

February 14th, 2024

The Honorable Jim Guthrie
Chair, State Affairs Committee
P.O. Box 83720
Boise, ID 83720-0081

RE: Senate Bill 1291, Public Contracts, Boycotts

Dear Chairman Guthrie and members of The Committee,

In 2013, Obama Administration senior officials inappropriately targeted lawful businesses in an effort termed "Operation Choke Point". The goal was denial of critical financial services to the firearms industry. They succeeded. That seed, successfully planted, grows today.

Officials at both the Office of Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) threatened companies who then terminated firearm industry accounts with little explanation. This discrimination continues and has been normalized. As stated by Reuters, those willing to be "active on environmental, social, and governance (ESG) issues, eschewing gunmakers, backing racial equity projects and pledging to phase out fossil fuel lending" receive preferential treatment from activist investors. Rewarded with hundreds of millions for becoming "woke", they're unlikely to change.

Those decisions are within their rights. S-1291 doesn't change their actions or policies. S-1291 simply allows the State of Idaho the same privilege – a choice. Idaho can choose contracts with service providers that reflect the values of the state and its' citizens.

S-1291 creates a disclosure requirement for large, lucrative state contracts. It provides that a company having a discrimination policy against certain legal business sectors, for reasons unrelated to traditional financial performance, must disclose it and move to the back of the line for consideration in state contracting. This is important. If The State does not insist on this transparency, woke corporate discrimination will increase.

The words of Citigroup CEO Michael Corbat in 2018 regarding their intent to expand discrimination are clear:

"This isn't an easy thing to simply take a stance on...I've gotten my share of people who staunchly disagree with us interfering in what they believe to be a constitutional right. And that wasn't unexpected, and we certainly respect that opinion...There's things you can do today, and there are those things that maybe we have the ability around technology or other things to do in the future..."

Idaho doesn't need to wait. Please prioritize companies who won't discriminate against the 2nd Amendment. Thank you for considering our position. We respectfully ask you to move S-1291 forward with a favorable recommendation.

Sincerely,



Nephi Cole
Director, Government Relations-State Affairs, The National Shooting Sports Foundation

United States Senate

WASHINGTON, DC 20510

April 28, 2020

The Honorable Steven Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Ms. Jovita Carranza
Administrator
United States Small Business Administration
409 Third Street SW
Washington DC 20416

Dear Secretary Mnuchin, Chairman Powell and Administrator Carranza,

As you may be aware, several of the nation's systemically important financial institutions (SIFI), including Citibank, Bank of America, JP Morgan Chase and others, continue to use their market dominance to financially discriminate against legal and compliant businesses for political reasons. This includes the firearms and ammunition, oil and gas, coal and private corrections industries, to name a few. A vocal but small minority has weaponized federally-backed banks against politically disfavored businesses that operate in good faith and compliance with the law, by denying them financial services based on political reasons that have nothing to do with creditworthiness.

Small business creation and ownership are the backbone of many of these industries and access to competitive and predictable capital, loans, and other financial services are critical as they seek to recover from the economic impacts of the Covid-19 pandemic.

The Small Business Administration needs to use all available resources and assets in its efforts to move financial resources into local communities as quickly and efficiently as possible. However, we are concerned the nation's largest financial institutions will use participation in the Paycheck Protection Program and other SBA recovery loan programs to further financial discrimination policies against selected segments of the economy, based on their social policy and in opposition to SBA eligibility regulations.

SBA's recently released interim final rule for implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that "the lender must determine whether the

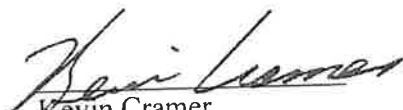
applicant is one of the types of businesses listed as ineligible in SBA regulations (13 CFR 120.110).” We find it extremely disconcerting that, while the vast majority of SBA program lenders do not promote financial discrimination policies, many of the nation’s largest institutions currently do.

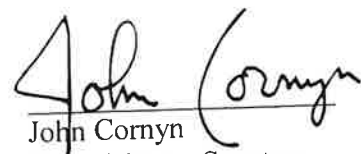
With that in mind, we would appreciate you providing answers to the following questions:

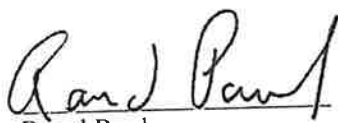
- What efforts have SBA and the Administration made to ensure the nation’s largest financial institutions approve and distribute Paycheck Protection Program and other SBA disaster relief funds in a prioritized and unbiased manner?
- How has SBA and the Administration communicated to large financial institutions that current SBA 7a Loan Program eligibility regulations are to be strictly adhered to?
- How does SBA and the Administration address potential conflicts between social governance responsibility commitments of financial institutions which violate or contradict SBA loan program eligibility regulations?

We look forward to your timely response about this situation. Please do not hesitate to contact us with any questions.


Sincerely,

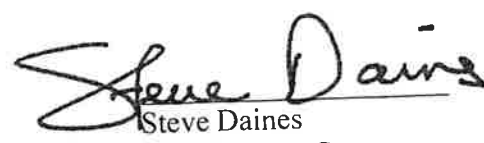

Kevin Cramer
United States Senator


John Cornyn
United States Senator


Rand Paul
United States Senator


Ted Cruz
United States Senator


Rick Scott
United States Senator

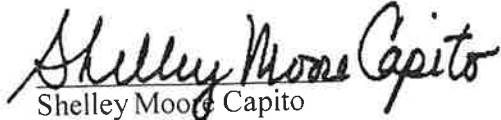

Steve Daines
United States Senator



Tom Cotton
United States Senator



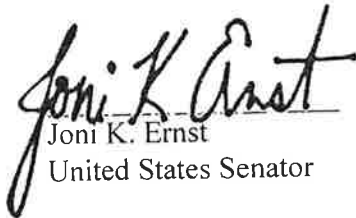
Lisa Murkowski
United States Senator



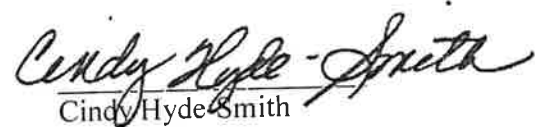
Shelley Moore Capito
United States Senator



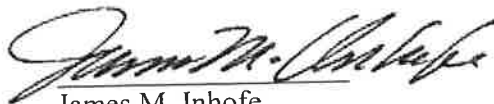
Mike Lee
United States Senator



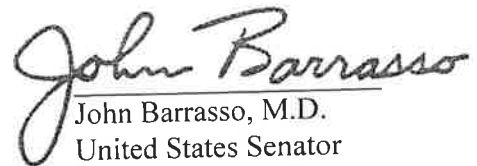
Joni K. Ernst
United States Senator



Cindy Hyde-Smith
United States Senator



James M. Inhofe
United States Senator



John Barrasso, M.D.
United States Senator



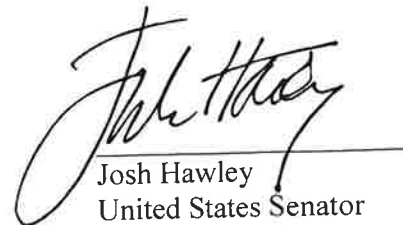
John Hoeven
United States Senator



Ben Sasse
United States Senator



Mike Braun
United States Senator



Josh Hawley
United States Senator

John Thune
John Thune
United States Senator



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

AUG 16 2017

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This responds to your letter to the Attorney General dated August 10, 2017, regarding Operation Chokepoint, a misguided initiative conducted during the previous administration. We share your view that law abiding businesses should not be targeted simply for operating in an industry that a particular administration might disfavor. Enforcement decisions should always be made based on the facts and the applicable law. We are sending identical responses to the other Members who joined in your letter.

Operation Chokepoint entailed the issuance of a set of subpoenas in 2013. Attached to some of those subpoenas was a guidance document issued by the Federal Deposit Insurance Corporation (FDIC). That FDIC guidance included a footnote listing certain "elevated-risk" merchants, including short-term lenders and firearms dealers. The FDIC subsequently rescinded its list of purportedly "high-risk" merchants. The Department of Justice (Department) strongly agrees with that withdrawal. All of the Department's bank investigations conducted as part of Operation Chokepoint are now over, the initiative is no longer in effect, and it will not be undertaken again. Some of the responses to those subpoenas led to the discovery of other criminal activity involving certain individuals and non-bank entities. To the extent the Department continues to pursue those ancillary investigations, none relates to or seeks to deter lawful conduct.

The Department is committed to bringing enforcement actions only where warranted by the facts and the applicable law, without regard to political preferences. This approach honors the Department's fundamental obligation to focus on the lawbreakers that deserve our undivided attention, and thereby protect the American public from fraud and other criminal activity. We reiterate that the Department will not discourage the provision of financial services to lawful industries, including businesses engaged in short-term lending and firearms-related activities.

The Honorable Bob Goodlatte
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We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "SFB", with a large flourish at the end.

Stephen F. Boyd
Assistant Attorney General

cc: The Honorable John Conyers, Jr.
Ranking Member

January 4, 2021

Emily Boyes, Counsel
Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
Suite 3E-218
400 7th St., SW
Washington, DC 20219

Re: Fair Access to Financial Services: Docket ID OCC-2020-0042

Dear Ms. Boyes:

On behalf of the SIG SAUER, I would like to submit these comments in support of the Office of the Comptroller of the Currency's (OCC) proposed rule on "Fair Access to Financial Services," Federal Register Number 2020-26067, published on November 25, 2020.

SIG SAUER ("SIG") is an U.S. based industry leading firearms manufacturer with over 2,100 employees across eight facilities in three states. SIG manufactures cutting edge weapons systems that provide U.S. servicemen and women, as well as law enforcement, with the necessary tools to guarantee our national security, keep our communities safe, all while protecting these public servants as they put themselves in harm's way.

Today, this equipment includes the M17/M18 handgun, which is the official handgun of the U.S. Military. SIG has already proudly provided over 200,000 M17/M18 handguns to all branches of service in the U.S. Military. We are also a significant American supplier of firearms, ammunition and optical systems to the U.S. Department of Defense, Department of Homeland Security, Federal Bureau of Investigation and state and local law enforcement. One-third of law enforcement agencies in the U.S. use SIG firearms.

Despite the Constitutional protections afforded our industry and products, the profitability of our business, and our role in outfitting the U.S. Military and law enforcement, we have suffered substantial discrimination in lending over a period of years. This discrimination was first encouraged by the federal government during the Obama Administration, but it has accelerated and continued as federally regulated financial services businesses have added political calculations to their traditional underwriting. In the long run, political decisions by these regulated entities will jeopardize our national security and public safety, as well as the safety of military service members and law enforcement.

The firearm and ammunition industry is among the most heavily regulated industries in the United States. Before entering into the business of manufacturing, distributing or selling these products, SIG must obtain a license from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). After obtaining a federal license, the industry remains subject to constant federal audit, oversight, and supervision.

www.sigsauer.com

This complex regulatory framework surrounds a firearm, ammunition, hunting and sports shooting industry that makes substantial contributions to America's economy. Our industry employs roughly 151,000 people and supports an additional 181,500 jobs in supplier and ancillary industries. These are good jobs paying an average of \$55,200 in wages and benefits in 2019, the firearm and ammunition industry was responsible for over \$60 billion in U.S. economic activity.

SIG is a leader in the industry. Our eight U.S. locations include over 200,000 square feet of American manufacturing. We employ over 2,100 American jobs and sell our products extensively to the U.S. Military and federal and local law enforcement. In addition, 30 percent of our workforce comprises prior military and law enforcement veterans. Our core mission is to support the warfighter and first responder with superior products.

In addition to our existing M17/M18 handgun contract with the U.S. Military, SIG is currently a finalist for the Next Generation Squad Weapons program which would replace existing machine guns and front-line troops primary rifles. We have also worked closely with United States Special Operations Command (USSOCCOM) to complete the safety certification of the new SIG SAUER MG 338 Machine Gun, SIG SAUER 338 Norma Mag Ammunition, and Next Generation Suppressors. Following this historic official safety certification, SIG SAUER has completed deliveries of these systems to the U.S. Armed Forces - all researched, designed, engineered, and manufactured domestically by SIG SAUER using only company funding. SIG has poured millions of dollars into research and development for these products choosing uncertain awards for the military instead of sure profits from commercial product development.

Just last month the Department of Defense selected SIG SAUER's TANGO6T riflescope technology for the Direct View Optic (DVO). The value of this contract will exceed \$75 million dollars. This award from the U.S. DoD is the third award for the SIG SAUER TANGO6T and the riflescope is currently in use with the U.S. Army Squad Designated Marksman and U.S. Military Special Forces.

Additionally, SIG SAUER proudly manufactures ammunition for the Federal Law Enforcement Training Centers (FLETC) (approximately \$7.5 million) and we also maintain a separate contract to provide SIG P320 pistols for the Department of Homeland Security - Immigration and Customs Enforcement (approximately \$7.1 million). SIG SAUER also manufactures the .300 Win Mag Sniper ammunition for the U.S. Army for their new U.S. Military sniper platforms. This ammunition will provide much needed, increased lethality for our military snipers at much greater range.

History of Discrimination

Many successful businesses in the firearm and ammunition industry have faced discrimination by providers of financial services due to the very nature of their legal and regulatory compliant businesses. The trend of large financial institutions discriminating against legal businesses solely because they have fallen out of political favor is deeply problematic. Some of the largest and most powerful corporations in the country are looking to use that power to financially cripple the firearms, ammunition, and shooting sports industry, as well as other industries, based largely on

firearms, ammunition, and shooting sports industry, as well as other industries, based largely on the political or social views of their corporate leadership. With respect to the firearms industry, private corporations are using their economic position and power to restrict a constitutionally protected right in a manner that would be impermissible if attempted by the people's elected representatives.

The OCC's proposed rule would go far toward addressing this discrimination and would ensure that the industry is not cut off from crucial financial services without feasible alternatives in the marketplace.

SIG SAUER has experienced significant banking discrimination over the past several years. We have been forced to switch banks as new restraints on lending emerged due to our product line, and as we have experienced similar discriminatory treatment as we have sought out new banking relationships. Increased lending costs for even basic, everyday equipment such as forklifts – just one example of the impact of our treatment – have real world consequences.

The discrimination began under the Obama Administration as "Operation Choke Point," an effort by the Federal Deposit Insurance Corporation (FDIC) and Department of Justice (DOJ) to stop financial institutions from offering services to some politically disfavored industries.¹ The goal of the operation was to coerce banks, third-party payment processors and other financial institutions into closing or denying business accounts of clients that the FDIC has classified as "high risk" or as a "reputational risk" for the financial institution. The FDIC included federally licensed firearm retailers and other companies in the firearms and ammunition industry on this list of risky businesses without any evidence or justification.

Operation Chokepoint was successful in pressuring many financial services companies to end their relationship with existing customers pursuing a legal line of business. While the FDIC indicated it will take steps to end this indiscriminate targeting of the firearm industry, and the Justice Department has acknowledged that the initiative was inappropriate, there is no evidence that the resulting pattern of discrimination has ended.²

While the Trump Administration brought an end to Operation Chokepoint, financial institutions continue to discriminate against Federal Firearms Licensees (FFLs) and systemically attempt to pick and choose the types of legal products they will tolerate their customers manufacturing and selling to law-abiding Americans. Operation Choke Point may be gone, but its legacy remains. The policy of discrimination initiated by the Obama administration has been privatized, away from the purview of elected officials and the voters they represent.

¹ U.S. Rep. Blaine Luetkemeyer (MO-03), Press release, "Luetkemeyer Statement after FDIC Actions Against Operation Choke Point," January 28, 2015.
<https://luetkemeyer.house.gov/news/documentsingle.aspx?DocumentID=398530>

² FDIC, Financial Institution Letters, "Statement on Providing Banking Services," January 28, 2015.
<https://www.fdic.gov/news/financial-institution-letters/2015/fil15005.html>

Key Points of the Proposed Rule

The firearm industry understands and respects the right of financial institutions and other service providers to make business decisions based on objective, quantitative criteria. However, it is problematic from the perspective of the economy and our democracy for national banks and Federal savings associations, to deliberately bankrupt a legal industry under pressure from external lobbying groups who oppose the industry. These financial institutions are heavily intertwined with the federal government, which provides a regulatory regime that allows them to survive and prosper: (1) the Federal Reserve Discount Lending Window, which allows all banks to access overnight loans to ensure they meet reserve requirements each night, (2) the Federal Deposit Insurance Corporation (FDIC) insurance of financial institutions' deposits and (3) the Automated Clearing House Network (ACH), which allows financial institutions to process the exchange of electronic transactions between participating financial institutions including direct deposit, payroll, retail payments, and vendor payments.

As the proposed rule details, this type of blanket discrimination against an industry runs counter to existing law and regulations. Under Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the OCC must ensure fair access to financial services and fair treatment of customers by these institutions. We support the OCC's assertion that, *"the Dodd-Frank Act's articulation of 'fair access' as a distinct concept implies a right of individual bank customers, whether natural persons or organizations, to have access to financial services based on their individual characteristics and not on their membership in a particular category of customers."*³

The OCC accurately describes the problem facing our industry and the appropriate protections that must be put in place: *"Organizations involved in politically controversial but lawful businesses—whether family planning organizations, energy companies, or otherwise—are entitled to fair access to financial services under the law. In order to ensure that banks provide customers with fair access to financial services, and consistent with longstanding OCC policy, a bank's decision not to serve a particular customer must be based on an individual risk management decision about that individual customer, not on the fact that the customer operates in an industry subject to a broad categorical exclusion created by the bank."*⁴

In addition to the proposed \$100 billion asset threshold outlined in the rule, we support the inclusion of a separate national market share threshold to ensure that all banks in a market position to freeze out services for an entire industry are covered under the proposed regulations. A bank with as low as a 10 percent market share should be presumed to meet the definition of a covered bank. Many of our industry members are small businesses and rely on the existence of a range of banking options to remain in operation.

³ Office of the Comptroller of the Currency's (OCC) proposed rule on "Fair Access to Financial Services," Federal Register Number 2020-26067, published on November 25, 2020.

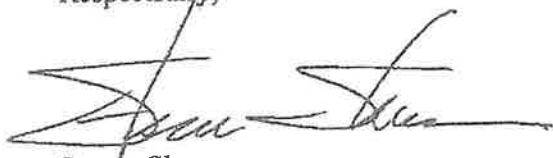
⁴ *Ibid.*

The proposed rule reiterates what should already be policy for financial institutions: decisions must not rely on personal or political preference and must be based on quantitative evidence of risk. According to the proposed rule, *"a covered bank could deny a person access to a financial service without violating its obligation to provide fair access to financial services if the bank's decision is justified by the quantified and documented failure of the person to meet quantitative, impartial risk-based standards established by the bank in advance (e.g., the person's inability to pay for the service or creditworthiness or an objective assessment of the person's collateral). Nothing in the proposal would require a bank to offer a particular service; the proposal requires only that the financial services offered by a bank to some customers are offered on proportionally equal terms to all customers engaged in lawful activities."*⁵ This fair, balanced approach will ensure that decisions are made based on rigorous risk-based analyses, not the political whims of external advocacy groups seeking to make law through the policies of financial institutions.

As a heavily regulated, socially responsible industry that sells a Constitutionally protected product following a federal background check, the firearm and ammunition industry is far from an inherently risky industry. There is clearly an information gap between the industry and the financial services sector that may be bridged by the proposed rule's requirement that quantitative, evidence-based approaches be used rather than qualitative, politically motivated industry exclusions.

SIG SAUER's main effort is supporting the U.S. Military and Law Enforcement in their missions. The profits from our commercial lines finance R&D for our military program development. The firearm industry is a critical component of our nation's security, public safety, and economic well-being. Our ability to secure funding to achieve these goals are paramount. The industry's fair access to financial services must be protected. We respectfully request that this rule be adopted.

Respectfully,



Steven Shawver
Executive Vice President and Chief Legal Officer

⁵ Office of the Comptroller of the Currency's (OCC) proposed rule on "Fair Access to Financial Services," Federal Register Number 2020-26067, published on November 25, 2020.

My husband and I were married for 50 years. The last 10 of those years I watched my Marine fight for his life from Agent Orange exposure and Camp Lejeune contaminated water, chemicals the government knew were toxic and lied about. My husband was 18 years old when he and his platoon fought in the first battles of Vietnam. He was one of 13 Marines to survive Operation Starlite. He was then placed with another platoon and he was one of 11 to survive the following battle. My husband was a legend and what he got for it was DENIAL AFTER DENIAL. He was denied benefits until just before he passed and he was then denied funeral services. Services are for the living, but honors are for the Veterans.

It was heartbreaking to hear NO, not just for me but also my family. Our grandchildren saw him as their hero and it was hard for them not to be able to say goodbye. It was easy for the Cemetery to say "call your church", but what they failed to understand was my husband didn't go to crowded places, church was not an option. As my husband's health declined he didn't want to leave the house mainly because of the amount of pain he was constantly in, but also because he was a proud man who didn't want anyone to see him deteriorating as he did. I'm thankful for this bill which will ensure that other military families will not have to endure what my family had to. Yes we were eventually "allowed" to have services but we endured a lot to get a right that was already ours to begin with. Please don't make other families suffer as we did. Thank you for your time.

Maria Capdeville

February 14, 2024

S. 1311

I'm ---Kaaren Brodesser

I'm here to testify on behalf of Veterans denial for a Full Memorial Service or any Memorial Service, if not being buried at the Id State Veterans Cemetery. We were first denied the Memorial Service at the Id State Memorial Cemetery due to my deceased husband & I wanting to be buried together @ Willamette National Cemetery, Portland, Oregon with other family.

The Idaho State Veterans services also need to be held 6 days a week to accommodate out of state family & friends. The services to be for all Veterans, especially those that are permanent Idaho residents, at time of death.

We pushed & were allowed to have full Memorial Service for my Korean War Veteran on a Saturday to accomodate all able to attend.

We ask that this become a State law that all Veterans be allowed the Memorial Service proposed.

Thank you

Kaaren Brodesser