

Opening Statement
Congressman Vito J. Fossella
“Reviewing U.S. Capital Market Structure:
Promoting Competition in a Changing Trading Environment”

Subcommittee on Capital Markets, Insurance and
Government-Sponsored Enterprises

Committee on Financial Services
U.S. House of Representatives

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Mr. Chairman: I'd like to request that on behalf of the 450 independent floor brokers working on the floor of the New York Stock Exchange you accept for the record, the written testimony from the Organization of Independent Floor Brokers.

Whether most of us realize it or not, securities play a major role in our everyday life. Have it be Wal-Mart or John Deere, it's been securities that have given these companies the ability to grow to the size they are today. Small and medium sized businesses can issue stock to raise capital which in turn is used to purchase new equipment, build larger facilities or hire additional employees. The issued securities are then listed on an exchange where people can buy more stock or sell the stock to other buyers.

Over the years the Congress created the SEC to watch over the securities market and gave them the task of ensuring that the markets are operating as efficiently and fairly as possible. In 1975, Congress decided that the capital market structure, while efficient, needed additional tools in order to become a national market system. Through the efforts of Congress and the SEC, the national market system as we know it today, was created.

As with any action Congress or Regulators make, it is inevitable that new technologies and ideas will make past decisions seem arcane and out of sync with the current times. Today we have the opportunity to listen to what our panels of experts think Congress, the SEC, or industry itself, should do to ensure our markets continue to attract domestic and international investors and remain the premiere markets of the world.

What I think those of us on this dais need to remember is that we need not be looking for opportunities to pass legislation, but rather we should be looking to facilitate a discussion that will lead to industry and regulatory solutions. It's important to remember that what we do, will not only affect how Americans invest in our businesses, but also how foreign investors will.

Over the past few years, this committee, and Congress as a whole, has spent a great deal of time finding ways to ensure the average American has confidence in our marketplace. Much of this work has been done in response to the actions of a few bad actors. While these responses have been helpful to cleansing the old regime, it was no doubt a reactionary response. I hope members and market participants involved in this process will keep in mind that these hearing are not in response to any illegal activity. Rather, Chairman Oxley and Chairman Baker have taken it upon themselves to be proactive in ensuring our capital markets remain a safe and trustworthy place where investors will go to trade their securities, knowing that their interests come before anyone else's.