

# Union Calendar No. 252

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2912

[Report No. 114-331]

To establish a commission to examine the United States monetary policy, evaluate alternative monetary regimes, and recommend a course for monetary policy going forward.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2015

Mr. BRADY of Texas (for himself, Mr. JONES, Mr. MULLIN, Mr. BLUM, Mr. McCLINTOCK, Mr. BURGESS, Mr. LABRADOR, Mr. FARENTHOLD, Mr. PEARCE, Mr. SMITH of Texas, Mr. MULVANEY, Mr. JORDAN, Mr. JOYCE, Mr. ROTHFUS, Mr. DUNCAN of South Carolina, Mr. FLORES, Ms. JENKINS of Kansas, Mr. NEUGEBAUER, Mrs. LUMMIS, Mr. McCAUL, Mr. GOHMERT, Mr. RENACCI, and Mr. WEBER of Texas) introduced the following bill; which was referred to the Committee on Financial Services

NOVEMBER 16, 2015

Additional sponsors: Mr. CRAMER, Mr. BRIDENSTINE, Ms. GRANGER, Ms. FOXX, Mr. SAM JOHNSON of Texas, Mr. ROKITA, Mr. OLSON, Mr. BRAT, Mr. RUSSELL, and Mr. AUSTIN SCOTT of Georgia

NOVEMBER 16, 2015

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

# **A BILL**

To establish a commission to examine the United States monetary policy, evaluate alternative monetary regimes, and recommend a course for monetary policy going forward.

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

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Centennial Monetary  
5 Commission Act of 2015”.

6 **SEC. 2. FINDINGS.**

7        Congress finds the following:

8            (1) The Constitution endows Congress with the  
9        power “to coin money, regulate the value thereof”.

10           (2) Following the financial crisis known as the  
11        Panic of 1907, Congress established the National  
12        Monetary Commission to provide recommendations  
13        for the reform of the financial and monetary systems  
14        of the United States.

15           (3) Incorporating several of the recommenda-  
16        tions of the National Monetary Commission, Con-  
17        gress created the Federal Reserve System in 1913.  
18        As currently organized, the Federal Reserve System  
19        consists of the Board of Governors in Washington,  
20        District of Columbia, and the Federal Reserve  
21        Banks organized into 12 districts around the United  
22        States. The stockholders of the 12 Federal Reserve  
23        Banks include national and certain State-chartered  
24        commercial banks, which operate on a fractional re-  
25        serve basis.

1           (4) Originally, Congress gave the Federal Re-  
2           serve System a monetary mandate to provide an  
3           elastic currency, within the context of a gold stand-  
4           ard, in response to seasonal fluctuations in the de-  
5           mand for currency.

6           (5) Congress also gave the Federal Reserve  
7           System a financial stability mandate to serve as the  
8           lender of last resort to solvent but illiquid banks  
9           during a financial crisis.

10          (6) In 1977, Congress changed the monetary  
11          mandate of the Federal Reserve System to a dual  
12          mandate for maximum employment and stable  
13          prices.

14          (7) Empirical studies and historical evidence,  
15          both within the United States and in other coun-  
16          tries, demonstrate that price stability is desirable be-  
17          cause both inflation and deflation damage the econ-  
18          omy.

19          (8) The economic challenge of recent years—  
20          most notably the bursting of the housing bubble, the  
21          financial crisis of 2008, and the ensuing anemic re-  
22          covery—have occurred at great cost in terms of lost  
23          jobs and output.

24          (9) Policymakers are reexamining the structure  
25          and functioning of financial institutions and markets

1 to determine what, if any, changes need to be made  
2 to place the financial system on a stronger, more  
3 sustainable path going forward.

4 (10) The Federal Reserve System has taken ex-  
5 traordinary actions in response to the recent eco-  
6 nomic challenges.

7 (11) The Federal Open Market Committee has  
8 engaged in multiple rounds of quantitative easing,  
9 providing unprecedented liquidity to financial mar-  
10 kets, while committing to holding short-term interest  
11 rates low for a seemingly indefinite period, and pur-  
12 suing a policy of credit allocation by purchasing  
13 Federal agency debt and mortgage-backed securities.

14 (12) In the wake of the recent extraordinary ac-  
15 tions of the Federal Reserve System, Congress—con-  
16 sistent with its constitutional responsibilities and as  
17 it has done periodically throughout the history of the  
18 United States—has once again renewed its examina-  
19 tion of monetary policy.

20 (13) Central in such examination has been a re-  
21 newed look at what is the most proper mandate for  
22 the Federal Reserve System to conduct monetary  
23 policy in the 21st century.

1 **SEC. 3. ESTABLISHMENT.**

2       There is established a commission to be known as the  
3 “Centennial Monetary Commission” (in this Act referred  
4 to as the “Commission”).

5 **SEC. 4. DUTIES.**

6       (a) **STUDY OF MONETARY POLICY.**—The Commis-  
7 sion shall—

8           (1) examine how United States monetary policy  
9 since the creation of the Board of Governors of the  
10 Federal Reserve System in 1913 has affected the  
11 performance of the United States economy in terms  
12 of output, employment, prices, and financial stability  
13 over time;

14           (2) evaluate various operational regimes under  
15 which the Board of Governors of the Federal Re-  
16 serve System and the Federal Open Market Com-  
17 mittee may conduct monetary policy in terms achiev-  
18 ing the maximum sustainable level of output and  
19 employment and price stability over the long term,  
20 including—

21           (A) discretion in determining monetary  
22 policy without an operational regime;

23           (B) price level targeting;

24           (C) inflation rate targeting;

25           (D) nominal gross domestic product tar-  
26 geting (both level and growth rate);

1 (E) the use of monetary policy rules; and

2 (F) the gold standard;

3 (3) evaluate the use of macro-prudential super-  
4 vision and regulation as a tool of monetary policy in  
5 terms of achieving the maximum sustainable level of  
6 output and employment and price stability over the  
7 long term;

8 (4) evaluate the use of the lender-of-last-resort  
9 function of the Board of Governors of the Federal  
10 Reserve System as a tool of monetary policy in  
11 terms of achieving the maximum sustainable level of  
12 output and employment and price stability over the  
13 long term; and

14 (5) recommend a course for United States mon-  
15 etary policy going forward, including—

16 (A) the legislative mandate;

17 (B) the operational regime;

18 (C) the securities used in open market op-  
19 erations; and

20 (D) transparency issues.

21 (b) REPORT ON MONETARY POLICY.—Not later than  
22 December 1, 2016, the Commission shall submit to Con-  
23 gress and make publicly available a report containing a  
24 statement of the findings and conclusions of the Commis-  
25 sion in carrying out the study under subsection (a), to-

1 gether with the recommendations the Commission con-  
2 siders appropriate.

3 **SEC. 5. MEMBERSHIP.**

4 (a) NUMBER AND APPOINTMENT.—

5 (1) APPOINTED VOTING MEMBERS.—The Com-  
6 mission shall contain 12 voting members as follows:

7 (A) Six members appointed by the Speaker  
8 of the House of Representatives, with four  
9 members from the majority party and two  
10 members from the minority party.

11 (B) Six members appointed by the Presi-  
12 dent Pro Tempore of the Senate, with four  
13 members from the majority party and two  
14 members from the minority party.

15 (2) CHAIRMAN.—The Speaker of the House of  
16 Representatives and the majority leader of the Sen-  
17 ate shall jointly designate one of the members of the  
18 Commission as Chairman.

19 (3) NON-VOTING MEMBERS.—The Commission  
20 shall contain 2 non-voting members as follows:

21 (A) One member appointed by the Sec-  
22 retary of the Treasury.

23 (B) One member who is the president of a  
24 district Federal reserve bank appointed by the



1           Chair of the Board of Governors of the Federal  
2           Reserve System.

3           (b) PERIOD OF APPOINTMENT.—Each member shall  
4 be appointed for the life of the Commission.

5           (c) TIMING OF APPOINTMENT.—All members of the  
6 Commission shall be appointed not before January 5,  
7 2015, and not later than 30 days after the date of the  
8 enactment of this Act.

9           (d) VACANCIES.—A vacancy in the Commission shall  
10 not affect its powers, and shall be filled in the manner  
11 in which the original appointment was made.

12          (e) MEETINGS.—

13           (1) INITIAL MEETING.—The Commission shall  
14 hold its initial meeting and begin the operations of  
15 the Commission as soon as is practicable.

16           (2) FURTHER MEETINGS.—The Commission  
17 shall meet upon the call of the Chair or a majority  
18 of its members.

19          (f) QUORUM.—Seven voting members of the Commis-  
20 sion shall constitute a quorum but a lesser number may  
21 hold hearings.

22          (g) MEMBER OF CONGRESS DEFINED.—In this sec-  
23 tion, the term “Member of Congress” means a Senator  
24 or a Representative in, or Delegate or Resident Commis-  
25 sioner to, the Congress.

1 **SEC. 6. POWERS.**

2 (a) **HEARINGS AND SESSIONS.**—The Commission or,  
3 on the authority of the Commission, any subcommittee or  
4 member thereof, may, for the purpose of carrying out this  
5 Act, hold hearings, sit and act at times and places, take  
6 testimony, receive evidence, or administer oaths as the  
7 Commission or such subcommittee or member thereof con-  
8 siders appropriate.

9 (b) **CONTRACT AUTHORITY.**—To the extent or in the  
10 amounts provided in advance in appropriation Acts, the  
11 Commission may contract with and compensate govern-  
12 ment and private agencies or persons to enable the Com-  
13 mission to discharge its duties under this Act, without re-  
14 gard to section 3709 of the Revised Statutes (41 U.S.C.  
15 5).

16 (c) **OBTAINING OFFICIAL DATA.**—

17 (1) **IN GENERAL.**—The Commission is author-  
18 ized to secure directly from any executive depart-  
19 ment, bureau, agency, board, commission, office,  
20 independent establishment, or instrumentality of the  
21 Government, any information, including suggestions,  
22 estimates, or statistics, for the purposes of this Act.

23 (2) **REQUESTING OFFICIAL DATA.**—The head of  
24 such department, bureau, agency, board, commis-  
25 sion, office, independent establishment, or instru-  
26 mentality of the government shall, to the extent au-

1       thorized by law, furnish such information upon re-  
2       quest made by—

3               (A) the Chair;

4               (B) the Chair of any subcommittee created  
5       by a majority of the Commission; or

6               (C) any member of the Commission des-  
7       ignated by a majority of the commission to re-  
8       quest such information.

9       (d) ASSISTANCE FROM FEDERAL AGENCIES.—

10           (1) GENERAL SERVICES ADMINISTRATION.—

11       The Administrator of General Services shall provide  
12       to the Commission on a reimbursable basis adminis-  
13       trative support and other services for the perform-  
14       ance of the functions of the Commission.

15           (2) OTHER DEPARTMENTS AND AGENCIES.—In

16       addition to the assistance prescribed in paragraph  
17       (1), at the request of the Commission, departments  
18       and agencies of the United States shall provide such  
19       services, funds, facilities, staff, and other support  
20       services as may be authorized by law.

21       (e) POSTAL SERVICE.—The Commission may use the  
22       United States mails in the same manner and under the  
23       same conditions as other departments and agencies of the  
24       United States.

1 **SEC. 7. COMMISSION PERSONNEL.**

2 (a) APPOINTMENT AND COMPENSATION OF STAFF.—

3 (1) IN GENERAL.—Subject to rules prescribed  
4 by the Commission, the Chair may appoint and fix  
5 the pay of the executive director and other personnel  
6 as the Chair considers appropriate.

7 (2) APPLICABILITY OF CIVIL SERVICE LAWS.—

8 The staff of the Commission may be appointed with-  
9 out regard to the provisions of title 5, United States  
10 Code, governing appointments in the competitive  
11 service, and may be paid without regard to the pro-  
12 visions of chapter 51 and subchapter III of chapter  
13 53 of that title relating to classification and General  
14 Schedule pay rates, except that an individual so ap-  
15 pointed may not receive pay in excess of level V of  
16 the Executive Schedule.

17 (b) CONSULTANTS.—The Commission may procure  
18 temporary and intermittent services under section 3109(b)  
19 of title 5, United States Code, but at rates for individuals  
20 not to exceed the daily equivalent of the rate of pay for  
21 a person occupying a position at level IV of the Executive  
22 Schedule.

23 (c) STAFF OF FEDERAL AGENCIES.—Upon request  
24 of the Commission, the head of any Federal department  
25 or agency may detail, on a reimbursable basis, any of the

1 personnel of such department or agency to the Commis-  
2 sion to assist it in carrying out its duties under this Act.

3 **SEC. 8. TERMINATION.**

4 (a) IN GENERAL.—The Commission shall terminate  
5 on June 1, 2017.

6 (b) ADMINISTRATIVE ACTIVITIES BEFORE TERMI-  
7 NATION.—The Commission may use the period between  
8 the submission of its report and its termination for the  
9 purpose of concluding its activities, including providing  
10 testimony to the committee of Congress concerning its re-  
11 port.

12 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

13 There are authorized to be appropriated such sums  
14 as may be necessary to carry out this Act and such sums  
15 shall remain available until the date on which the Commis-  
16 sion terminates.

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114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

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