

United States Senate

WASHINGTON, DC 20510-0609

February 16, 2022

President Joe Biden
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear President Biden,

We write to you today urgently requesting that you withdraw the nomination of Ms. Sarah Bloom Raskin to be Vice Chair of Supervision at the Federal Reserve. Her biased statements invalidate her ability to be given regulatory and supervisory power over such an important independent institution. As outlined below, we have concern about Ms. Bloom Raskin's potential abuse of power to inflict harm upon the traditional fuel industry.

In May of 2020 Ms. Raskin penned an op-ed that stated in part, "The decision to bring oil and gas into the Fed's investment portfolio not only misdirects limited recovery resources but also... undermines urgent efforts to counter surging carbon dioxide and methane emissions, which are bringing us closer to the catastrophe of an unlivably hot planet."¹ The following month, as part of a Ceres report she wrote of rebuilding an economy that values sustainability saying, "This transformation will come, in part, from urging the leaders of our financial regulatory bodies to do all they can – which turns out to be a lot – to bring about the adoption of practices and policies that will allocate capital and align portfolios toward sustainable investments that do not depend on carbon and fossil fuels."² Just a year later, in a speech Ms. Raskin said, "Financial regulators, together with the financial auditors and the standard setting bodies, need to help financial firms mitigate climate-related threats by stepping forward and incentivizing a rapid, orderly, and just transition away from high-emission assets."³ Then later in September of last year she wrote, "all US regulators can – and should – be looking at their existing powers and considering how they might be brought to bear on efforts to mitigate climate risk."⁴

These are the words of an activist, not someone who should be placed in a supervisory role at the independent, non-partisan central bank with the mandate of promoting maximum employment, stable prices, and moderate interest rates. The Federal Reserve was explicitly structured to be as removed and insulated as possible from changeable political whims. Fights over climate policy should be fought at the ballot box and in Congress, not by financial regulators. Your nominee for the top position at the Federal Reserve, Chairman Jerome Powell, agrees. He has stated explicitly the reasons for keeping the Federal

¹ <https://www.nytimes.com/2020/05/28/opinion/fed-fossil-fuels.html>

² <https://www.ceres.org/sites/default/files/reports/2020-06/Financial%20Regulators%20FULL%20FINAL.pdf>

³ <https://www.youtube.com/watch?app=desktop&v=NhiWgJdiMSM>

⁴ <https://www.project-syndicate.org/onpoint/us-financial-regulators-climate-change-by-sarah-bloom-raskin-2021-09?barrier=accesspaylog>

Reserve separate, stating “Congress chose to insulate the Fed this way because it had seen the damage that often arises when policy bends to short-term political interests”⁵

Outside of the universal wisdom of keeping politics out of the Federal Reserve, it is important to consider exactly what Ms. Raskin is calling for, and who it will be hurting. According to the Department of Energy, oil and natural gas are not going anywhere anytime soon, with predictions showing demand increasing for both through 2050⁶. And this is demand that will need to be filled; this is demand driven by people heating their homes and driving to work, demand from the industries that create the products Americans have come to expect to have access to as part of their lifestyles. Demand remaining strong is not up for debate, it is a simple fact. What remains to be seen however, is how well producers will be able to meet that demand. Small producers inherently do not have the same access to capital as the larger more institutional producers do. If regulators like Ms. Raskin start putting pressure on local banks to not lend to energy companies it will be our smaller producers who will be impacted first, and as they start going out of business energy prices will continue to rise. Manipulating the market in the way Ms. Raskin has suggested will harm all Americans, but it is particularly unjust for lower income individuals whose income disproportionately goes to energy expenses, and the millions of people whose livelihoods are dependent on providing America with the energy we need to run our lives.

We have no doubt that Ms. Raskin’s beliefs are sincerely held, and that is the very reason she is inappropriate for the position to which she has been nominated. A person that has explicitly stated that the Federal Reserve and other financial regulators should abuse their positions to pursue a climate agenda that cannot muster enough support to pass Congress cannot be given the opportunity to take her own ill-advised recommendations. Mr. President, you ran your campaign pledging to unite this country, and while there are ample instances where we believe you failed to live up to such a noble goal, nominating Sarah Bloom Raskin to be the Vice Chair of Supervision at the Federal Reserve is surely among one of your most divisive actions. Ms. Raskin’s lack of response to her controversial background caused our Republican colleagues on the Banking Committee to boycott her mark-up and block her advancement. However, it’s not too late to right the ship. We urge you to withdraw the nomination of Ms. Raskin and put forward a candidate who will leave politics out of the Federal Reserve.

Sincerely,



Roger Marshall, M.D.
United States Senator



James Lankford
United States Senator



James M. Inhofe
United States Senator



Cindy Hyde-Smith
United States Senator

⁵ <https://www.cnn.com/2019/06/25/economy/jerome-powell-fed-independence/index.html>

⁶ https://www.eia.gov/pressroom/presentations/AEO2021_Release_Presentation.pdf



Ted Cruz
United States Senator



John Barrasso, M.D.
United States Senator



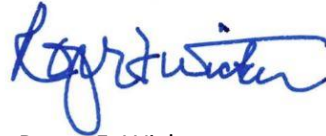
John Hoeven
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United States Senator



Roger F. Wicker
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