



Senator Jack Reed  
Chair  
Senate Armed Services Committee  
Washington, D.C.

Senator James Inhofe  
Ranking Member  
Senate Armed Services Committee  
Washington, D.C.

Senator Sherrod Brown  
Chair  
Senate Banking Committee  
Washington, D.C.

Senator Pat Toomey  
Ranking Member  
Senate Banking Committee  
Washington, D.C.

October 28, 2022

**Subject: Support for Inclusion of Financial Data Transparency Act (S. 4295) in the FY 2023 NDAA**

Dear Chair Reed, Ranking Member Inhofe and Members of the Armed Services Committee:

We, the undersigned, are writing to express our support of the inclusion of the bipartisan Financial Data Transparency Act (FDTA) (S.4295, submitted as SA 5788 to SA 5499), introduced by Senators Mark Warner (D-VA) and Mike Crapo (R-ID) in this year's National Defense Authorization Act. The FDTA was drafted in response to recommendations provided by the U.S. Treasury Department in [a 2017 report](#) regarding reduction of regulatory overlap and duplication for banks and credit unions. The report, in response to an Executive Order on principles for regulating the financial system ([E.O. 13772](#)), calls for improved data sharing and reductions in reporting burdens and duplication.

This legislation, and its bipartisan companion bill, the Financial Transparency Act (H.R. 2989), which passed the House of Representatives earlier this Congress with 400 votes, will enable policymakers and the American public to have access to reliable information about financial markets, building on recent data reforms advanced in Congress like the Digital Accountability and Transparency Act (P.L. 113-101) and the Foundations for Evidence-Based Policymaking Act (P.L. 115-435).

The FDTA requires seven of the financial regulatory member-agencies of the U.S. Financial Stability Oversight Council to adopt and apply uniform data standards, including a non-proprietary legal entity identifier, for the regulatory information they collect. This will provide regulatory information that is searchable and machine-readable. By adopting the standards in this bill, reporting processes can be streamlined for business, reducing long-term regulatory and compliance costs. Over time, regulated entities will benefit from more efficient regulatory compliance that stems from better information processing, software-enabled filing preparation, and data reconciliation.

The required data standards will also reduce errors in information reported to financial regulators. Improved data accuracy means regulatory oversight will be more efficient, increasing the number of entities regulators can meaningfully review in efforts to prevent fraud, rather than focusing on data quality issues. This will provide financial regulatory agencies more complete, real-time insights about regulated entities' exposures and relationships to one another. Such information will prove invaluable during times of stress and market uncertainty, allowing regulators to more efficiently contain that volatility, preventing spill-over market events that may be detrimental to the American or global economy.

The benefits of applying data standards to financial regulatory information are clear. Open data standards can accelerate policy innovation while improving transparency and accountability for federal agencies

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and the public. We urge its inclusion in the NDAA so taxpayers no longer have to wait on better financial data.

Sincerely,

Anti-Corruption Data Collective (ACDC)  
Center for Open Data Enterprise  
Data Coalition  
Demand Progress  
GLEIF Americas  
Institute for Policy Studies - Inequality Program  
Open The Government  
Project on Government Oversight (POGO)  
Results for America  
The Digital Democracy Project  
Transparency International U.S.  
Truth in Accounting, Daniels College of Business, University of Denver  
USAFacts

cc:

Senator Mike Crapo  
Senator Mark Warner  
Representative Carolyn Maloney  
Representative Patrick McHenry  
Representative Maxine Waters