

112TH CONGRESS  
1ST SESSION

# H. R. 3428

To amend the Federal Reserve Act to replace the Federal Open Market Committee members representing the Federal Reserve banks with additional members appointed by the President, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2011

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Federal Reserve Act to replace the Federal Open Market Committee members representing the Federal Reserve banks with additional members appointed by the President, 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,*

3       **SECTION 1. COMPOSITION OF FEDERAL OPEN MARKET**  
4                                   **COMMITTEE.**

5           (a) IN GENERAL.—Section 12A(a) of the Federal Re-  
6       serve Act is amended to read as follows:

7           “(a) ESTABLISHMENT.—

1           “(1) IN GENERAL.—There is hereby created a  
2 Federal Open Market Committee (hereinafter re-  
3 ferred to as the ‘Committee’), which shall consist  
4 of—

5           “(A) the members of the Board of Gov-  
6 ernors of the Federal Reserve System; and

7           “(B) 5 additional members appointed by  
8 the President, by and with the advice and con-  
9 sent of the Senate (hereinafter referred to as  
10 ‘additional members’).

11           “(2) SELECTION, REQUIREMENTS, AND AU-  
12 THORITIES OF ADDITIONAL MEMBERS.—The addi-  
13 tional members shall—

14           “(A) be selected by the President to give  
15 due regard to a fair representation of the finan-  
16 cial, agricultural, industrial, commercial, con-  
17 sumer, and labor interests, and geographical di-  
18 versity, of the United States;

19           “(B) be selected in a manner so as to en-  
20 sure that no more than 1 additional member is  
21 appointed from any particular Federal Reserve  
22 district;

23           “(C) only be removed by the President for  
24 cause;

1           “(D) initially be appointed for terms of 3,  
2           4, 5, 6, and 7 years, respectively, and appointed  
3           for staggered 7-year terms thereafter;

4           “(E) upon the expiration of each of their  
5           terms of office, continue to serve until their  
6           successor is appointed and confirmed;

7           “(F) with respect to an additional member  
8           appointed to fill the remainder of an unexpired  
9           term and subject to subparagraph (E), only  
10          serve until the end of such term;

11          “(G) devote their entire time to the busi-  
12          ness of the Committee;

13          “(H) each receive actual necessary trav-  
14          eling expenses;

15          “(I) each be provided with office space in  
16          both—

17                  “(i) a building used by the Board of  
18                  Governors of the Federal Reserve System  
19                  in Washington, District of Columbia; and

20                  “(ii) a building used by the Federal  
21                  Reserve bank of the Federal Reserve dis-  
22                  trict from which the additional member  
23                  was selected; and

24          “(J) each have the authority to make use  
25          of—

1                   “(i) the staff of the Board of Gov-  
2                   ernors of the Federal Reserve System; and

3                   “(ii) the staff of the Federal Reserve  
4                   bank of the Federal Reserve district from  
5                   which the additional member was selected.

6                   “(3) MEETINGS.—The meetings of said Com-  
7                   mittee shall be held at Washington, District of Co-  
8                   lumbia, at least four times each year upon the call  
9                   of the chairman of the Board of Governors of the  
10                  Federal Reserve System or at the request of any  
11                  three members of the Committee.

12                  “(4) USE OF NEW YORK RESEARCH STAFF.—  
13                  Each member of the Committee shall have the au-  
14                  thority to make use of the research staff of the Fed-  
15                  eral Reserve bank of New York.”.

16                  (b) PAY OF ADDITIONAL MEMBERS.—Section 5314  
17                  of title 5, United States Code, is amended by adding at  
18                  the end the following:

19                  “Additional members of the Federal Open Market  
20                  Committee (5).”.

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