

**American Bankers Association
Bankers' Association for Finance and Trade
Investment Company Institute
Securities Industry Association
The Bond Market Association
The Financial Services Forum
The Financial Services Roundtable**

March 23, 2006

The Honorable Richard C. Shelby
United States Senate
110 Hart Senate Office Building
Washington, DC 20510-0103

Dear Senator Shelby:

On behalf of the financial services industry, we wish to express our deep concern over proposals to amend the Committee on Foreign Investments in the United States ("CFIUS") process that could place new and damaging restrictions on foreign investment. We respectfully urge Congress to limit its response to recent events only to necessary improvements in the security review process, and to avoid imposing pre-approval requirements or non-fact-based restrictions on foreign investment in the U.S.

The Congress has rightly taken a strong position on the importance of national security concerns arising from international trade and foreign investment. The financial services sector shares Congress' commitment to national security. We are concerned, however, that recognition of the beneficial role played by foreign investment in U.S. job creation and economic growth is being lost in the current environment.

We strongly urge Congress to be mindful of how important a thriving global trading relationship is to America and its partners around the world. These relationships have greatly benefited America, with foreign companies employing nearly 5.3 million Americans, while bringing to the U.S. new ideas, technology, and innovative products and practices. Foreign investment also helps to finance the U.S. current account deficit, and keeps interest rates lower than would otherwise be the case, thereby supporting a higher standard of living for Americans.

If enacted, certain legislative approaches would undercut the United States' longstanding support for capital market access and the free movement of capital and would undermine the predictability and certainty that have become the hallmarks of the U.S. capital markets. This retreat from open markets and from the free flow of capital would threaten job creation prospects for the U.S. economy, reduce U.S. economic growth, and jeopardize U.S. efforts to open foreign markets for American companies, consumers, and investors.

The health and future of the U.S. economy, and U.S. jobs, rest on open markets and the free flow of capital. U.S. investments abroad support U.S. economic growth and access to resources and, in turn, U.S. national security. We urge Congress to keep America's markets open while it protects America's security.

Sincerely,

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