

Mr. SULLIVAN. Mr. Speaker, I urge the adoption of this measure, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LINDBER). The question is on the motion offered by the gentleman from Oklahoma (Mr. SULLIVAN) that the House suspend the rules and pass the bill, H.R. 3034.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SULLIVAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Wanda Evans, one of his secretaries.

#### SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION ACT OF 2002

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3764) to authorize appropriations for the Securities and Exchange Commission, as amended.

The Clerk read as follows:

H.R. 3764

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Securities and Exchange Commission Authorization Act of 2002".*

##### SEC. 2. AUTHORIZATION OF APPROPRIATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.

*In addition to any other funds authorized to be appropriated to the Securities and Exchange Commission, there are authorized to be appropriated to carry out the functions, powers, and duties of the Commission, \$776,000,000 for fiscal year 2003, of which—*

*(1) not less than \$134,000,000 shall be available for the Division of Corporate Finance and for the Office of Chief Accountant;*

*(2) not less than \$326,000,000 shall be available for the Division of Enforcement; and*

*(3) not less than \$76,000,000 shall be available to implement section 8 of the Investor and Capital Markets Fee Relief Act, relating to pay comparability.*

##### SEC. 3. SENSE OF THE CONGRESS.

*It is the sense of the Congress that the Securities and Exchange Commission should conduct a thorough annual review of the annual financial statements contained in the most recent periodic disclosures filed with the Commission by the largest 500 reporting issuers, as determined by market capitalization and by other factors as the Commission shall determine.*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

#### GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Securities and Exchange Commission Authorization Act of 2002 authorizes important new resources for the Securities and Exchange Commission for fiscal year 2003.

I would like to commend the ranking member of the Committee on Financial Services, the gentleman from New York (Mr. LAFALCE), and the chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, the gentleman from Louisiana (Mr. BAKER), for their leadership on this very important and timely issue.

As we know, the SEC is statutorily charged with supervising the Nation's securities markets. This legislation is necessary to reauthorize the work of the SEC to enable it to continue its mission of protecting investors and promoting efficiency, competition, and capital formation.

For quite some time, the U.S. securities markets have been widely regarded as the deepest, most liquid, and fairest markets in the world, in large part due to the fine work of the SEC. Today, however, it is abundantly clear that our markets are in need of reform. Too many people have abused the public trust. In the wake of recent scandals, many have noted a crisis of public confidence in the integrity of our system.

That is why the Committee on Financial Services was first out of the block in analyzing analysts, corporate reporting, and accountants.

The committee drafted comprehensive legislation that overwhelmingly passed the House, and has directed the self-regulatory organizations to promulgate new rules on analysts and corporate governance. Much has been done, with still more to do, in order to ensure investors are protected through full and timely disclosure of financial information.

The bill before us today authorizes the SEC at a level of \$776 million for fiscal year 2003, with \$134 billion earmarked for the division of corporate finance and the office of the chief accountant, and \$326 million earmarked for the division of enforcement.

The bill identifies these particular divisions for increased funding because it is vital that the commission have sufficient resources to review public filings and bring enforcement cases against those who violate the securities laws.

One of the primary findings of our hearings was the need for the commission to pursue wrongdoers in real time.

This bill provides the commission with the resources it needs to do exactly that.

The bill also fully funds the pay parity provisions of the Investor and Capital Markets Fee Relief Act enacted into law this past January. This \$76 million in funding would grant SEC employees pay parity with the banking regulators and help the commission attract and retain the first-rate attorneys, accountants, and economists needed to protect investors.

With modest staff and limited resources, the SEC currently oversees an estimated 8,000 brokerage firms employing nearly 700,000 brokers; 7,500 investment advisors with approximately \$20 trillion in assets under management; 34,000 investment company portfolios; and over 17,000 reporting companies.

The commission also has oversight responsibilities for nine registered securities exchanges, the National Association of Securities Dealers, the National Futures Association, 13 registered clearing agencies, and the Municipal Securities Rulemaking Board.

The funding level authorized in this legislation is significantly higher than the fiscal year 2002 level, but there is ample justification. Much has changed since last year.

The commission needs funding for its e-government and information technology initiatives, telecommunications systems, and security enhancement. The commission has not received a staffing increase in the last 2 years, despite the additional responsibilities put upon it by the enactment of the Commodity Futures Modernization Act and the Gramm-Leach-Bliley Financial Services Modernization Act.

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Now, with the tragic events of September 11 in which the SEC's Northeast regional office was destroyed and the deep crisis in confidence facing the markets, the challenges facing the SEC have never been greater. For the U.S. markets to remain the envy of the world, it is absolutely vital for the SEC to have the necessary resources to protect investors and promote capital formation. I urge all of my colleagues to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the adoption of the bill. Mr. Speaker, I am pleased to join with the gentleman from Ohio (Mr. OXLEY) in strongly supporting this legislation. Authorizing the resources that the SEC needs to provide meaningful market oversight is one of the most important steps we can take to restore the integrity of our markets, to restore confidence on the part of the public in the integrity of our markets.

Unfortunately, as our securities markets and public companies have skyrocketed in size and complexity, we