



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

November 14, 2023

The Honorable Jerome Powell
Chair
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

We write to express concern with growing influence of global governance bodies on U.S. bank regulation. Federal banking agencies are sidelining U.S. laws and congressional intent in favor of implementing “standards” and interests of global governance bodies at an alarming pace. Recent examples include the proposed Basel III Endgame, and the recently adopted principles for managing purported climate-related financial risks as formed by Basel groups, the Network for Greening the Financial System, and other global bodies. The climate principles effectively implement a climate-change policy that has been rejected by Congress on numerous occasions. As you know, it is the responsibility of Congress, not unelected bureaucrats, to determine policy, including banking regulations.

Of particular concern to this Committee is the tangled web of interconnected global governance bodies, including the Bank for International Settlements (BIS), Basel Committee on Banking Supervision (BCBS), the Committee on Payments and Market Infrastructures (CPMI), Financial Stability Board (FSB), and, lately, the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). The NGFS, in particular, has evolved into an outgrowth of the Banque de France and is increasingly controlled by climate activists, partisan goals, and opaque funding developed by climate activist organizations. Many of those organizations are directly tied to the Biden administration.

The relationships between and among the global governance bodies and U.S. banking regulators are opaque. Those bodies set soft-law “standards,” engage in enforcement actions using peer reviews and name-and-shame tactics with U.S. banking agencies to turn their standards into the hard-law regulatory frameworks governing U.S. financial institutions.

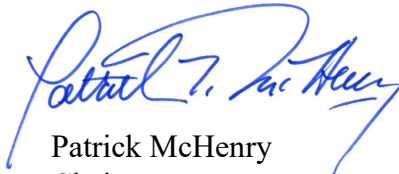
Disturbingly, Congress is uninformed about negotiated “agreements” and “accords” between officials, U.S. federal banking regulators’ staff, and the global governance bodies. For example, a recent hearing by the Subcommittee on Financial Institutions and Monetary Policy of the House Financial Services Committee revealed a concerning lack of knowledge by top regulatory officials from the Federal Reserve, FDIC, and OCC about activities, funding, and U.S.

resources involving their staff and the opaque NGFS.¹ Despite this ignorance, U.S. banking regulatory representatives are set to negotiate statutory restrictions without transparency and accountability. In addition, it appears that activist groups, including some with ties to the Biden Administration, are financing models and data-creation within the NGFS that are used to support its desired climate policies.²

Congress needs to better understand the interplay between federal banking agencies and the tangled web of global governance bodies. This is especially important given the recent BCBS-fueled Basel III Endgame proposal from U.S. federal banking agencies and the recent NGFS-, BIS-, and BCBS-fueled principles for managing purported climate-related financial risks.

To assist the Committee, please respond to the questions set out below by November 30, 2023. If you have any questions, please contact Jeff Wrase at 202-225-7502.

Sincerely,



Patrick McHenry
Chairman



Andy Barr
Chairman of the Subcommittee
on Financial Institutions and
Monetary Policy

¹ See Subcommittee on Financial Institutions and Monetary Policy hearing, “Climate-Risk: Are Financial Regulators Politically Independent?”, July 18, 2023, at <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408903>.

² For example, the ClimateWorks Foundation, a pass-through funding organization, identifies that it “increases the collective impact of philanthropic donors who support the advancement of climate solutions globally,” including such donors as Bloomberg Philanthropies; Gates Ventures; Open Philanthropy; Bezos Earth Fund; Chan Zuckerberg Initiative; High Tide Foundation; and more (see <https://climateworks.org/about-us/funding-partners/>). As an example of NGFS use of ClimateWorks Foundation funding, note that NGFS Occasional Paper, September 2020, titled “Case Studies of Environmental Risk Analysis Methodologies:” says that: “The editors would like to express their gratitude to ClimateWorks Foundation for generously funding this critical project.” The ClimateWorks Foundation in 2022 elected (see <https://www.climateworks.org/press-release/climateworks-foundation-announces-changes-to-its-board-of-directors/>) its then-current Board Member John Podesta as Chair of its Board of Directors. Mr. Podesta currently serves as Senior Advisor to President Biden for Clean Energy Innovation and Implementation, and previously had served as counselor to President Obama, where he was responsible for coordinating the administration’s climate policy and initiatives (<https://www.americanprogress.org/people/podesta-john/>).

1. Who currently leads negotiations and discussions on behalf of the Board of Governors of the Federal Reserve System at: the BCBS; the NGFS; FSB; CPMI; and any other global governance bodies toward which the Federal Reserve devotes staff time?
2. Institutions represented on the BCBS include the European Commission. There is no representation allowed for the United States Congress. As a member of the BIS, BCBS, CPMI, FSB, and other global governance bodies, would the Federal Reserve Board support inclusion of direct representation of the United States Congress at the BCBS, on par with that of the European Commission?
3. Please provide a description of any internal work organization system in which the Federal Reserve Board stores documentation on negotiation objectives for and outcomes of (i) BIS (ii) BCBS; (iii) CPMI; (iv) FSB; and (v) NGFS deliberations that establish, or shape, formulation of international standards developed by those bodies.
 - a. What documents are stored?
 - b. What documents exist to record negotiation objectives and outcomes related to the Basel III Endgame proposal recently put forward by the federal banking agencies?
4. Does the Federal Reserve Board or any district Bank in the Federal Reserve System retain minutes or any substantively similar notations of meetings involving Federal Reserve officials or staff that take place within the organizations listed in (i) through (v)?
 - a. If so, what is the Federal Reserve's document retention policy for meeting minutes or similar notations?
 - b. Are such documents shared with any district Bank? If so, which one(s)?
5. According to Regulation N (12 CFR 214; §214.3(a)): "Without first obtaining the permission of the Board of Governors of the Federal Reserve System, no officer or other representative of any Federal Reserve Bank shall conduct negotiations of any kind with the officers or representatives of any foreign bank or banker or any group of foreign banks or bankers of any foreign State, except communications in the ordinary course of business in connection with transactions pursuant to agreements previously approved by the Board of Governors of the Federal Reserve System. Any request for the Board's permission to conduct such negotiations shall be submitted in writing and shall include a full statement of the occasion and objects of the proposed negotiations."
 - a. Does the Federal Reserve Board possess a written record of any permissions given and full statement of the occasion(s) and objects of proposed negotiations between officers or other representatives of the Federal Reserve Bank of New York with respect to that Bank's negotiations within the BIS, BCBS, CPMI, FSB, and/or NGFS?
 - b. Does the Federal Reserve Board possess a written record of any permissions given and full statement of the occasion(s) and objects of proposed negotiations within the NGFS between officers or other representatives of the Federal Reserve Bank of San Francisco or any other Federal Reserve district bank and the NGFS?
 - c. If so, what, if any, have been the occasion(s) and objects of proposed negotiations relevant to the banks listed in a. and b. during the past three years, and do the written and full statements have a duration over which they bind, or are they not time limited?

- d. Has any district Bank entered into such negotiations without the required prior permission from the Board of Governors to engage in such activities? If so, which district Bank(s) and what if any remedial actions were taken?
6. Neither the annual Federal Reserve Banks Combined Financial Statements, including the Independent Auditors' Reports, nor the Federal Reserve Banks Combined Quarterly Financial Reports (unaudited) appear to show Federal Reserve resources devoted to work in the: (i) BIS; (ii) BCBS; (iii) CPMI; (iv) FSB; and (v) NGFS.
 - a. For each of (i) through (v) above, how much time, measured in full-time equivalent employment, was devoted by staff and officials from the Federal Reserve Board in meetings, workstreams, and writing of papers in the BCBS as of December 31 of calendar years 2020, 2021, and 2022?³
 - b. Same question as a. above applied to staff and officials from Federal Reserve district bank staff and officials, exclusive of time devoted by Board staff and officials.
 - c. How much compensation was received by Federal Reserve Board staff or officials from the Federal Reserve Board from each of (i) through (v) as of December 31 of calendar years 2020, 2021, and 2022?
 - d. Same question as c. above applied to staff and officials from Federal Reserve district bank staff and officials, exclusive of time devoted by Board staff and officials.
 - e. What is the dollar value of the largest amount of compensation received by an individual Federal Reserve Board or district bank employee from, separately, (i) through (v)?
 - f. Is any such compensation identified in c. and d. U.S. taxable personal income of the staff or official who received the compensation?
 - g. For each of (i) through (v) above, which Federal Reserve district banks provided staff and officials for work performed in meetings, workstreams, and writing of papers, and how many resources, by district bank, were supplied measured in full-time equivalent employment?
 7. The Federal Reserve's Vice Chair for Supervision led a review of Federal Reserve's supervision and regulation of Silicon Valley Bank (SVB) and published the results, along

³ Work in the BCBS includes any work in the various bodies identified in the BCBS Charter, including the Group of Governors and Heads of Supervision (GHOS), Basel Consultative Group (BCG), International Conferences of Banking Supervisors (ICBS), Financial Stability Institute (FSI), regional groups of banking supervisors, public consultation processes, peer review processes, and training activities. Work in the BIS includes any work in the various bodies identified in the BIS most recent annual report, including the Committee on the Global Financial System (CGFS), Irving Fisher Committee on Central Bank Statistics (IFC), Committee on Payment and Settlement Systems (CPSS), International Association of Insurance Supervisors (IAIS), International Association of Deposit Insurers (IADI), International Monetary and Financial Committee (IMFC), peer review processes, and training processes. Work in the FSB includes any work in the Standing Committee on Assessment of Vulnerabilities (SCAV), Standing Committee on Supervisory and Regulatory Cooperation (SRC), Standing Committee on Standards Implementation (SCSI), peer review processes, and training activities. Work in the NGFS includes any work in peer review processes, training activities, and the Workstreams listed on the NGFS website, including workstreams on: Supervision; Scenario Design and Analysis; Monetary Policy; Net Zero for Central Banks; Nature-Related Risks; Capacity Building and Training.

with his personal cover letter, on April 28, 2023.⁴ That review appeared to many analysts to be biased, unnecessarily politicized, and not a representation of views of the Federal Reserve Board as a body. The review appeared to be geared toward setting a narrative in advance of findings of legally required independent reviews. Some of the opinions in the Vice Chair’s review became enmeshed in views put forward by the Bank for International Settlements. For example, on page 3 in the Executive Summary of the Vice Chair’s review, the following opinion is put forward with respect to the board of the Silicon Valley Bank Financial Group: “Moreover, the board put short-run profits above effective risk management and often treated resolution of supervisory issues as a compliance exercise rather than a critical risk-management issue.” That opinion, *verbatim* and without attribution to the Vice Chair’s review, remarkably shows up also on page 7 of the Basel Committee on Banking Supervision’s October 2023 report titled “Report on the 2023 banking turmoil.”⁵

- a. Did any Federal Reserve System employee provide drafting or any other editorial input into the October 2023 BCBS report identified above?
 - b. Do Federal Reserve System employees provide drafting or any other editorial input into any workstreams, papers, or public-facing publications of the BIS, BCBS, CPMI, FSB, or NGFS for which there does not appear attribution?
8. The BIS, BCBS, CPMI, FSB, and NGFS engage in extensive peer review processes designed to gauge adherence by their members to their policy positions and “recommendations.” The BCBS assessments and reviews of adherence to BCBS principles and recommendations include an extensive Regulatory Consistency Assessment Programme (RCAP) involving reviews and assessments by officials from foreign jurisdictions of U.S. supervision and regulation, including U.S. law.
- a. How much full-time equivalent employment within the Federal Reserve System was devoted during each of the past two calendar years to participation in peer review processes undertaken by the BCBS, CPMI, FSB, and NGFS, including time devoted to filling out monitoring questionnaires, such as surveys, from those bodies?
 - b. Has the Federal Reserve System responded within the past two years to surveys from the BCBS, CPMI, FSB, and NGFS or in collaboration among those bodies who aggressively monitor adherence of jurisdictions to their climate goals; if so, please identify the timeframe of the survey(s)?⁶

⁴ See “Review of the Federal Reserve’s Supervision and Regulation of Silicon Valley Bank,” Michael Barr, Federal Reserve Vice Chair for Supervision, available at <https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf>.

⁵ See “Report on the 2023 banking turmoil,” Basel Committee on Banking Supervision, available at <https://www.bis.org/bcbs/publ/d555.pdf>.

⁶ As a recent example of such monitoring, see Annex 1: FSB-NGFS Survey on Climate Scenario Analyses in Climate Scenario Analysis by Jurisdictions: Initial findings and lessons,” November 15, 2022 at <https://www.fsb.org/wp-content/uploads/P151122.pdf>. The FSB-NGFS requests for information include information on the number of “full time equivalent” people involved in projects (p. 32), and “non-published” documents “if you are able to share.”

- c. Results of two recent extensive exercises involving monitoring of the U.S. were published by the BCBS in July of this year.⁷ The results stemmed from reviews by an RCAP Assessment Team and Review Team comprised of BCBS officials and officials from foreign supervisory bodies from Switzerland, France, India, Germany, England, Hong Kong, Brazil, and Italy.
- i. How much full-time equivalent employment within the Federal Reserve System was devoted to responding to questions and providing U.S. supervisory information to the RCAP assessment and review teams for each of those two exercises?
 - ii. Were any of the assessment and review team representatives from foreign jurisdictions performing any their work at U.S. Federal Reserve System physical locations in the past, excluding periods where pandemic-related restrictions hindered abilities for on-site assessments?
 - iii. What supervisory information was provided to the assessment and review team representatives?
 - iv. The People’s Bank of China and the China Banking Regulatory Commission are BCBS members, as is the Central Bank of the Russian Federation subject to a recent suspension.
 1. Have any RCAP assessments or reviews of U.S. regulations and supervisory practices included officials from the People’s Bank of China, the China Banking Regulatory Commission, or the Central Bank of the Russian Federation?
 2. Is it correct that there are no formal BCBS or U.S. restrictions on RCAP assessments or reviews involving foreign-jurisdiction oversight of U.S. regulations and supervisory practices by officials from China or, when not subject to suspension, Russia?
 3. Have U.S. officials from the Federal Reserve System participated in RCAP assessment or reviews of the practices of those foreign jurisdictions?
9. There are numerous “training” alliances, programs, courses, and exclusive platforms provided by various international global governance organizations.⁸
- a. How many training programs, including online courses, have Federal Reserve System employees participated in during the past two years?
 - b. Do supervisory staff and officials have access to the BIS’s e-learning platform of the BIS’s Financial Stability Institute’s FSI Connect?

⁷ See July 2023 RCAP “Assessment of Basel NSFR regulations-United States” at <https://www.bis.org/bcbs/publ/d553.pdf>; and “Assessment of Basel large exposures regulation-United States” at <https://www.bis.org/bcbs/publ/d552.pdf>.

⁸ Examples include but are not limited to: The Climate Training Alliance (CTA), supported by the BIS, NGFS, International Association of Insurance Supervisors (IAIS), and Sustainable Insurance Forum (SIF); The Financial Stability Institute (FSI), including the FSI Connect portal which, according to the BIS “is the BIS’s e-learning platform available exclusively to central banks, supervisory authorities, deposit insurers or other eligible public sector authorities.” The FSI offers online courses for bank and insurance supervisors which are not reviewed by Congress.

- c. How many supervisory staff have taken the online training courses developed by the FSI jointly with the NGFS focused on climate and environmental risks? Has such training resulted in changes that would influence supervisory actions?
10. The Federal Reserve Board established a Supervision Climate Committee (SCC) in 2020. Little is known about activities and policies of the SCC, aside from a July 31, 2023, report from the Federal Reserve’s Office of Inspector General (OIG Report).⁹ According to the OIG Report: “The Board established the SCC in December 2020 “to develop and implement a supervisory program to address climate-related financial risks to financial firms.” To our knowledge, there is no identification in any post-December 2020 semi-annual Federal Reserve Supervision and Regulation Report on supervisory activities identifying formation of the SCC. Most press reports on the SCC trace the announcement of formation of the SCC to a speech given by then-Governor Lael Brainard on February 18, 2021, who stated that the SCC was formed “last month,” which would have been January 2021, rather than December 2020 as identified by the OIG.¹⁰ Then-Governor Brainard’s identification of formation of the SCC, in turn, cited a January 25, 2021 announcement by the Federal Reserve Bank of New York that Kevin Stiroh was stepping down as Head of the Supervision Group at the New York Fed “to assume a leadership position with the Federal Reserve Board” to be “a secondment as a senior advisor to Mike Gibson, Director of the Supervision and Regulation Division.”¹¹ The New York Fed announcement stated that Kevin Stiroh would chair the SCC, identified as “a newly formed System-wide group.” Aside from the speech by Brainard and the Federal Reserve Bank of New York announcement, we are unaware of any other substantive information available from the Federal Reserve Board about the SCC.
- a. Who serves on the SCC?
- b. The OIG Report identifies three workstreams of the SCC: Engagement; Analysis; and Policy and Program Development. Where can Congress and the American people find information about activities performed in those workstreams and the “over 130 meetings, as of December 2022,” that the OIG identifies have taken place between whomever are SCC members and “financial institutions, nonprofits, advocacy groups, financial data and service providers, and academics?”
- c. Do meetings between SCC members and financial institutions, nonprofits, advocacy groups, financial data and service providers, and academics adhere to Open Records and Open Meetings law requirements when necessary?

⁹ See OIG Insights Report titled “The Board’s Approach to Climate Risk Supervision at Financial Institutions.” Office of the Inspector General, Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, available at <https://oig.federalreserve.gov/reports/board-oig-insights-climate-risk-jul2023.htm>.

¹⁰ “The Role of Financial Institutions in Tackling the Challenges of Climate Change, speech by Lael Brainard, February 18, 2021, at the 2021 IIF U.S. Climate Finance Summit: Financing a Pro Growth Pro Markets Transition to a Sustainable, Low-Carbon Economy,” hosted by the Institute of International Finance, available at <https://www.federalreserve.gov/newsevents/speech/brainard20210218a.htm>.

¹¹ See Federal Reserve Bank of New York January 25, 2021, press release “Kevin Stiroh to Step Down as Head of New York Fed Supervision to Assume New System Leadership Role at Board of Governors on Climate,” at <https://www.newyorkfed.org/newsevents/news/aboutthefed/2021/20210125>.

- d. Have any meetings between SCC members and nonprofits, advocacy groups, or financial data and service providers included representatives of the interests of Bloomberg Philanthropies, Bloomberg LP, the Chan Zuckerberg Initiative, Meta, Gates Ventures, Microsoft, the ClimateWorks Foundation, the International Network for Sustainable Financial Policy Insights, Research, and Exchange (INSPIRE), or the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)?
11. Page 13 of the OIG Report identifies that “The Board collaborated with the OCC and the FDIC, and each issued separate, similar draft principles to guide financial institutions in managing their climate-related financial risks.” The draft principles among those agencies are similar, and also remarkably similar to those put forward by global governance bodies including the BCBS and NGFS.
- a. What was the collaboration among the Board, OCC, and FDIC with the BCBS and/or NGFS in establishing the Board’s principles to guide U.S. financial institutions on purported climate-related financial risks?
 - b. The OIG Report identifies, in footnote 25, that Federal Reserve “System staff helped to draft the Basel committee principles.” What was the period of time during which System staff helped draft those principles, and how much full-time equivalent staff employment was devoted by System staff to the assistance provided by them to the Basel Committee?
 - c. How much of the System staff assistance, measured in full-time equivalent employment, came from staff of the Board of Governors; how much from Federal Reserve district banks; and which Federal Reserve district banks were involved in provision of assistance?
12. The OIG Report identifies, with respect to the Board’s pilot climate scenario analysis exercise, that: “The Board will then review the institutions’ analyses and engage with those institutions to build capacity to manage climate-related financial risks.”
- a. In its announcement of the pilot exercise, the Board claimed that there would be no supervisory implications of the pilot.¹² Yet participation is mandated for six financial institutions supervised by the Board, which is a supervisory implication of the exercise. Moreover, the OIG Report’s identification that the Board will engage with those institutions “to build capacity to manage climate-related financial risks” suggest yet further supervisory implications. What specific capacity building activities will the Board engage in with the financial institutions who are mandated to engage in the pilot exercise, and are those and other institutions required to participate with the Board in the capacity building activities?
13. The OIG Report repeatedly identifies that supervisors and regulators globally perceive a lack of good climate data as a limiting factor in their analyses of purported climate-related

¹² See “Federal Reserve Board announces that six of the nation’s largest banks will participate in a pilot climate scenario analysis exercise designed to enhance the ability of supervisors and firms to measure and manage climate-related financial risks,” Board of Governors of the Federal Reserve System press release, September 29, 2022, available at <https://www.federalreserve.gov/newsevents/pressreleases/other20220929a.htm>.

financial risks.¹³ The Board, as the OIG Report identifies, purports to be addressing data challenges by: (i) having its Office of the Chief Data Officer develop a data hub; (ii) establishing a Climate Data Committee; (iii) working with the FSOC Office of Financial Research’s Climate Data and Analytics Hub.

- a. With respect to (i) is there any detailed publicly available information on the data hub?
- b. With respect to (ii), who serves on the Climate Data Committee, and what have been the activities of the Committee during the past two years?
- c. With respect to (iii), is there a Board-approved memorandum understanding with respect to the collaboration established between Board staff and the FSOC Office of Financial Research?
- d. With respect to Board collaboration with foreign regulatory and supervisory staff at the NGFS, including collaboration on perceived data deficiencies, what documentation exists on how much full-time equivalent employment is devoted by Board staff to the collaboration, and on funding at the NGFS of its climate scenario models and data-development activities?

14. Does the Federal Reserve Board of Governors believe that there are conflicts of interest or the appearance of conflicts when officials and staff within the Federal Reserve System have private meetings that are closed to the public and the media with NGFS officials, where NGFS workstreams are funded by nongovernment funding groups such as the ClimateWorks Foundation and Bloomberg Philanthropies who stand to gain from exclusive contacts with NGFS and Federal Reserve officials and staff?¹⁴

15. Does the Federal Reserve Board have reservations about China’s leadership of NGFS workstreams focused on bank supervision and data gathering for the standardization of green and brown factors that could be applied to capital risk weights to influence a bank’s lending activities?

16. The Federal Open Market Committee (FOMC) of the Federal Reserve has a written, publicly available policy on external communications of Committee participants.¹⁵ Does the SCC have any similar written policy on external communications, including any principle resembling Principle 6 of the FOMC policy that Federal Reserve officials and staff should

¹³ For example, page 16 of the Report states, with respect to multiple foreign financial-institution supervisors who have run climate scenario analysis or stress tests: “While these exercises differed in scope, their results all cited the lack of reliable, consistent, and comparable climate data as a limitation...”

¹⁴ For an example of such funding, see NGFS June 7, 2021, publication titled “NGFS publishes the second vintage of climate scenarios for forward looking climate risk assessment,” available at <https://www.ngfs.net/en/communique-de-presse/ngfs-publishes-second-vintage-climate-scenarios-forward-looking-climate-risks-assessment>. In addition to cited funding for scenario and data construction from the ClimateWorks Foundation, the paper lists Bloomberg Philanthropies as a grantor for such construction. Bloomberg LP, a private-sector company, advertises work on purported climate-related financial risks by Bloomberg Philanthropies and by Michael Bloomberg, UN Special Envoy on Climate Ambition and Solutions and Co-Chair of the Glasgow Financial Alliance for Net Zero. Bloomberg LP also sells products for profit, including data and “global regulation solutions,” as shown, for example, at <https://www.bloomberg.com/professional/product/esg-data/>.

¹⁵ See “FOMC Policy on External Communications of Committee Participants” adopted effective June 22, 2011; as reaffirmed effective January 31, 2023, available at https://www.federalreserve.gov/monetarypolicy/files/fomc_extcommunicationparticipants.pdf.

“strive to ensure that their contacts with members of the public do not provide any profit-making person or organization with a prestige advantage over its competitors?”