



**Securities Industry Association**

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120 Broadway, New York, NY 10271-0080, (212) 608-1500, Fax (212) 608-1604  
1401 Eye Street, NW, Washington, DC 20005-2225, (202) 296-9410, Fax (202) 296-9775  
info@sia.com, <http://www.sia.com>

May 16, 2002

**RE: Renewal of Trade Promotion Authority**

Dear Senator:

On behalf of the Securities Industry Association, we are writing to urge you to support Trade Promotion Authority (TPA) legislation. TPA not only requires the President and Congress together to set trade negotiating priorities, but affords the U.S. the best policy tool it has to secure market opening measures that bolster economic growth, spur job creation, and benefit U.S. consumers and investors.

With today's economies inextricably linked by global trade, it is more important than ever that U.S. firms have unfettered access to foreign markets. The unprecedented surge in international trade underpinned a decade of vigorous U.S. economic growth and record job creation. Today, 96% of the world's potential customers live outside the U.S. The opportunities for the U.S. in Europe, Asia, and Latin America, continue to be enormous. Demographic changes in Europe's economies present a growing market for the innovative investment products supplied by U.S. financial services firms. The nascent telecommunications market in Asia provides U.S. high-tech companies with a rapidly expanding customer base. In Latin America, current FTAA discussions could result in the world's largest trade area, with a potential market of 750 million consumers.

Our foreign competitors are laying the groundwork to maximize the benefits of these opportunities. Of the more than 130 bilateral and regional free trade agreements in force today, only two include the U.S. In sharp contrast, the European Union has Free Trade Agreements with 27 countries. In short, other countries are negotiating agreements that provide preferences for their firms over our own, with the U.S. sitting on the side-lines as the rules to the game are determined by other countries. If the U.S.

economy and its consumers are to benefit from global trade, Congress and Administration must exert leadership in global trade policy through the renewal of TPA.

Falling behind in the development of new trading areas damages our economy, impedes our ability to strengthen economic ties to promote job creation and economic growth, and reduces our historical role as a global leader in shaping open, fair, and rule-based global markets. Importantly, U.S. firms lead by example when they establish overseas, contributing to financial stability, paying higher wages and adhering to stricter labor and environmental standards than locally owned businesses. Clearly, U.S. leadership in global trade policy maximizes our ability to promote U.S. values and economic interests.

The U.S. has been a long-time leader in promoting open and fair markets, creating jobs for U.S. workers, lowering the costs of goods for U.S. consumers, and identifying new investment opportunities for investors. As Secretary of State Colin Powell said to the National Association of Manufacturers (10/31/01), "TPA gives us credibility in the negotiating process and paves the way for U.S. leadership." We strongly urge you to keep the U.S. in a leadership position by renewing Trade Promotion Authority.

Sincerely,

**Charles Schwab & Co.  
Credit Suisse First Boston  
Citigroup Inc.  
Goldman, Sachs & Co.  
Instinet Corporation  
JP Morgan  
Merrill Lynch & Co., Inc.  
Morgan Stanley  
Prudential Financial  
Wells Fargo & Co.**