

Opening Statement
Chairman Michael G. Oxley
House Committee on Financial Services
Subcommittee on Capital Markets

“Hearing on H.R. 658, the Accountant, Compliance and Enforcement Staffing Act and H.R. 957 the Broker Accountability through Enhanced Transparency Act”

March 6, 2003

Thank you, Chairman Baker, for holding this important hearing. This morning we will discuss common-sense, no-cost, and what I hope and expect to be, bipartisan legislation.

Both bills before us today will undoubtedly increase the effectiveness of the securities industry’s chief regulators – the Securities and Exchange Commission and NASD – in serving and protecting investors. They will do so, I might add, without creating burdensome and costly rules and regulations.

The purpose of Chairman Baker’s ACES Act is simple: it would address the SEC’s staffing crisis by allowing the agency to more quickly fill critical accountant, securities compliance examiner, and economist positions with the best possible candidates on an expedited basis. That is to say, it would permit the Commission to hire accountants, examiners, and economists as easily as it currently can hire attorneys.

The need for this legislation has become even more urgent in light of the Commission’s large, and appropriate, funding increase for this fiscal year. The agency intends to use a large portion of this increase to hire over 800 new professional staff.

When considering the ACES legislation, I would urge everyone to place the interests of investors and the SEC above any parochial concerns. In this period of shaken public confidence in the markets, we must act to restore trust, not advance disingenuous arguments.

Congressman Renzi’s legislation will help investors get more information about their stockbrokers and their firms. It updates NASD’s public disclosure program so that investors can get online access to critical information, but also requires the NASD, subject to SEC approval, to implement appropriate procedures for brokers or others to dispute the accuracy of information disclosure. The corporate scandals of the past year underscore the importance of this legislation. I commend my friend Mr. Renzi for crafting a fine bill.

These two bills advance the Committee’s top priority of improving investor confidence and restoring the health of our capital markets. I thank Chairman Baker for his excellent work, and yield back the balance of my time.

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