Congressional Activities That Triggered the Announcement of Events Guidelines

Legislative and Regulatory History:

January 6, 2009

U.S. Senate bill S.133 "Troubled Asset Relief Program Transparency Reporting Act" was introduced by Sen. Diane Feinstein [D-CA] had 9 other sponsors.

Section three of the act, as proposed, stipulates that the Secretary of the Treasury, in consultation others, develop and publish principles and ethical guidelines for recipients of emergency economic assistance including restrictions governing--
(1) the hosting, sponsorship, or payments for conferences and events;
(2) the use of corporate aircraft, travel accommodations, and travel expenditures;
(3) expenses relating to office or facility renovations or relocations; and
(4) expenses relating to entertainment, holiday parties, employee recognition events, or similar ancillary corporate expenses.
This bill currently only applies to companies receiving assistance from the second half of the TARP payments. This bill is largely seen a piece of legislation that is aimed to get a reaction -- in this case the U.S. Treasury Department.

February 4, 2009

The U.S. Department of the Treasury issued restrictions to anyone receiving TARP money. The boards of directors of companies receiving exceptional assistance from the government must adopt a company-wide policy on any expenditure related to aviation services, office and facility renovations, entertainment and holiday parties, and conferences and events. This policy is not intended to cover reasonable expenditures for sales conferences, staff development, reasonable performance incentives and other measures tied to a company's normal business operations.

February 5, 2009

Sen. John Dodd [D-CN] issue an amendment to the stimulus package via a voice vote on the Senate floor. A provision of this amendment requires Boards of Directors to adopt company-wide policy on luxury expenditures.

Current status

1. s.133 has not been voted on and as been assigned the to Senate Banking, Housing, and Urban Affairs committees. No amendments have been filed.

2. The requirements issued by the U.S Dept. of the Treasury stand as a regulatory order and are in affect.

3. The industry issued model proposals February 9, 2009 to get out ahead of industry regulation.

4. The Dodd amendment passed in the stimulus bill and became effective when President Obama signed the bill into law on February 17, 2009.

Now the question is does the industry get there first through the model proposals before the legislation and regulation get us there, but not on our own terms?