Congressional Relations Overview
Joint Board of Directors Meeting
January 12, 2023

Bill Medley, Assistant Vice President and Public Information Officer
2022: In the Headlines

**American Banker**

Toomey-Warren bill would require more Fed accountability

The Washington Post
THE POST'S VIEW
**Opinion: The Federal Reserve has a credibility problem**
By the Editorial Board

FOX BUSINESS

Toomey clashes with Biden Fed nominees on climate, 'left-wing' politics, Dems say attacks lack 'common sense'
2022: In the Headlines

* NPR *
Senate approves Lisa Cook as first Black woman on Federal Reserve board of governors

* Bloomberg *
Hispanic Lawmakers Press Fed to Appoint First Latino as Regional Bank President
2022: In the Headlines

Bloomberg
Toomey Demands Answers From Kansas City Fed on Fintech’s Account

POLITICO
Payment rails? More like political third rails
The Bank will be viewed by elected officials and their staff as a trusted resource for timely and relevant information. They will seek our non-partisan perspectives on key issues that support the economic and financial health of the U.S. and Tenth District.
Each office serves as the primary congressional staff contact for a designated “zone.” Kansas City coordinates contacts with staff from outside the Tenth District.

**Kansas City Zone:** Missouri, Kansas

**Oklahoma City Zone:** Oklahoma

**Omaha Zone:** Nebraska

**Denver Zone:** Colorado, Wyoming, New Mexico
Government Relations Outreach

*Each office in the Tenth District plays a key role in relationship building*

Office-Level Responsibilities:
- Congressional staff seminars
- Meetings with staff
- Responding to staff inquiries questions
- Invitations to Federal Reserve events and programs across the District
- Building local, on-the-ground relationships through regular information, resources and support

Office of the President Responsibilities:
- Washington, DC principal relationships – both 10J delegation and key committee members
- Building key DC staff and committee relationships
System Collaboration

Staff responsible for government relations activities at each Reserve Bank and the Board of Governors routinely discuss emerging issues, recent contacts with congressional offices and develop coordinated strategies as needed.

Board of Governors
Congressional Liaison Office

Reserve Bank
Government Affairs Working Group
District members of key committees

**House Financial Services Committee**
- Emanuel Cleaver II, D-Mo.
- Frank Lucas, R-Okla.

**Senate Banking Committee**
- Jerry Moran, R-Kan.
- Cynthia Lummis, R-Wyo.

Committee Chair: Patrick McHenry, R-N.C.
Ranking Member: Maxine Waters, D-Calif.
Committee Chair: Sherrod Brown, D-Ohio
Ranking Member: Tim Scott, R-S.C.
2023 Watch List

1. **Financial Innovation**
   - Cryptocurrency/Regulatory issues
   - FinTech
   - FedNow
   - Central Bank Digital Currency
   - Master Account access

2. **Federal Reserve Structure**
   - Transparency and Freedom of Information Act
   - System “reform”
   - Ethics (financial disclosures)

3. **Inflation and Economic Issues**
   - Impact of Fed policies
   - Effect of rate policy on workers

4. **Federal Reserve Diversity and Leadership**
Financial Regulators Transparency Act

• Sponsored by Sens. Warren (D-Mass.) and Toomey (R-Penn.)

• Subjects Federal Reserve Banks to the Freedom of Information Act

• Access for members of Congress:
  • FOIA cannot be used to exempt privileged information, including attorney-client work product.
  • A subset of Congressional members (Chairs and Ranking Members of two committees) may receive the following information, which is exempt under FOIA:
    • Confidential Supervisory Information
    • Personnel files

• Ethics-related provisions:
  • Financial regulators cannot use a FOIA exemption for ethics-related requests from members of Congress
  • Makes the Board of Governors Inspector General Senate-confirmed
Federal Reserve Accountability Act

- Sponsored by Sens. Toomey (R-Penn.), Kevin Cramer (R-N.D.), Mike Lee (R-Utah), Cynthia Lummis (R-Wyo.), Thom Tillis (R-N.C.), Bill Haggerty (R-Tenn.), Ted Cruz (R-Texas).

<table>
<thead>
<tr>
<th>Current Structure</th>
<th>Proposed Structure</th>
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<tbody>
<tr>
<td>12 Reserve Banks</td>
<td>Five Reserve Banks (New York, Cleveland, Dallas, Kansas City, San Francisco)</td>
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<tr>
<td>Each Reserve Bank Board selects the president, subject to Board of Governors approval</td>
<td>Reserve Bank presidents nominated by U.S. President/confirmed by the Senate; also removable by U.S. President; 10-yr terms</td>
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<tr>
<td>No residency requirement for RB presidents</td>
<td>RB presidents subject to 4-year residency in their district before appointment</td>
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<td>FOMC has rotating vote schedule</td>
<td>All 5 RB presidents vote with the 7 governors every time</td>
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<td>BOG’s General Counsel is selected by the BOG</td>
<td>Nominated by the U.S President/Confirmed by the Senate</td>
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