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S. 3920

To address national security threats and vulnerabilities that could undermine economic recovery and financial markets.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2010

Mr. BROWN of Massachusetts (for himself and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To address national security threats and vulnerabilities that could undermine economic recovery and financial markets.

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. COMMISSION ON ECONOMIC SECURITY.**

4 (a) SHORT TITLE.—This section may be cited as the
5 “Economic Security Defense Act of 2010”.

6 (b) FINDINGS.—Congress finds that—

7 (1) the recent financial crisis could serve as a
8 road map for actors seeking to destabilize economic
9 systems;

1 (2) the economy's growing interconnectedness
2 increases vulnerabilities;

3 (3) the ability of malevolent actors to rapidly
4 network and mask their activities undermines the
5 fundamentals of the financial markets and economy;

6 (4) as it is reported that a recent war game of
7 the Department of Defense—

8 (A) exposed the seriousness of threats to
9 our economy;

10 (B) was won by a group representing the
11 Government of China; and

12 (C) indicated a significant lack of under-
13 standing of these issues across the divides be-
14 tween the national security and financial com-
15 munities;

16 (5) a leading financial executive recently noted
17 that the financial crisis, sparked by the September
18 15th, 2008, collapse of Lehman Brothers, could
19 serve as a road map for actors seeking to destabilize
20 economic systems;

21 (6) prominent counterterrorism expert Pro-
22 fessor Bruce Hoffman of Georgetown University has
23 stated that al Qaeda and other terrorists groups
24 were devoting new attention to derailing our finan-
25 cial system in the wake of that crisis;

1 (7) foreign governments have developed eco-
2 nomic warfare capabilities or organizations, such as
3 an economic warfare bureau in China; and

4 (8) former Directors of National Intelligence
5 and other top experts have warned of cybersecurity
6 and other threats capable of disrupting our financial
7 institutions or critical infrastructure, such as the na-
8 tional power grid.

9 (c) ESTABLISHMENT.—There is established a com-
10 mission to be known as the “Security Threats to Financial
11 Markets and Economic Recovery Commission” (referred
12 to in this Act as the “Commission”).

13 (d) DUTIES OF COMMISSION.—

14 (1) MANDATORY LEGISLATIVE RECOMMENDA-
15 TIONS.—The Commission shall examine the security
16 threats and vulnerabilities to the United States’ eco-
17 nomic recovery and financial markets and to develop
18 legislative recommendations designed to address—

19 (A) potential threats to financial markets
20 and economic recovery from state actors and
21 non-state actors;

22 (B) vulnerabilities in financial markets
23 that could be exploited and would result in
24 major economic implications;

1 (C) the divide between national security
2 concerns and economic concerns; and

3 (D) national security vulnerabilities associ-
4 ated with current Federal debt levels.

5 (2) POLICY SOLUTIONS.—Legislative rec-
6 ommendations developed to address the issues de-
7 scribed in paragraph (1) may include—

8 (A) reforms necessary to address gaps in
9 government and private capabilities to analyze
10 and combat threats to financial markets;

11 (B) reforms that strengthen the security of
12 financial markets;

13 (C) reforms that address financial systemic
14 weakness; and

15 (D) any other reforms designed to address
16 the issues described in paragraph (1).

17 (e) REPORTS.—

18 (1) DEFINITION.—In this subsection, the term
19 “appropriate committees of Congress” shall include
20 the Committee on Banking, Housing, and Urban Af-
21 fairs of the Senate.

22 (2) IN GENERAL.—Not later than September 1,
23 2011, the Commission shall submit a full report to
24 the appropriate committees of Congress and the
25 President containing—

1 (A) a detailed description of the activities
2 of the Commission;

3 (B) a detailed statement of any findings of
4 the Commission as to public preferences regard-
5 ing the issues, policies, and tradeoffs presented
6 in the town hall style public hearings;

7 (C) a list of policy options for addressing
8 those problems; and

9 (D) criteria for the legislative rec-
10 ommendations to be developed by the Commis-
11 sion.

12 (3) FORM.—The reports submitted under para-
13 graph (1) shall be submitted in unclassified form,
14 but may contain a classified annex.

15 (f) LEGISLATIVE RECOMMENDATIONS.—

16 (1) IN GENERAL.—Not later than 60 days after
17 the date on which the full report is submitted under
18 subsection (e)(1) and by a vote of at least 10 of the
19 members, the Commission shall submit legislative
20 recommendations to Congress and the President de-
21 signed to address the issues described in subsection
22 (d).

23 (2) PROPOSAL REQUIREMENTS.—The proposal
24 under paragraph (1) shall, to the extent feasible, be
25 designed—

1 (A) to achieve financial market and sys-
2 temic security;

3 (B) to address the comments and sugges-
4 tions of the consulted non-governmental experts
5 and government officials; and

6 (C) to meet the criteria set forth in the
7 Commission report.

8 (g) MEMBERSHIP AND MEETINGS.—

9 (1) MEMBERSHIP.—

10 (A) IN GENERAL.—The Commission shall
11 be composed of 20 voting members appointed
12 pursuant to subparagraph (B) and 3 nonvoting
13 members described in subparagraph (C).

14 (B) VOTING MEMBERS.—The Commission
15 shall be composed of 20 voting members, of
16 whom not fewer than 7 members should be cur-
17 rently in the private sector, or have significant
18 experience in the private sector, of whom—

19 (i) 5 shall be appointed by the Speak-
20 er of the House of Representatives;

21 (ii) 5 shall be appointed by the minor-
22 ity leader of the House of Representatives;

23 (iii) 5 shall be appointed by the ma-
24 jority leader of the Senate; and

1 (iv) 5 shall be appointed by the minor-
 2 ity leader of the Senate.

3 (C) EXECUTIVE BRANCH CONSULTA-
 4 TION.—The Director of National Intelligence,
 5 the Secretary, and the Chairman of the Board
 6 of Governors shall advise and assist the Com-
 7 mission, at the request of the Commission.

8 (D) CHAIR AND COCHAIR.—The Speaker
 9 of the House of Representatives, the minority
 10 leader of the House of Representatives, the ma-
 11 jority leader of the Senate, and the minority
 12 leader of the Senate shall designate 2 cochair-
 13 persons of the Commission from the members
 14 appointed under subparagraph (B), one of
 15 whom must be a Republican and one of whom
 16 must be a Democrat.

17 (2) LIMITATIONS AS TO MEMBERS OF CON-
 18 GRESS.—

19 (A) MEMBERS OF CONGRESS ON COMMIS-
 20 SION.—Each appointing authority described in
 21 paragraph (1)(B) shall appoint not more than
 22 2 Members of Congress, nor fewer than 1 Mem-
 23 ber of Congress, to the Commission.

24 (B) CONTINUATION OF VOTING MEMBER-
 25 SHIP.—In the case of an individual appointed

1 pursuant to paragraph (1)(A) who was ap-
2 pointed as a Member of Congress under sub-
3 paragraph (A), if such individual ceases to be
4 a Member of Congress, that individual shall
5 cease to be a member of the Commission.

6 (3) DATE FOR ORIGINAL APPOINTMENT.—The
7 appointing authorities described in paragraph (1)(B)
8 shall appoint the initial members of the Commission
9 not later than 30 days after the date of enactment
10 of this Act.

11 (4) TERMS.—

12 (A) IN GENERAL.—The term of each mem-
13 ber is for the life of the Commission.

14 (B) VACANCIES.—A vacancy in the Com-
15 mission shall be filled not later than 30 days
16 after such vacancy occurs and in the manner in
17 which the original appointment was made.

18 (5) PAY AND REIMBURSEMENT.—

19 (A) NO COMPENSATION FOR MEMBERS OF
20 COMMISSION.—Except as provided in subpara-
21 graph (B), a member of the Commission may
22 not receive pay, allowances, or benefits by rea-
23 son of their service on the Commission.

24 (B) TRAVEL EXPENSES.—Each member
25 shall receive travel expenses, including per diem

1 in lieu of subsistence under subchapter I of
2 chapter 57 of title 5, United States Code.

3 (6) MEETINGS.—The Commission shall meet
4 upon the call of the chairperson or a majority of its
5 voting members.

6 (7) QUORUM.—Six voting members of the Com-
7 mission shall constitute a quorum, but a lesser num-
8 ber may hold hearings.

9 (h) STAFF OF COMMISSION.—

10 (1) STAFF.—In accordance with rules agreed
11 upon by the Commission, subject to paragraph (2),
12 and to the extent provided in advance in appropria-
13 tion Acts, the cochairpersons of the Commission may
14 appoint and fix the pay of no more than 3 staff per-
15 sons, subject to paragraph (3).

16 (2) APPLICABILITY OF CERTAIN CIVIL SERVICE
17 LAWS.—The staff of the Commission may be ap-
18 pointed without regard to the provisions of title 5,
19 United States Code, governing appointments in the
20 competitive service.

21 (3) COMPENSATION.—A staff person of the
22 Commission may not be paid at a rate of pay that
23 exceeds the maximum rate of pay for a position at
24 GS-14 of the General Schedule.

1 (4) DETAILEES.—Any Federal Government em-
2 ployee may be detailed to the Commission without
3 reimbursement from the Commission, and such
4 detailee shall retain the rights, status, and privileges
5 of their regular employment without interruption.

6 (5) EXPERTS AND CONSULTANTS.—In accord-
7 ance with rules agreed upon by the Commission and
8 to the extent provided in advance in appropriation
9 Acts, the director may procure the services of ex-
10 perts and consultants under section 3109(b) of title
11 5, United States Code, but at rates not to exceed the
12 daily equivalent of the annual rate of basic pay for
13 level V of the Executive Schedule under section 5316
14 of title 5, United States Code.

15 (i) POWERS OF COMMISSION.—

16 (1) HEARINGS AND EVIDENCE.—The Commis-
17 sion may, for the purpose of carrying out this Act,
18 hold such hearings, sit and act at such times and
19 places, take such testimony, and receive such evi-
20 dence as the Commission considers appropriate. The
21 Commission may administer oaths or affirmations to
22 witnesses appearing before it.

23 (2) POWERS OF MEMBERS AND AGENTS.—Any
24 member or agent of the Commission may, if author-
25 ized by the Commission, take any action which the

1 Commission is authorized to take under this sub-
2 section.

3 (3) **MAILS.**—The Commission may use the
4 United States mails in the same manner and under
5 the same conditions as other departments and agen-
6 cies of the United States.

7 (4) **ADMINISTRATIVE SUPPORT SERVICES.**—
8 Upon the request of the Commission, the Adminis-
9 trator of General Services shall provide to the Com-
10 mission, on a reimbursable basis, the administrative
11 support services necessary for the Commission to
12 carry out its responsibilities under this Act.

13 (5) **CONTRACT AUTHORITY.**—To the extent pro-
14 vided in advance in appropriation Acts, the Commis-
15 sion may enter into contracts to enable the Commis-
16 sion to discharge its duties under this Act.

17 (6) **GIFTS.**—The Commission may accept, use,
18 and dispose of gifts or donations of services or prop-
19 erty.

20 (j) **FUNDING.**—There are authorized to be appro-
21 priated to the Commission, such sums as may be necessary
22 to carry out this Act. Funding for the Commission shall
23 be provided through discretionary appropriations.

1 (k) TERMINATION.—The Commission shall terminate
2 60 days after the date of submission of its legislative pro-
3 posal to Congress under this Act.

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