By the authority vested in me as President by the Constitution and the
laws of the United States of America, including the Federal Advisory Com-
mittee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. Establishment. There is established the Commission to Study
Capital Budgeting (“Commission”). The Commission shall be bipartisan and
shall be composed of 11 members appointed by the President. The members
of the Commission shall be chosen from among individuals with expertise
in public and private finance, government officials, and leaders in the labor
and business communities. The President shall designate two co-chairs from
among the members of the Commission.

Sec. 2. Functions. The Commission shall report on the following:
(a) Capital budgeting practices in other countries, in State and local govern-
ments in this country, and in the private sector; the differences and
similarities in their capital budgeting concepts and processes; and the pertin-
ence of their capital budgeting practices for budget decisionmaking and
accounting for actual budget outcomes by the Federal Government;

(b) The appropriate definition of capital for Federal budgeting, including:
use of capital for the Federal Government itself or the economy at large;
ownership by the Federal Government or some other entity; defense and
nondefense capital; physical capital and intangible or human capital; distinc-
tions among investments in and for current, future, and retired workers;
distinctions between capital to increase productivity and capital to enhance
the quality of life; and existing definitions of capital for budgeting;

(c) The role of depreciation in capital budgeting, and the concept and
measurement of depreciation for purposes of a Federal capital budget; and

d) The effect of a Federal capital budget on budgetary choices between
capital and noncapital means of achieving public objectives; implications
for macroeconomic stability; and potential mechanisms for budgetary disci-
pline.

Sec. 3. Report. The Commission shall adopt its report through majority
vote of its full membership. The Commission shall report to the National
Economic Council by March 15, 1998, or within 1 year from its first meeting.

Sec. 4. Administration. (a) Members of the Commission shall serve without
compensation for their work on the Commission. While engaged in the
work of the Commission, members appointed from among private citizens
of the United States may be allowed travel expenses, including per diem
in lieu of subsistence, as authorized by law for persons serving intermittently
(b) The Department of the Treasury shall provide the Commission with funding and administrative support. The Commission may have a paid staff, including detailees from Federal agencies. The Secretary of the Treasury shall perform the functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.), except that of reporting to the Congress, in accordance with the guidelines and procedures established by the Administrator of General Services.

Sec. 5. General Provisions. The Commission shall terminate 30 days after submitting its report.

THE WHITE HOUSE,

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