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27TH DISTRICT, NEW YORK

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May 12, 2011

Irene M. Dorner  
President and Chief Executive Office  
HSBC Bank USA, National Association  
425 Fifth Avenue, 10<sup>th</sup> Floor  
New York, NY 10018

Dear Ms. Dorner,

I strongly urge you to consider the significant advantages of locating operations in Buffalo and Western New York as you and your team evaluates the bank's global operations. HSBC, and its predecessor, Marine Midland Bank, have a long and very prosperous history in the region. I believe this long history, and the institutional memory and learned workforce it has created, are a strength for the bank and its continued success.

Buffalo and Western New York possess a series of comparative advantages that make the area a great place to do business. A high quality of life paired with a low cost of living, highly-proficient workforce with low turnover, affordable office space, and a critical mass of residents with experience in financial services make the region very attractive for your firm. These exceptional traits are self-evident by your continued strong presence in the region.

- **Low Cost of Living.** The cost of living in Buffalo is 5% lower than the national average and 56% lower than the cost of living in metro New York.<sup>[1]</sup>
- **High-Quality Workforce.** Buffalo's concentration of 23 colleges and universities make it relatively easy to recruit a high-quality workforce. At any given time, there are over 100,000 students enrolled in Western New York's colleges and universities, which is considerable given the fact that metro Buffalo's overall workforce-age population is just over 900,000.
- **Low Turnover.** A recent survey of Western New York employers confirmed anecdotal evidence that voluntary turnover levels are dramatically lower here-6% to 9%<sup>[2]</sup>, compared to the national average, which is typically about 25%.<sup>[3]</sup>
- **Affordable Office Space.** Office space in downtown and suburban Buffalo costs about \$15-18 per square foot. This compares favorably to New York City (\$56.06 in Manhattan and \$28.18 in the

<sup>[1]</sup> Economic Research Institute, 3Q 2009.

<sup>[2]</sup> [http://www.buffaloniagara.org/Home/Data\\_Center/workforce/QualityOfLabor](http://www.buffaloniagara.org/Home/Data_Center/workforce/QualityOfLabor)

<sup>[3]</sup> <http://www.bls.gov/news.release/pdf/jolts.pdf>

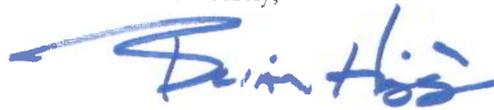
suburbs), Boston (\$33.35 downtown and \$21.26 in the suburbs), and Charlotte (\$27.98 downtown and \$19.67 in the suburbs).<sup>[4]</sup>

- **Concentration of Expertise.** The Buffalo area has become a hub for back-office financial services operations – this results in a broad and deep pool of experienced talent from which to draw and the availability of support resources. Existing financial services back-office operations in Buffalo include: HSBC Bank (of course), Chase, Citigroup, First Niagara Bank, GEICO, Key Bank, M&T Bank, the IRS, the Small Business Administration and a number of large debt collection firms.
- **Access to Low Cost Power.** Buffalo exists in close proximity to the Niagara Power Project, a major source of cheap, reliable hydroelectric power for the Northeast United States.
- **Proximity.** The Buffalo Niagara region is within 500 miles of 55% of the U.S. population and 62% of the Canadian population.

I understand that HSBC must be nimble due to the important challenges facing the financial system both in the United States and around the world – in a rapidly changing world, this kind of periodic introspection is essential for any large institution. I believe, though, that Buffalo and Western New York are uniquely suited to be an integral part of the bank's operations now and into the future. And your longstanding success in the region provides a strong argument to not only maintain your operations, but to grow them here.

Thank you for your consideration of this matter. Please do not hesitate to contact me for further information.

Sincerely,



BRIAN HIGGINS  
Member of Congress

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<sup>[4]</sup> CB Richard Ellis