

# Congressional Relations Overview

Joint Board of Directors Meeting

January 12, 2023

*Bill Medley, Assistant Vice President and Public Information Officer*



**kcFED**

# 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'

**kcFED**

# 2022: In the Headlines



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

# Congressional Relations Strategy

## District Expertise, Broad Influence

Our expertise, research and programs contribute to an environment of opportunity for all.

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.



# District outreach



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

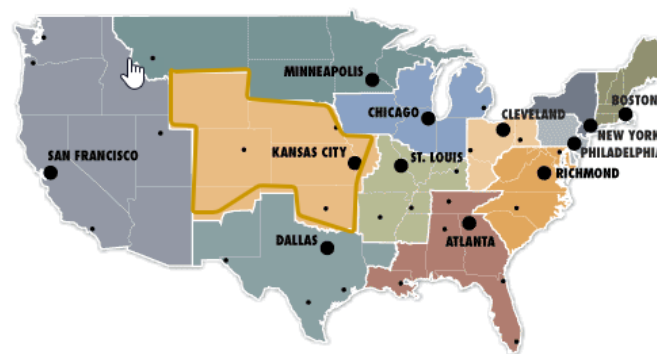


# System Collaboration

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.

Committee Chair: Patrick McHenry, R-N.C.  
Ranking Member: Maxine Waters, D-Calif.

## Senate Banking Committee



Jerry Moran, R-Kan.



Cynthia Lummis, R-Wyo.

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).

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