



November 17, 2009

To: All Members of the Financial Services Committee  
RE: Restore the original version of the Federal Reserve Transparency Act (H.R.1207)

Dear Committee Member,

**As you continue to mark up the financial regulatory package, we write to urge you to support Congressman Ron Paul's amendment offering the full language of the Federal Reserve Transparency Act (H.R.1207), and to reject Chairman Mel Watt's amendment, offering only an empty shell of a Federal Reserve transparency bill.**

Given that the original version of H.R.1207 has over 300 co-sponsors, we are concerned about Rep. Mel Watt's Subcommittee on Domestic Monetary Policy and Technology having made substantive changes to the bill, essentially rendering it an empty shell. As we've learned, Rep. Watts is now planning to preempt full accountability by offering this shell of a bill as an amendment to the overall regulatory package.

Chairman Watt's changes to the original bill reportedly remove audit authority that would reveal transactions between the Federal Reserve and foreign banks, as well as transactions made under the Federal Open Market Committee. Given that this is the principal arm of the Federal Reserve's monetary policy abilities, stripping the bill of oversight of the committee would allow the central bank to continue to function with no accountability to taxpayers. Concerns over how bailout money was being spent, the actual value of assets the bank holds and any communications between workers and reserve banks that would reveal potential wrongdoing on the behalf of subsidiaries of the Federal Reserve are simply cast aside in Chairman Watt's version of the bill, and consequently his amendment.

Recently, there has been an outpour of public support of greater transparency in government finance including the area of the Federal Reserve, as taxpayers become increasingly frustrated with the level of opacity regarding decisions that concern their fiscal wellbeing.

**We urge you to listen to the American people who demand greater accountability, which the original version of H.R.1207 stands to deliver. The more than 300 co-sponsors of the bill in its original form did, and we hope that you will support Rep. Paul's amendment, and will reject the Watts shell bill amendment.**

Grover Norquist  
President  
Americans for Tax Reform

Sandra Fabry  
Executive Director  
Center for Fiscal Accountability

cc: All members of the U.S. House of Representatives

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