



April 7, 2022

The Honorable Zoe Lofgren  
Chair, Committee on House Administration  
1309 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Rodney Davis  
Ranking Member, Committee on House  
Administration  
1216 Longworth House Office Building  
Washington, D.C. 20515

Dear Chair Lofgren, Ranking Member Davis, and Members of the Committee:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to thank you for holding your April 7 hearing, "Examining Stock Trading Reforms for Congress."<sup>1</sup> This is an important public policy matter that affects the nation's taxpayers – who pay the salaries of Members of Congress – and the entire institution of Congress.

I would like to reiterate NTU's support for two proposals to prohibit Congressional stock trading: the TRUST in Congress Act (H.R. 336) from Reps. Abigail Spanberger (D-VA) and Chip Roy (R-TX),<sup>2</sup> and the Ban Congressional Stock Trading Act (S. 3494) from Sens. Jon Ossoff (D-GA) and Mark Kelly (D-AZ).<sup>3</sup> NTU has supported the TRUST in Congress Act since its first introduction in June 2020.<sup>4</sup> We continue to applaud the leadership of Rep. Spanberger, Rep. Roy, Sen. Ossoff, and Sen. Kelly for leading legislation to restore and rebuild the trust that Congress has lost, over many years and controversies, with constituents and voters.

Some Congressional leaders have attracted attention for their rejection of legislation to limit or prohibit stock trading by Members of Congress and their spouses, with one leader claiming that stock trading reflects a "free market" economy where lawmakers can participate.<sup>5</sup> We accept the premise of this claim – that America is a free market economy – but reject the notion that Members of Congress are mere average participants in that economy. There are at least two major categories of privileges afforded Members of Congress that make them (and, by extension, their spouses) far different from the average "free market" participant:

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<sup>1</sup> Committee on House Administration. "Examining Stock Trading Reforms For Congress." Retrieved from: <https://cha.house.gov/committee-activity/hearings/examining-stock-trading-reforms-congress> (Accessed April 4, 2022.)

<sup>2</sup> Congress.gov. (Introduced January 15, 2021.) "H.R.336 - TRUST in Congress Act." Retrieved from: <https://www.congress.gov/bill/117th-congress/house-bill/336/> (Accessed April 4, 2022.)

<sup>3</sup> Congress.gov. (Introduced January 12, 2022.) "S.3494 - Ban Congressional Stock Trading Act." Retrieved from: <https://www.congress.gov/bill/117th-congress/senate-bill/3494> (Accessed April 4, 2022.)

<sup>4</sup> Representative Chip Roy. "Rep. Chip Roy On TRUST In Congress Act." June 15, 2020. Retrieved from: <https://roy.house.gov/media/press-releases/rep-chip-roy-trust-congress-act> (Accessed April 4, 2022.)

<sup>5</sup> Slodysko, Brian. "Pelosi defends lawmaker stock trades, citing 'free market.'" *Associated Press*, December 15, 2021. Retrieved from: <https://apnews.com/article/business-nancy-pelosi-congress-8685e82eb6d6e5b42413417f3d5d6775> (Accessed April 4, 2022.)

- 1) Members of Congress have access to privileged information, often before the general public, on a wide variety of topics, including national security and public health, that could affect the price of individual stocks or the performance of entire stock indices; and
- 2) Members of Congress have a unique ability to actually impact the performance and price of individual companies' stocks through their votes, proposals, and, often, their powers on Congressional committees.

For these reasons, at the very least, we believe that Members of Congress and their spouses should not be able to trade individual stocks during a Member's term of service and for some short time after their service (specifically, 180 days in H.R. 336 and S. 3494).

This legislation from Reps. Spanberger and Roy, and Sens. Ossoff and Kelly, also provides reasonable accommodations for Members of Congress in the implementation of such restrictions, such as allowing Members to place existing assets in a qualified blind trust (rather than requiring divestment) and allowing them to own widely held assets like mutual funds that track the broad performance of a stock index. These accommodations broadly align with NTU's philosophy on Congressional stock trading: we wish to prevent Members of Congress from financially benefiting from their taxpayer-funded privileges in a manner disproportionate to the average investor, but we understand that many Members of Congress might like to participate in market- or index-wide gains that benefit tens of millions of other investors from a variety of socioeconomic backgrounds.

Overall, NTU strongly believes that the TRUST in Congress Act and the Ban Congressional Stock Trading Act strike an appropriate balance between protecting the public trust for taxpayer-funded work and ensuring public service requirements are not so unreasonable as to prevent citizens from engaging in public service. Both pieces of legislation are worthy of bipartisan support, and we urge the Committee to consider these bills as soon as practicable.

More broadly, we urge Congress to continue working on this issue in a bipartisan and bicameral manner, rather than turning this pressing matter into a political football between the two major parties. True, lasting reform on Congressional stock trading will require the support of both chambers of Congress and both parties. American taxpayers will not be convinced that any new law regarding Congressional stock trading was passed in good faith if one political party uses the legislation to unilaterally attack the other party. We believe Reps. Spanberger and Roy have shown Congressional leadership the way forward in advancing a strongly bipartisan product.

Thank you for your consideration of NTU's work on the issue of Congressional stock trading, and we appreciate the Committee's interest in this matter. Should you have any questions, or if you would like to discuss these proposals with us further, I am at your service.

Sincerely,

Andrew Lautz  
Director of Federal Policy

CC: Members of the Committee on House Administration