

112TH CONGRESS
1ST SESSION

H. R. 3565

To reduce the salaries of Members of Congress if a Federal budget deficit exists, prohibit commodities and securities trading based on non-public information relating to Congress, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2011

Mr. FLORES introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committees on Oversight and Government Reform, Agriculture, Rules, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reduce the salaries of Members of Congress if a Federal budget deficit exists, prohibit commodities and securities trading based on non-public information relating to Congress, 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. SHORT TITLE.**

4 This Act may be cited as the “Reconnecting Congress
5 with America Act of 2011”.

1 **SEC. 2. REDUCTION IN SALARIES OF MEMBERS OF CON-**
2 **GRESS IN RESPONSE TO FEDERAL BUDGET**
3 **DEFICIT.**

4 (a) DETERMINATION OF SALARIES.—The annual
5 rate of pay for a Member of Congress (including a Dele-
6 gate or Resident Commissioner to the Congress) for pay
7 periods occurring in a calendar year shall be equal to the
8 following:

9 (1) If, with respect to the most recent fiscal
10 year ending before that calendar year, the Federal
11 deficit was equal to or greater than 3 percent of the
12 gross domestic product, 80% of the base rate appli-
13 cable to the Member.

14 (2) If, with respect to the most recent fiscal
15 year ending before that calendar year, the Federal
16 deficit was less than 3 percent of the gross domestic
17 product, 90% of the base rate applicable to the
18 Member.

19 (3) If, with respect to the most recent fiscal
20 year ending before that calendar year, there was no
21 Federal deficit, 100% of the base rate applicable to
22 the Member.

23 (b) FEDERAL DEFICIT.—

24 (1) DEFINITION.—For purposes of this section,
25 the term “Federal deficit” means, with respect to a
26 fiscal year, the amount by which outlays of the Fed-

1 eral Government exceeded receipts of the Govern-
2 ment for that fiscal year.

3 (2) REPORT BY SECRETARY OF THE TREAS-
4 URY.—Not later than 30 days after the end of each
5 fiscal year (beginning with fiscal year 2011), the
6 Secretary of the Treasury shall—

7 (A) make a determination of the gross do-
8 mestic product for that fiscal year;

9 (B) make a determination of whether a
10 Federal deficit existed with respect to that fis-
11 cal year, and, if so, the amount of such Federal
12 deficit; and

13 (C) submit a report of such determinations
14 to Congress.

15 (c) BASE RATE.—For purposes of this section, the
16 “base rate” applicable to a Member of Congress means—

17 (1) in the case of the Speaker of the House of
18 Representatives, \$223,500;

19 (2) in the case of the President pro tempore of
20 the Senate, the majority leader and the minority
21 leader of the Senate, and the majority leader and
22 the minority leader of the House of Representatives,
23 \$193,400; and

24 (3) in the case of any other Member of Con-
25 gress, \$174,000.

1 (d) CONFORMING AMENDMENT.—Section 601(a) of
2 the Legislative Reorganization Act of 1946 (2 U.S.C. 31)
3 is repealed.

4 (e) EFFECTIVE DATE.—

5 (1) IN GENERAL.—This section and the amend-
6 ments made by this section shall apply with respect
7 to pay periods occurring on or after January 1,
8 2013.

9 (2) SENSE OF CONGRESS REGARDING VOL-
10 UNTARY RETURN OF SALARY.—It is the sense of
11 Congress that, during pay periods occurring after
12 the date of enactment of this Act and prior to the
13 date referred to in paragraph (1), each Member of
14 Congress should voluntarily adjust the amount of
15 the Member's salary to reflect the annual rates of
16 pay that will take effect on such date.

17 **SEC. 3. RETIREMENT CONTRIBUTIONS FOR MEMBERS OF**
18 **CONGRESS.**

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

20 (1) MEMBER CONTRIBUTION.—Notwithstanding
21 any provision of subsection (a)(1)(A) or (k)(1)(A) of
22 section 8334 of title 5, United States Code, for any
23 period beginning on or after date of enactment of
24 this Act, the contributions payable by a Member of
25 Congress under such provision for such period shall

1 be equal to the percentage that would otherwise
2 apply plus 4.9 percentage points.

3 (2) GOVERNMENT CONTRIBUTION.—Notwith-
4 standing any provision of subsection (a)(1)(B) or
5 (k)(1)(B) of section 8334 of such title, for any pe-
6 riod beginning on or after date of enactment of this
7 Act, the contributions payable under such provision
8 for a Member of Congress shall be equal to the per-
9 centage that would otherwise apply minus 4.9 per-
10 centage points.

11 (b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

12 (1) MEMBER CONTRIBUTION.—Notwithstanding
13 any provision of section 8422(a) of title 5, United
14 States Code, for any period beginning on or after
15 date of enactment of this Act, the contributions pay-
16 able by a Member of Congress under such provision
17 for such period shall be equal to the percentage that
18 would otherwise apply plus 4.9 percentage points.

19 (2) GOVERNMENT CONTRIBUTION.—Notwith-
20 standing any provision of section 8423 of such title,
21 for any period beginning on or after date of enact-
22 ment of this Act, the contributions payable under
23 such provision for a Member of Congress shall be
24 equal to the percentage that would otherwise apply

1 (disregarding paragraph (1)) minus 4.9 percentage
2 points.

3 **SEC. 4. PROHIBITING COMMODITIES AND SECURITIES**
4 **TRADING BASED ON NONPUBLIC INFORMA-**
5 **TION RELATING TO CONGRESS.**

6 (a) NONPUBLIC INFORMATION RELATING TO CON-
7 GRESS AND OTHER FEDERAL EMPLOYEES.—

8 (1) COMMODITIES TRANSACTIONS.—Section 4c
9 of the Commodity Exchange Act (7 U.S.C. 6c) is
10 amended by adding at the end the following:

11 “(h) NONPUBLIC INFORMATION RELATING TO CON-
12 GRESS.—Not later than 270 days after the date of enact-
13 ment of this subsection, the Commission shall by rule pro-
14 hibit any person from buying or selling any commodity
15 for future delivery or swap while such person is in posses-
16 sion of material nonpublic information, as defined by the
17 Commission, relating to any pending or prospective legis-
18 lative action relating to such commodity if—

19 “(1) such information was obtained by reason
20 of such person being a Member or employee of Con-
21 gress; or

22 “(2) such information was obtained from a
23 Member or employee of Congress, and such person
24 knows that the information was so obtained.

1 “(i) NONPUBLIC INFORMATION RELATING TO OTHER
2 FEDERAL EMPLOYEES.—

3 “(1) RULEMAKING.—Not later than 270 days
4 after the date of enactment of this subsection, the
5 Commission shall by rule prohibit any person from
6 buying or selling any commodity for future delivery
7 or swap while such person is in possession of mate-
8 rial nonpublic information derived from Federal em-
9 ployment and relating to such commodity if—

10 “(A) such information was obtained by
11 reason of such person being an employee of an
12 agency, as such term is defined in section
13 551(1) of title 5, United States Code; or

14 “(B) such information was obtained from
15 such an employee, and such person knows that
16 the information was so obtained.

17 “(2) MATERIAL NONPUBLIC INFORMATION.—
18 For purposes of this subsection, the term ‘material
19 nonpublic information’ means any information that
20 an employee of an agency (as such term is defined
21 in section 551(1) of title 5, United States Code)
22 gains by reason of Federal employment and that
23 such employee knows or should know has not been
24 made available to the general public, including infor-
25 mation that—

1 “(A) is routinely exempt from disclosure
2 under section 552 of title 5, United States
3 Code, or otherwise protected from disclosure by
4 statute, Executive order, or regulation;

5 “(B) is designated as confidential by an
6 agency; or

7 “(C) has not actually been disseminated to
8 the general public and is not authorized to be
9 made available to the public on request.”.

10 (2) SECURITIES TRANSACTIONS.—Section 10 of
11 the Securities Exchange Act of 1934 (15 U.S.C.
12 78j) is amended by adding at the end the following:

13 “(d) NONPUBLIC INFORMATION RELATING TO CON-
14 GRESS.—Not later than 270 days after the date of enact-
15 ment of this subsection, the Commission shall by rule pro-
16 hibit any person from buying or selling the securities or
17 security based swaps of any issuer while such person is
18 in possession of material nonpublic information, as defined
19 by the Commission, relating to any pending or prospective
20 legislative action relating to such issuer if—

21 “(1) such information was obtained by reason
22 of such person being a Member or employee of Con-
23 gress; or

1 “(2) such information was obtained from a
2 Member or employee of Congress, and such person
3 knows that the information was so obtained.

4 “(e) NONPUBLIC INFORMATION RELATING TO
5 OTHER FEDERAL EMPLOYEES.—

6 “(1) RULEMAKING.—Not later than 270 days
7 after the date of enactment of this subsection, the
8 Commission shall by rule prohibit any person from
9 buying or selling the securities or security based
10 swaps of any issuer while such person is in posses-
11 sion of material nonpublic information derived from
12 Federal employment and relating to such issuer if—

13 “(A) such information was obtained by
14 reason of such person being an employee of an
15 agency, as such term is defined in section
16 551(1) of title 5, United States Code; or

17 “(B) such information was obtained from
18 such an employee, and such person knows that
19 the information was so obtained.

20 “(2) MATERIAL NONPUBLIC INFORMATION.—
21 For purposes of this subsection, the term ‘material
22 nonpublic information’ means any information that
23 an employee of an agency (as such term is defined
24 in section 551(1) of title 5, United States Code)
25 gains by reason of Federal employment and that

1 such employee knows or should know has not been
2 made available to the general public, including infor-
3 mation that—

4 “(A) is routinely exempt from disclosure
5 under section 552 of title 5, United States
6 Code, or otherwise protected from disclosure by
7 statute, Executive order, or regulation;

8 “(B) is designated as confidential by an
9 agency; or

10 “(C) has not actually been disseminated to
11 the general public and is not authorized to be
12 made available to the public on request.”.

13 (b) COMMITTEE HEARINGS ON IMPLEMENTATION.—

14 (1) IN GENERAL.—The Committee on Agri-
15 culture of the House of Representatives shall hold a
16 hearing on the implementation by the Commodity
17 Futures Trading Commission of subsections (h) and
18 (i) of section 4c of the Commodity Exchange Act (as
19 added by subsection (a)), and the Committee on Fi-
20 nancial Services of the House of Representatives
21 shall hold a hearing on the implementation by the
22 Securities Exchange Commission of subsections (d)
23 and (e) of section 10 of the Securities Exchange Act
24 of 1934 (as added by subsection (a)).

1 (2) EXERCISE OF RULEMAKING AUTHORITY.—

2 Paragraph (1) is enacted—

3 (A) as an exercise of the rulemaking power
4 of the House of Representatives and, as such,
5 shall be considered as part of the rules of the
6 House, and such rules shall supersede any other
7 rule of the House only to the extent that rule
8 is inconsistent therewith; and

9 (B) with full recognition of the constitu-
10 tional right of the House to change such rules
11 (so far as relating to the procedure in the
12 House) at any time, in the same manner, and
13 to the same extent as in the case of any other
14 rule of the House.

15 **SEC. 5. SENSE OF CONGRESS REGARDING APPLICATION OF**
16 **LAWS TO MEMBERS.**

17 It is the sense of Congress that any law enacted by
18 Congress should apply to Members of Congress in the
19 same manner and to the same extent as the law applies
20 to other individuals.

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