

January 28, 2022

The Honorable Sherrod Brown
Chairman

The Honorable Patrick Toomey
Ranking Member

Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Building
Washington, DC 20510

Re: Opposition to the Nomination of Sarah Bloom Raskin as Vice Chair for Supervision at the Federal Reserve

Dear Chairman Brown and Ranking Member Toomey:

We are 41 trade associations representing millions of workers all across the country. We provide 70% of the nation's energy that supports life-sustaining functions such as keeping Americans warm in the winter, getting them to work and school to better their lives, powering ICUs and enabling medical devices, and delivering food to the dinner table. Oil and natural gas provide the feedstock for thousands of products used every day, from anything with a computer chip to the COVID vaccines that have saved millions of lives across the globe. American oil and natural gas is developed under strict environmental controls with industry-driven technologies that make it the most sustainably produced in the world. Natural gas electricity generation is the number one reason our country has reduced more greenhouse gas emissions than any other over more than a decade. The world would truly be less healthy, safe, and environmentally protected without the energy we provide.

We strongly oppose President Biden's nomination of Sarah Bloom Raskin as Vice Chairwoman for Supervision at the Federal Reserve, the government's most influential overseer of the American banking system. She is a strong advocate for debanking the very industry that powers America. Her multiple public statements indicate an agenda at odds with the President's goal of providing Americans with reliable, affordable energy.

Department of Energy projections show national and global oil and natural gas consumption increasing out to 2050, which belies Ms. Bloom Raskin's public statements that the industry is a "dying one" that does not deserve access to the financial system. Her alarmist statements about "an unlivably hot planet" are not supported by the gold standard for climate science, the Intergovernmental Panel on Climate Change (IPCC) assessment reports, indicating poor judgement and a crisis mentality ill-suited for sober, balanced regulation of the banking sector as it underpins the entire economy. Further, her public writings and speeches advocate for using Federal Reserve stress tests and other regulatory levers as a means to reshape the entire financial system in ways Congress never intended. Such "reimagining of the economy" is not the purview of regulators absent legal authority from Congress. Her activist approach to regulation is undemocratic and highly inappropriate for such an influential position.

Ms. Bloom Raskin's favored policies would wreak havoc with the economy, as financial systems would be reoriented around subjective, political factors rather than firm principles of maximizing returns and capitalizing productive human endeavors that create value in the marketplace. A free market is the correct arbiter of value to real people, not activism. The fact that oil and natural gas are used in just about every facet of modern life speaks to their intrinsic value, and hence, their investment

worthiness. Further, activists pressure investors and banks to make financial decisions that reflect a political agenda which they have been unable to achieve through the normal democratic process. Activists have been able to convince neither the American people nor the majority of their representatives in Congress to stop using oil and natural gas in the absence of a viable, reliable alternative, as it would mean fundamentally altering Americans' healthy, safe, and prosperous lifestyles. As they are unable to convince Congress to pass laws that prevent Americans from using or producing oil and natural gas, activists such as Ms. Bloom Raskin are simply inappropriate for the Federal Reserve.

Our industries have already felt the impacts of such activism, as the decapitalization of oil and natural gas has meant that companies cannot adequately invest in new production to respond to the high price signals the market is sending. Whereas just a few years ago the American producer was able to meet new demand to keep prices low at the pump, lack of access to capital has artificially constrained supply and the White House now begs OPEC and Russia for more oil. In fact the biggest impact President Biden could make to lower prices for Americans would be to withdraw Ms. Bloom's nomination and call off the financial agencies from pursuing policies she promotes to choke off lending to oil and natural gas. Halting regulatory efforts to decapitalize oil and natural gas would send a strong signal to the market that it is safe to invest in the industry, thereby enabling American companies to increase production and lower prices for consumers.

We urge you to take an important step to lower energy prices for Americans by not advancing the nomination of Ms. Bloom Raskin to the Federal Reserve. Thank you for considering our combined voices representing millions of energy and manufacturing workers.

Sincerely,

Alaska Oil and Gas Association
Alaska Support Industry Alliance
American Association of Professional Landmen
Arkansas Independent Producers and Royalty Owners
Coalbed Methane Association of Alabama
Colorado Alliance of Mineral and Royalty Owners
Colorado Oil & Gas Association
Domestic Energy Producers Alliance
Energy Workforce & Technology Council
Gas and Oil Association of West Virginia
Gulf Energy Alliance
International Association of Drilling Contractors
Illinois Oil and Gas Association
Independent Oil Producers Agency
Independent Petroleum Association of America
Independent Petroleum Association of New Mexico
Kansas Independent Oil & Gas Association
Kentucky Oil and Gas Association
Louisiana Oil & Gas Association
Marcellus Shale Coalition
Montana Association of Oil, Gas, and Coal Counties
Montana Petroleum Association

National Stripper Well Association
New Mexico Oil and Gas Association
North Dakota Petroleum Council
Northern Montana Oil and Gas Association
Ohio Oil and Gas Association
Panhandle Producers & Royalty Owners Association
Pennsylvania Independent Oil and Gas Association
Pennsylvania Manufacturers' Association
Permian Basin Petroleum Association
Petroleum Alliance of Oklahoma
Petroleum Association of Wyoming
Southeast Oil and Gas Association
Texas Alliance of Energy Producers
Texas Independent Producers and Royalty Owners Association
The Energy Council
U.S. Oil & Gas Association
Utah Petroleum Association
Western Energy Alliance
West Slope Colorado Oil & Gas Association