16

AMENDMENT TO H.R. 1664, AS REPORTED
OFFERED BY MR. ISRAEL OF NEW YORK

Add at the end the following new section:

1 **SEC. 2. EXECUTIVE COMPENSATION COMMISSION.**

2 Section 111 of the Emergency Economic Stabilization
3 Act of 2008 (12 U.S.C. 5221), as amended by section 1,
4 is further amended by adding at the end the following new
5 subsection:

6 "(j) EXECUTIVE COMPENSATION COMMISSION.—

7 "(1) ESTABLISHMENT.—There is hereby estab-
8 lished a commission to be known as the 'Commission
9 on Executive Compensation' (hereinafter in this sub-
10 section referred to as the 'Commission').

11 "(2) DUTIES.—

12 "(A) STUDY REQUIRED.—The Commission
13 shall conduct a study of the executive com-
14 pensation system for TARP recipients. In con-
15 ducting such study, the Commission shall exam-
16 ine—

17 "(i) how closely executive pay is cur-
18 rently linked to company performance;

1 "(ii) how closely executive pay has
2 been linked to company performance in the
3 past;
4 "(iii) how executive pay can be more
5 closely linked to company performance in
6 the future;
7 "(iv) the factors influencing executive
8 pay; and—
9 "(v) how current executive pay incen-
10 tives affect executive behavior.
11 "(B) CONSIDERATION OF PROPOSALS.—
12 The Commission shall consider, in addition to
13 any recommendations made by members of the
14 Commission or outside advisers, the effects of
15 implementing the following specific proposals:
16 "(i) Increased shareholder voice in ex-
17 ecutive compensation.
18 "(ii) Increased ownership of company
19 stock by chief executive officers.
20 "(iii) Assessed penalties for failure to
21 meet performance benchmarks.
22 "(iv) Performance benchmarks based
23 on measurements compared to peer group
24 companies, the market in general, or other
25 relative performance measures.

1 "(3) REPORT.—

2 "(A) IN GENERAL.—Not later than 90
3 days after the date on which all members of the
4 Commission have been appointed, the Commis-
5 sion shall deliver a report to the President and
6 to the Congress containing—

7 "(i) recommendations for legislative
8 action;

9 "(ii) recommendations for executive
10 action, including actions taken by the De-
11 partment of the Treasury, the Internal
12 Revenue Service, or any other agency for
13 which the Commission has recommenda-
14 tions; and

15 "(iii) recommendations for voluntary
16 actions to be taken by TARP recipients.

17 "(B) MINORITY VIEWS.—The report re-
18 quired under subparagraph (A) shall be accom-
19 panied by any separate recommendations that
20 members of the Commission wish to make, but
21 that were not agreed upon by the Commission
22 for purposes of the report required under sub-
23 paragraph (A). Such separate recommendations
24 must take the form of a proposal for aligning

1 executive pay with the long-term health of the
2 company.
3 "(4) COMPOSITION.—
4 "(A) The Commission shall be composed of
5 9 members, appointed as follows:
6 "(i) 1 member appointed by the Coun-
7 cil of Economic Advisers.
8 "(ii) 1 member appointed by the
9 Speaker of the House of Representatives.
10 "(iii) 1 member appointed by the Sen-
11 ate Majority Leader.
12 "(iv) 1 member appointed by the
13 House Minority Leader.
14 "(v) 1 member appointed by the Sen-
15 ate Minority Leader.
16 "(vi) 1 member appointed by the
17 Chairman of the Financial Services Com-
18 mittee of the House of Representatives.
19 "(vii) 1 member appointed by the
20 Ranking Member of the Financial Services
21 Committee of the House of Representa-
22 tives.
23 "(viii) 1 member appointed by the
24 Chairman of the Banking, Housing, and
25 Urban Affairs Committee of the Senate.

1 "(ix) 1 member appointed by the
2 Ranking Member of the Banking, Housing,
3 and Urban Affairs Committee of the Sen-
4 ate.
5 "(B) Each appointing entity shall name its
6 member within 21 days of the date of the en-
7 actment of this subsection.
8 "(C) Any vacancy in the Commission shall
9 be filled in the same manner as the original ap-
10 pointment.
11 "(5) ACTIVITIES.—
12 "(A) The Chairman of the Financial Serv-
13 ices Committee of the House of Representatives
14 shall select one member to serve as the Chair-
15 man of the Commission, and such Chairman
16 will call to order the first meeting of the Com-
17 mission within 10 business days after the date
18 on which all members of the Commission have
19 been appointed.
20 "(B) The Commission shall meet at least
21 once every 30 days and may meet more fre-
22 quently at the discretion of the Chairman.
23 "(C) The Commission shall solicit and con-
24 sider policy proposals from Members of Con-

1 gress, the financial sector, academia and other
2 fields as the Commission deems necessary.
3 "(D) The Commission shall hold at least
4 two public hearings, and may hold more at the
5 discretion of the Chairman.
6 "(6) ACTIONS BY THE COMMISSION.—A deci-
7 sion of a majority of commissioners present at a
8 meeting of the Commission shall constitute the deci-
9 sion of the Commission where the Commission is
10 given discretion to act, including but not limited to,
11 recommendations to be made in the report described
12 in paragraph 3.
13 "(7) STAFF.—The Chair may hire at his or her
14 discretion up to seven professional staff members.
15 "(8) TERMINATION.—The Commission shall
16 terminate 30 days after the date on which the Com-
17 mission submits its report to the President and the
18 Congress under paragraph 3.
19 "(9) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated such sums
21 as may be necessary to carry out this subsection.