

May 13, 2015

Dear Mr. President:

Three major, potentially historic global summits will take place in 2015: the Financing for Development Summit in Addis Ababa in July, the UN Post-2015 Development Summit in New York in September, and the UN climate negotiations in Paris in December.

At each of these summits, leaders will grapple with the challenging task of mobilizing sufficient funding to address poverty, adaptation to climate change, greenhouse gas reductions, and the shift to low-carbon, sustainable economies in developing countries.

Given the budget constraints facing many contributor countries, it is widely accepted that new, innovative sources of climate finance are needed. Thus, we were disappointed that a U.S. representative at a recent Financing for Development drafting session spoke in opposition to one of the most promising forms of innovative finance – a small tax on trades of stock, derivatives, and other financial instruments.

We have long advocated that such financial transaction taxes (FTTs) are a practical way to generate significant revenue while discouraging the type of short-term financial speculation that has little social value but poses high risks to global economic stability.

Numerous countries, including those with robust financial markets, such as the UK, South Africa, Hong Kong, Singapore, Switzerland, and India, currently have FTTs on particular asset classes that raise billions of dollars per year. Eleven European governments have committed to implementing the world's first regional FTT in 2016.

The United States, with our sizeable and largely untaxed financial sector, should not be left behind. We urge you to support a robust financial transaction tax. At the very least, U.S. statements on FTT should not undermine the bold action of other countries in global forums.

Sincerely,

ActionAid USA
Asian Pacific Environmental Network
Center for Biological Diversity
Center for Sustainable Economy
Chicago Political Economy Group
Citizens for Global Solutions
Fenix International Inc.
Food & Water Watch
Friends of the Earth US
Grassroots International
Health GAP
Institute for Policy Studies, Climate Policy Program

KyotoUSA
Occupy Wall Street Outreach Working Group & Special Projects Affinity Group
Oxfam America
Public Citizen
Rainforest Action Network
Simpa Networks, Inc.
SustainUS: U.S. Youth for Sustainable Development
Women's Earth and Climate Action Network

cc:

Ms. Samantha Power, U.S. Permanent Representative to the United Nations
Mr. John Kerry, U.S. Secretary of State
Mr. Jacob Lew, U.S. Secretary of the Treasury
Mr. Todd Stern, Special Envoy for Climate Change
Mr. Leonardo Martinez-Diaz, Deputy Assistant Secretary for Energy and Environment, U.S. Department of the Treasury