden, and Japan have had similar fees in the past that have been repealed because of the unintended consequences that arose. Such a fee would hurt average investors, reduce savings, and make it harder for America's job creators to recover from the economic crisis. Highly liquid markets make it possible for retail investors to get the best price and pay dramatically lower transaction costs when they buy and sell stocks. More investment fuels the capital needs of businesses of every size by allowing them to expand and create jobs. Both proponents and opponents of the financial transaction tax agree it would double trading costs, reduce the number of financial transactions by at least 50 percent, and reduce the liquidity that benefits all investors and businesses.

The Chamber looks forward to working with the Senate on meaningful, bipartisan legislation to ensure that the U.S. financial system is protected. However, the Casey-Brown-Harkin Amendment would slow recovery, hurt average American investors, and the Chamber urges you to oppose it.

Sincerely,



R. Bruce Josten