



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 Michael J. Hsu
Acting Comptroller Office of the Comptroller of the Currency (OCC)
400 7th Street, SW Washington, DC 20219

Dear Acting Comptroller Hsu:

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.

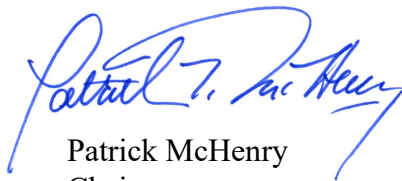
Disturbingly, Congress is uninformed about negotiated “agreements” and “accords” between officials, U.S. federal banking regulators’ staff, and the global governance bodies. For example, a recent hearing by the Subcommittee on Financial Institutions and Monetary Policy of the House Financial Services 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 OCC at: the BCBS; the NGFS; and any other global governance bodies toward which the OCC devotes staff time?
2. Institutions represented on the BCBS include the European Commission. There is no representation allowed for the United States Congress. As an exclusive member of the BCBS and other global governance bodies, would you 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 OCC stores documentation on negotiation objectives for and outcomes of meetings with the (i) BCBS and (ii) NGFS that establish, or shape, formulation of international standards adopted by those bodies.
 - a. What documents are stored?
 - b. What documents exist for negotiation objectives and outcomes related to the Basel III Endgame proposal recently put forward by the federal banking agencies?
4. Does the OCC retain minutes or any substantively similar notations of meetings involving OCC officials or staff that take place within the BCBS; the NGFS?
 - a. If so, what is the OCC's document retention policy for meeting minutes or similar notations?
 - b. Are there any rules governing participation by OCC officials and staff for how they 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?
5. The annual OCC report does not appear to separately show OCC resources devoted to work in the BCBS, NGFS, and other global governance bodies toward which the OCC devotes resources.
 - a. How much time, measured in full-time equivalent employment, was devoted by staff and officials from the OCC in meetings, workstreams, and writing of papers in the BCBS, the NGFS, and an aggregation of all the other global governance bodies to which the OCC devotes resources as of December 31 of calendar years 2020, 2021, and 2022?
 - b. How much compensation was received by OCC staff or officials from the BCBS as of December 31 of calendar years 2020, 2021, and 2022?
 - c. Is any such compensation U.S. taxable personal income of the staff or official who received the compensation?
6. The BCBS, NGFS, and the other global governance bodies to which the OCC devotes resources 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 adhesion to BSBS 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 OCC was devoted during each of the past two calendar years to participation in peer review processes undertaken by the

BCBS, NGFS, or any other global governance bodies, including time devoted to filling out monitoring questionnaires, such as surveys, from those bodies?

- b. Has the OCC responded within the past two years to surveys from the NGFS, BCBS, FSB, or any of those bodies in collaboration, who aggressively monitor adherence of jurisdictions to their climate goals; if so, please identify the timeframe of the survey(s)?³
- c. Results of two recent extensive exercises involving monitoring of the U.S. were published by the BCBS in July of this year.⁴ 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 OCC 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. OCC physical locations?
 - 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 OCC participated in RCAP assessments or reviews of the practices of those foreign jurisdictions?

³ 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."

⁴ 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>.

7. There are numerous “training” alliances, programs, courses, and exclusive platforms provided by various international global governance organizations to their members and staff of their members.⁵
 - a. How many training programs, including online courses, have OCC employees participated in during the past two years.
 - b. Do supervisory staff and officials at the OCC have access to the BIS’s e-learning platform of the BIS Financial Stability Institute’s FSI Connect?
8. In your “Comptroller’s Viewpoint” corresponding to the OCC’s 2022 Annual Report, you wrote about the OCC’s focus on purported climate-related financial risks and noted that: “Community banks have expressed concern about the scope of our climate-related risk efforts.”⁶ Given that, you identified that “I am committed to continued dialogue and constructive engagement with all stakeholders, including community bankers, as we build our climate risk expertise.”
 - a. In July of 2021, the OCC joined the NGFS. Since that time, who are the “stakeholders” with whom you have engaged on purported climate-related financial risks?
 - b. Did you and any OCC staff participate in meetings focused on purported climate-related financial risks with financial institutions, such as the one hosted by the Department of the Treasury on September 30, 2022, “to engage external stakeholders who play an essential role in the net zero transition?”⁷
 - i. If so: what was the purpose of the meeting; did any OCC participants take notes or minutes of the meeting; and was the meeting recorded using a microphone present in the room?
9. From the date on which the OCC formally became a member of the NGFS to the present, please identify how many reports, working papers, or similar products of the NGFS involved analysis and drafting work by officials from the OCC. Please provide a listing of all such products.

⁵ 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.

⁶ Comptroller’s Viewpoint, available at <https://www.occ.treas.gov/about/what-we-do/annual-report/index.html#compimage>.

⁷ See U.S. Department of the Treasury, October 3, 2022, “Readout: U.S. Department of the Treasury Hosts Discussion with Banks on Enhancing the Impact of Net-Zero Finance Commitments,” available at <https://home.treasury.gov/news/press-releases/jy0989>.