

THE NEW ENGLAND COUNCIL

November 23, 2015

Representative Bill Shuster
Representative John Duncan, Jr
Representative Sam Graves
Representative Candice Miller
Representative Rick Crawford
Representative Lou Barletta
Representative Blake Farenthold
Representative Bob Gibbs
Representative Jeff Denham
Representative Reid Ribble
Representative Scott Perry
Representative Rob Woodall
Representative John Katko
Representative Brian Babin
Representative Crescent Hardy
Representative Garret Graves

Representative Peter DeFazio
Representative Eleanor Holmes Norton
Representative Jerrold Nadler
Representative Corrine Brown
Representative Eddie Bernice Johnson
Representative Elijah Cummings
Representative Rick Larsen
Representative Michael Capuano
Representative Grace Napolitano
Representative Daniel Lipinski
Representative Steve Cohen
Representative Albio Sires

Senator James Inhofe
Senator John Thune
Senator Orrin Hatch
Senator Lisa Murkowski
Senator Deb Fischer
Senator John Barrasso
Senator John Cornyn

Senator Barbara Boxer
Senator Sherrod Brown
Senator Bill Nelson
Senator Ron Wyden
Senator Richard Durbin
Senator Charles Schumer

Dear Conferee:

On behalf of The New England Council – the nation’s oldest regional business organization – I write to you regarding the importance of retaining the Neugebauer-Huizenga amendment to H.R. 22, the DRIVE Act, in the final version of the transportation authorization bill upon which you ultimately agree.

The New England Council is a non-partisan alliance of businesses, academic and health institutions, and public and private organizations throughout New England formed to promote economic growth and a high quality of life in the New England region. The Council’s mission is to identify and support federal public policies and articulate the voice of its membership regionally and nationally on important issues facing New England. The Council has called for a long-term reauthorization of our nation’s surface transportation programs, and we are pleased to see the Congress make tremendous progress in working toward that goal with both the House and the Senate passing versions of a six-year authorization.

The New England Council

98 North Washington Street, Suite 201 • Boston, Massachusetts 02114 • (617) 723-4009
331 Constitution Avenue, NE • Washington, DC 20002 • (202) 547-0048
www.newenglandcouncil.com

That said, it is critical that any offsets contained in the legislation to pay for renewing these programs not have a detrimental impact on our nation's economic growth. As such, the Council supports retaining the language contained in the floor amendment offered by Representatives Randy Neugebauer (R-TX) and Bill Huizenga (R-MI) to H.R. 22 – and approved by the House in a strongly bipartisan 354-72 vote on November 5th – which removes the threat of a cut to the dividend paid to Federal Reserve member banks nationwide on Federal Reserve stock. It is important to note that these member banks are required to purchase stock in regional Federal Reserve banks as a condition of their membership, and this stock is unlike other traditional bank assets, as banks are not allowed to sell, transfer, or use it as collateral.

House Financial Services Committee Chairman Jeb Hensarling (R-TX) has requested a report from the Government Accountability Office (GAO) on the potential ramifications of making such a change, and just last month a bipartisan group of 150 members of the House of Representatives wrote to Congressional leadership saying that “[u]ntil GAO completes its work and the congressional committees of jurisdiction have an opportunity to review the significant public policy questions at issue, we believe that changes to the Federal Reserve dividend rate are premature.” The letter went on to assert that “any potential modifications to the current stockownership structure of the Federal Reserve Banks should be thoroughly studied and analyzed to help ensure that Congress understands the policy implications of any changes.”

We agree with efforts to study the effect of such a change before moving forward on any related measure. As such, the Council would respectfully request the conferees retain the Neugebauer-Huizenga language in the final bill on which you are working. Not only does the amendment avoid the change to Fed dividend payments, it also identifies an adequate mechanism of utilizing the Federal Reserve's “surplus” account to fully replace it as an offset to help pay for the Highway Trust Fund's extension.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "Emily Heisig".

Emily Heisig
Senior Vice President, Communications & Federal Affairs