

May 28, 2015

Michael B. Froman
Office of the U.S. Trade Representative
600 17th St NW
Washington, DC 20006

Mr. Froman,

On behalf of our more than 10 million American members, we are writing to request the prompt, voluntary, and proactive disclosure of all records of communication between yourself and representatives of the ten largest U.S. financial institutions – including lobbyists, employees, and trade associations – during your tenure as U.S. Trade Representative (USTR).

Numerous legal experts and members of Congress have warned of possible risks to U.S. financial regulation that would arise from the passage of Trade Promotion Authority (TPA) and the trade agreements that could be enacted under that authority.

Because Trade Promotion Authority would provide a means for legislation to be passed under expedited rules by a mere 50-vote simple majority in the Senate, future presidents could use the process to roll back U.S. financial regulatory policies that would not survive normal Senate voting procedures. Moreover, TPA allows the executive branch to write legislation subject to such extraordinary consideration rules and obtain floor votes on such legislation *without it being subject to committee markup during which non-trade policy changes proposed by a president could be removed*. In the past, presidents have used this extraordinary authority to alter non-trade policy via fast-tracked trade agreement implementing legislation.

The risks to U.S. financial regulation would be elevated in particular via future negotiation of the Transatlantic Trade and Investment Partnership (TTIP). This is the case because large financial institutions, Republicans in Congress, and our European trading partners have all called for financial regulatory terms to be negotiated within the scope of that agreement. The implications are clear, as a recent *EUobserver* news story noted in quoting a European government official: “I have been approached by lobbyists that have clearly argued they want to have a weak European regulation, much weaker than Dodd-Frank, in order to use that afterwards as a level to undercut or undermine Dodd-Frank in the transatlantic negotiations.”

Many observers have expressed concerns about this issue. These include Professor Laurence Tribe of Harvard University, former Assistant Treasury Secretary Michael Barr, Senator Elizabeth Warren, House Financial Service Ranking Member Maxine Waters, MIT economist and former IMF chief economist Simon Johnson, and others. Moreover, the Canadian government recently alleged that the Volcker Rule, a cornerstone of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is invalid under the existing North American Free Trade Agreement, creating additional warning signs.

The Administration has dismissed as baseless these widespread concerns that TPA or trade agreements could pose a risk to Dodd-Frank and other U.S. financial regulations. However, a recent fact check from *Bloomberg News* on this issue – headlined “Why Obama is Wrong and Warren is Right on Trade Bill Quarrel” – indicated that “Elizabeth Warren has got the law on her side” and that “a number of constitutional scholars and other legal experts say she’s right.”

While the Administration continues to ask citizens to trust that Trade Promotion Authority and various trade pacts do not pose a threat to financial reform, the opaque nature of TTIP and Trans-Pacific Partnership (TPP) negotiations and your refusal to release negotiating text has created widespread public concern and opposition to Congress enacting TPA.

In addition, the Administration’s refusal to support an amendment before the Senate that would have turned off the fast-track consideration granted in the TPA bill in the event that financial regulation was included in any trade agreement has raised further concerns and scrutiny.

If you are looking to build trust in the Administration’s position on this issue, you can do that by promptly, voluntarily, and proactively releasing to the public records of all of your communications with representatives of the largest U.S. financial institutions while serving as USTR.

If these communications demonstrate that you personally and privately communicated to the Wall Street banks lobbying for financial reform rollbacks to be included in the TTIP that that can never happen under any circumstances, that would help build trust in the Administration’s position that TPA poses no threat to financial reform. On the other hand, if your communications with large financial institutions on this issue are somewhere less clear with respect to these regulatory concerns – or if there is anything in your communication that undercuts the Administration’s public position that these concerns are “baseless” – that is something members of Congress and the American people have a right to know.

The 10 largest U.S. financial institutions by asset size, per SNL Financial, are:

JPMorgan Chase & Co.
Bank of America Corp.
Citigroup Inc.
Wells Fargo & Co.
Goldman Sachs Group Inc.
Morgan Stanley
U.S. Bancorp
Bank of New York Mellon Corp.
PNC Financial Services Group Inc.
Capital One Financial Corp.

We await your prompt reply.

Signed,

Communications Workers of America
CREDO Action
Daily Kos
Demand Progress
Friends of the Earth
MoveOn.org Civic Action
National People's Action
Public Citizen's Global Trade Watch
Rootstrickers
The Other 98%