

# Washington Update



## REP. RYAN ANNOUNCES HOUSE SPEAKER RUN; NUNES AIMS FOR WAYS AND MEANS CHAIR

Rep. Paul Ryan (R-WI) announced late last week that he will run for the speaker of the House position being vacated by the resignation of John Boehner (R-OH) from Congress. Republicans are scheduled to nominate a new speaker on October 28, with a vote by the full House on October 29, and Boehner plans to step down on October 30. Ryan's announcement now opens the battle for the chairmanship for the House Ways and Means Committee, where three names have already surfaced: House Intelligence Committee Chairman Devin Nunes (R-CA), Rep. Kevin Brady (R-TX),

second in seniority to Ryan, and Rep. Pat Tiberi (R-OH). Rep. Nunes is well-known to NASACT members for introducing a bill entitled The Public Employee Pension Transparency Act (PEPTA) in 2011 and 2013. The bill would require state and local governments to provide specific pension funding disclosure information to the Treasury Department or lose Federal tax benefits of their bond issues. The legislation would also require that public plan to restate the funding status by valuing assets at a fair market value and by using certain Treasury yield curves in place of the plan's expected rate of return to determine liabilities. Sen. Richard Burr (R-NC) introduced companion legislation in the Senate in 2013.

A PEPTA factsheet can be found at <http://nunes.house.gov/legislation/pepta.htm>.

## OBAMA NAMES TWO TO SEC

On Tuesday, President Barack Obama selected democrat Lisa Fairfax and republican Hester Peirce to serve on the Securities and Exchange Commission. Lisa Fairfax is the Director for Programs for the George Washington Center for Law, Economics and Finance at the George Washington University Law School, a position she has held since 2009. Ms. Fairfax received an A.B. and a J.D. from Harvard University.

Hester Maria Peirce is a Senior Research Fellow and Director of the Financial Markets Working Group at the Mercatus Center at George Mason University, a position she has held since 2012. Previously, Ms. Peirce served as senior



counsel for the minority staff of the Senate Committee on Banking, Housing, and Urban Affairs from 2008 to 2011. Ms. Peirce received her B.A. from Case Western Reserve University and her J.D. from Yale Law School. Both nominees must be confirmed by the Senate before they can start serving their terms. If confirmed, Fairfax would replace Luis Aguilar, whose term expired, and Peirce would replace Daniel Gallagher who stepped down in early October.

## SEC CHAIR COMMENTS ON THE TREASURY AND BOND MARKETS

SEC chair Mary Jo White gave a prepared speech at a conference on Treasury market structure at the New York Federal Reserve last Tuesday. Her speech, "Taking Stock of Treasury Market Regulation," examined the growth of high-speed electronic trading with associated shifts in the nature of market participants, as well as the ways they both demand and supply liquidity into the bond markets. This speech followed the July release of an SEC report on the Treasury market "flash crash" that occurred on October 15, 2014. Staff from the Department of Treasury, Board of Governors of the Federal Reserve System, Federal Reserve Bank of New York, SEC and Commodity Futures Trading Commission issued the joint report analyzing the significant volatility in the U.S. Treasury market on that day. The report provides detailed analysis of the market conditions and record trading volumes, including an unusually rapid round trip in prices and deterioration in liquidity during a narrow window. The report also underscores the changing structure of the U.S. Treasury market - the deepest and most liquid government securities market in the world.

Although the speech promoted changes to the Treasury market, she stopped short of applying an equity market

approach to bonds:

"We cannot therefore simply import a program of equity market regulation into the Treasury markets. Rather, equity market experience should be put to work to help take stock of Treasury market structure and regulation..."

Full text of her speech can be found at [www.sec.gov/news/speech/taking-stock-of-treasury-market-regulation.html](http://www.sec.gov/news/speech/taking-stock-of-treasury-market-regulation.html).

The SEC Treasury market report can be found at [www.treasury.gov/press-center/press-releases/Documents/Joint\\_Staff\\_Report\\_Treasury\\_10-15-2015.pdf](http://www.treasury.gov/press-center/press-releases/Documents/Joint_Staff_Report_Treasury_10-15-2015.pdf).

## THE WEEK AHEAD: SNAP

The House Committee on Agriculture Subcommittee on Nutrition will conduct on Tuesday a hearing entitled "Past, Present, and Future of SNAP: Breaking the Cycle". The Supplemental Nutrition Assistance Program (SNAP) has been the focus of numerous hearings recently, and currently stands as one of the largest Federal-State programs, numbering 46 million recipients. In the committee's first seven hearings on SNAP, it looked at the program through the eyes of recipients, which helped the committee discover the need for more state and local flexibility in order to move from a one-size-fits-all program to one that is tailored to meet specific needs. Many of those in the program face barriers like the "welfare cliff," and challenges with transportation or childcare, which prevent them from being able to enter or re-enter the workforce and move up the economic ladder.

<http://agriculture.house.gov/calendar/eventsingle.aspx?EventID=2970>

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