

109TH CONGRESS  
1ST SESSION

# H. R. 1226

To establish a mechanism for developing uniform United States positions on issues before the Basel Committee on Banking Supervision at the Bank for International Settlements, to require a review on the most recent recommendation of the Basel Committee for an accord on capital standards, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2005

Mr. BACHUS (for himself, Mrs. MALONEY, Mr. OXLEY, Mr. FRANK of Massachusetts, Ms. PRYCE of Ohio, Mr. BAKER, Ms. VELÁZQUEZ, Mr. CAPUANO, Mr. KANJORSKI, Mr. JONES of North Carolina, Mrs. BIGGERT, Mr. FITZPATRICK of Pennsylvania, Mr. GERLACH, Mr. GILLMOR, Mr. GUTIERREZ, Mr. FORD, Mr. LEACH, Mr. CASTLE, Mr. RYUN of Kansas, Mr. CROWLEY, Mr. PAUL, Mr. NEUGEBAUER, Mr. MANZULLO, Ms. GINNY BROWN-WAITE of Florida, and Mr. CLAY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish a mechanism for developing uniform United States positions on issues before the Basel Committee on Banking Supervision at the Bank for International Settlements, to require a review on the most recent recommendation of the Basel Committee for an accord on capital standards, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “United States Finan-  
3 cial Policy Committee For Fair Capital Standards Act”.

4 **SEC. 2. UNITED STATES FINANCIAL POLICY COMMITTEE.**

5 (a) **ESTABLISHMENT.**—There is hereby established  
6 an inter-agency committee, to be known as the “United  
7 States Financial Policy Committee” (hereafter in this Act  
8 referred to as the “Committee”), which shall consist of—

9 (1) the Secretary of the Treasury, who shall  
10 serve as the Chairperson of the Committee;

11 (2) the Chairman of the Board of Governors of  
12 the Federal Reserve System;

13 (3) the Comptroller of the Currency;

14 (4) the Chairperson of the Federal Deposit In-  
15 surance Corporation; and

16 (5) the Director of the Office of Thrift Super-  
17 vision.

18 (b) **PURPOSE.**—The purpose of the Committee is to  
19 develop uniform United States positions on proposals  
20 made to, and issues before, the Basel Committee on Bank-  
21 ing Supervision that, if implemented, may directly or indi-  
22 rectly affect United States financial institutions.

23 (c) **MEETINGS.**—The Committee shall meet before  
24 any meeting of the Basel Committee on Banking Super-  
25 vision that is related to, or is expected to involve a discus-  
26 sion of, capital standards and at any other time the Chair-

1 person or any member of the Committee calls for a meet-  
2 ing.

3 (d) ADHERENCE TO COMMITTEE POSITION.—

4 (1) IN GENERAL.—Each member of the Com-  
5 mittee that is a participant on the Basel Committee  
6 on Banking Supervision shall adhere to the positions  
7 of the Committee in any negotiations of the Basel  
8 Committee on Banking Supervision.

9 (2) LACK OF UNIFORM POSITION.—If the mem-  
10 bers of the Committee that are participants on the  
11 Basel Committee on Banking Supervision are unable  
12 to agree on a uniform position on an issue, the posi-  
13 tion of the Secretary of the Treasury shall be deter-  
14 minative for purposes of paragraph (1) with respect  
15 to such issue.

16 (e) REPORTS TO THE CONGRESS.—

17 (1) ANNUAL REPORT.—

18 (A) IN GENERAL.—The Committee shall  
19 submit an annual report to the Congress on the  
20 proceedings of the Committee during the period  
21 covered by the report.

22 (B) CONTENTS OF REPORT.—The report  
23 shall include—

24 (i) a brief description of issues that  
25 were addressed by the Committee;

1 (ii) a brief description of the uniform  
2 positions developed by the Committee with  
3 respect to such issues; and

4 (iii) in the case of any issue for which  
5 a uniform policy was not agreed to, a brief  
6 description of the positions of the parties  
7 to the disagreement and an explanation of  
8 the reasons why the parties could not  
9 reach an agreement.

10 (2) REPORTS TO THE CONGRESS PRIOR TO  
11 AGREEMENT ON ANY BASEL ACCORD.—

12 (A) IN GENERAL.—No Federal banking  
13 agency (as defined in section 3(z) of the Fed-  
14 eral Deposit Insurance Act) may agree to any  
15 proposed recommendation of the Basel Com-  
16 mittee on Banking Supervision before the agen-  
17 cy submits a report on the proposed rec-  
18 ommendation to the Congress.

19 (B) CONSULTATIONS.—The head of any  
20 Federal banking agency that submits a report  
21 to the Congress under subparagraph (A) shall  
22 consult with the Congress concerning the pro-  
23 posal.

24 (3) EVALUATION OF NEW BASEL CAPITAL AC-  
25 CORD.—The Federal banking agencies (as defined in

1 section 3(z) of the Federal Deposit Insurance Act),  
2 in consultation with the Secretary of the Treasury,  
3 shall evaluate the impact of the revised Capital Ac-  
4 cord, taking into account the following factors, and  
5 shall include such evaluation in the report:

6 (A) The cost and complexity of the pro-  
7 posal.

8 (B) The impact of the proposal on small,  
9 medium, and large financial institutions.

10 (C) The impact of the proposal on real es-  
11 tate markets.

12 (D) The effect of an operational risk cap-  
13 ital standard on the resilience of the Nation's  
14 financial system and competition.

15 (E) The impact of the proposal on com-  
16 petition between banks and other financial in-  
17 stitutions.

18 (F) The need for additional training for  
19 supervision and examination personnel.

20 (G) Any comments filed by the public after  
21 notice and an opportunity to comment for a pe-  
22 riod of not less than 60 days.

23 (H) The relative impact of compliance by  
24 domestic banks.

1 (f) ADMINISTRATIVE SUPPORT SERVICES.—Each  
2 agency represented on the Committee shall provide such  
3 administrative support services as may be necessary for  
4 the Committee to carry out its responsibilities under this  
5 Act.

6 **SEC. 3. REPRESENTATION ON BASEL COMMITTEE ON**  
7 **BANKING SUPERVISION FOR THE DIRECTOR**  
8 **OF THE OFFICE OF THRIFT SUPERVISION.**

9 (a) IN GENERAL.—Section 912 of the International  
10 Lending Supervision Act of 1983 (12 U.S.C. 3911) is  
11 amended—

12 (1) by striking “SEC. 912. As one of the three”  
13 and inserting the following:

14 “(a) FDIC.—As one of the 4”; and

15 (2) by adding at the end the following new sub-  
16 section:

17 “(b) DIRECTOR OF THE OFFICE OF THRIFT SUPER-  
18 VISION.—As 1 of the 4 Federal bank regulatory and su-  
19 pervisory agencies, the Director of the Office of Thrift Su-  
20 pervision shall be given equal representation with the  
21 Board of Governors of the Federal Reserve System, the  
22 Comptroller of the Currency, and the Federal Deposit In-  
23 surance Corporation on the Committee on Banking Regu-  
24 lations and Supervisory Practices of the Group of Ten  
25 Countries and Switzerland.”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—

2 The heading for section 912 of the International Lending

3 Supervision Act of 1983 (12 U.S.C. 3911) is amended to

4 read as follows:

5 **“SEC. 912. EQUAL REPRESENTATION FOR THE FDIC AND**

6 **THE DIRECTOR OF THE OFFICE OF THRIFT**

7 **SUPERVISION.”**

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