

**Amendment in the Nature of a Substitute
to H.R. 2043**

Offered by Mr. Bachus

Strike all after the enacting clause and insert the following:

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



1 (5) the Director of the Office of Thrift Super-
2 vision.

3 (b) PURPOSE.—The purpose of the Committee is to
4 develop uniform United States positions on proposals
5 made to, and issues before, the Basel Committee on Bank-
6 ing Supervision that, if implemented, may directly or indi-
7 rectly affect capital at United States financial institutions.

8 (c) MEETINGS.—The Committee shall meet before
9 any meeting of the Basel Committee on Banking Super-
10 vision and any other time the Chairperson or any member
11 of the Committee calls for a meeting.

12 (d) ADHERENCE TO COMMITTEE POSITION.—

13 (1) IN GENERAL.—Each member of the Com-
14 mittee that is a participant on the Basel Committee
15 on Banking Supervision shall adhere to the positions
16 of the Committee in any negotiations of the Basel
17 Committee on Banking Supervision.

18 (2) LACK OF UNIFORM POSITION.—If the mem-
19 bers of the Committee that are participants on the
20 Basel Committee on Banking Supervision are unable
21 to agree on a uniform position on an issue, the posi-
22 tion of the Secretary of the Treasury shall be deter-
23 minative for purposes of paragraph (1) with respect
24 to such issue.

25 (e) REPORTS TO THE CONGRESS.—



1 (1) ANNUAL REPORT.—

2 (A) IN GENERAL.—The Committee shall
3 submit an annual report to the Congress on the
4 proceedings of the Committee during the period
5 covered by the report.

6 (B) CONTENTS OF REPORT.—The report
7 shall include—

8 (i) a brief description of issues that
9 were addressed by the Committee;

10 (ii) a brief description of the uniform
11 positions developed by the Committee with
12 respect to such issues; and

13 (iii) in the case of any issue for which
14 a uniform policy was not agreed to, a brief
15 description of the positions of the parties
16 to the disagreement and an explanation of
17 the reasons why the parties could not
18 reach an agreement.

19 (2) REPORTS TO THE CONGRESS PRIOR TO
20 AGREEMENT ON ANY BASEL ACCORD.—

21 (A) IN GENERAL.—No Federal banking
22 agency (as defined in section 3(z) of the Fed-
23 eral Deposit Insurance Act) may agree to any
24 proposed recommendation of the Basel Com-
25 mittee on Banking Supervision before the agen-



1 cy submits a report on the proposed rec-
2 ommendation to the Congress.

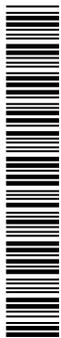
3 (B) CONSULTATIONS.—The head of any
4 Federal banking agency that submits a report
5 to the Congress under subparagraph (A) shall
6 consult with the Congress concerning the pro-
7 posal.

8 (3) EVALUATION OF NEW BASEL CAPITAL AC-
9 CORD BEFORE REPORT.—Before submitting a report
10 to the Congress under paragraph (2) with respect to
11 the New Basel Capital Accord, as revised through
12 the Third Consultative Paper published on April 29,
13 2003, or any subsequent revisions or final agree-
14 ment, the Federal banking agencies (as defined in
15 section 3(z) of the Federal Deposit Insurance Act),
16 in consultation with the Secretary of the Treasury,
17 shall evaluate the impact of the revised Capital Ac-
18 cord, taking into account the following factors, and
19 shall include such evaluation in the report:

20 (A) The cost and complexity of the pro-
21 posal.

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

24 (C) The impact of the proposal on real es-
25 tate markets.



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

4 (E) The impact of the proposal on com-
5 petition between banks and other financial in-
6 stitutions.

7 (F) The need for additional training for
8 supervision and examination personnel.

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

12 (H) The relative impact of compliance by
13 domestic banks.

14 (f) ADMINISTRATIVE SUPPORT SERVICES.—Each
15 agency represented on the Committee shall provide such
16 administrative support services as may be necessary for
17 the Committee to carry out its responsibilities under this
18 Act.

19 **SEC. 3. REPRESENTATION ON BASEL COMMITTEE ON**
20 **BANKING SUPERVISION FOR THE DIRECTOR**
21 **OF THE OFFICE OF THRIFT SUPERVISION.**

22 (a) IN GENERAL.—Section 912 of the International
23 Lending Supervision Act of 1983 (12 U.S.C. 3911) is
24 amended—



1 (1) by striking “SEC. 912. As one of the three”
2 and inserting “(a) FDIC.—As 1 of the 4”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(b) DIRECTOR OF THE OFFICE OF THRIFT SUPER-
6 VISION.—As 1 of the 4 Federal bank regulatory and su-
7 pervisory agencies, the Director of the Office of Thrift Su-
8 pervision shall be given equal representation with the
9 Board of Governors of the Federal Reserve System, the
10 Comptroller of the Currency, and the Federal Deposit In-
11 surance Corporation on the Committee on Banking Regu-
12 lations and Supervisory Practices of the Group of Ten
13 Countries and Switzerland.”.

14 (b) TECHNICAL AND CONFORMING AMENDMENT.—
15 The heading for section 912 of the International Lending
16 Supervision Act of 1983 (12 U.S.C. 3911) is amended to
17 read as follows:

18 **“SEC. 912. EQUAL REPRESENTATION FOR THE FDIC AND**
19 **THE DIRECTOR OF THE OFFICE OF THRIFT**
20 **SUPERVISION.”.**

