

the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

JOHN EDWARD PORTER.

COMMUNICATION FROM THE HONORABLE ED BRYANT, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable ED BRYANT, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 7, 1996.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House of Representatives, that Woody Stickles, District Staff Assistant in my Clarksville, Tennessee office, has been served with a subpoena issued by the Montgomery County, Tennessee Circuit Court in the case of *Irvin v. Tennessee Management Co.*

After consultation with the Office of the General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

ED BRYANT.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION ACT OF 1996

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2972) To authorize appropriations for the Securities and Exchange Commission, to reduce the fees collected under the Federal securities laws, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2972

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 1996".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to authorize appropriations for the Securities and Exchange Commission for fiscal year 1997; and

(2) to reduce over time the rates of fees charged under the Federal securities laws.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 35. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission \$317,000,000 for fiscal year 1997."

SEC. 4. REGISTRATION FEES.

Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended to read as follows:

"(b) REGISTRATION FEE.—

"(1) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect registration fees that are designed to recover the costs to the government of the securities registration process, and costs related to such process, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(2) FEE PAYMENT REQUIRED.—At the time of filing a registration statement, the applicant shall pay to the Commission a fee that shall be equal to the sum of the amounts (if any) determined under the rates established by paragraphs (3) and (4). The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year. In no case shall the fee required by this subsection be less than \$200, except that during fiscal year 2002 or any succeeding fiscal year such minimum fee shall be \$182.

"(3) GENERAL REVENUE FEES.—The rate determined under this paragraph is a rate equal to \$200 for each \$1,000,000 of the maximum aggregate price at which such securities are proposed to be offered, except that during fiscal year 2002 and any succeeding fiscal year such rate is equal to \$182 for each \$1,000,000 of the maximum aggregate price at which such securities are proposed to be offered. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as general revenues of the Treasury.

"(4) OFFSETTING COLLECTION FEES.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the rate determined under this paragraph is a rate equal to the following amount for each \$1,000,000 of the maximum aggregate price at which such securities are proposed to be offered:

"(i) \$103 during fiscal year 1997;

"(ii) \$70 during fiscal year 1998;

"(iii) \$38 during fiscal year 1999;

"(iv) \$17 during fiscal year 2000; and

"(v) \$0 during fiscal year 2001 or any succeeding fiscal year.

"(B) LIMITATION; DEPOSIT.—Except as provided in subparagraph (C), no amounts shall be collected pursuant to this paragraph (4) for any fiscal year except to the extent provided in advance in appropriations acts. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as offsetting collections in accordance with appropriations Acts.

"(C) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this paragraph at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted."

SEC. 5. TRANSACTION FEES.

(a) AMENDMENT.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"SEC. 31. TRANSACTION FEES.

"(a) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect transaction fees that are designed to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals, and costs related to such supervision and regulation, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(b) EXCHANGE-TRADED SECURITIES.—Every national securities exchange shall pay to the

Commission a fee at a rate equal to \$33 for each \$1,000,000 of the aggregate dollar amount of sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange, except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to \$25 for each \$1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(c) OFF-EXCHANGE-TRADES OF EXCHANGE-REGISTERED SECURITIES.—Every national securities association shall pay to the Commission a fee at a rate equal to \$33 for each \$1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities registered on such an exchange (other than bonds, debentures, and other evidences of indebtedness), except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to \$25 for each \$1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(d) OFF-EXCHANGE-TRADES OF LAST-SALE-REPORTED SECURITIES.—

"(1) COVERED TRANSACTIONS.—Every national securities association shall pay to the Commission a fee at a rate equal to the dollar amount determined under paragraph (2) for each \$1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under subsection (c).

"(2) FEE RATES.—Except as provided in paragraph (4), the dollar amount determined under this paragraph is—

"(A) \$12 for fiscal year 1997;

"(B) \$14 for fiscal year 1998;

"(C) \$17 for fiscal year 1999;

"(D) \$18 for fiscal year 2000;

"(E) \$20 for fiscal year 2001; and

"(F) \$25 for fiscal year 2002 or for any succeeding fiscal year.

"(3) LIMITATION; DEPOSIT OF FEES.—Except as provided in paragraph (4), no amounts shall be collected pursuant to this subsection (d) for any fiscal year beginning before October 1, 2001, except to the extent provided in advance in appropriations Acts. Fees collected during any such fiscal year pursuant to this subsection shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission, except that any amounts in excess of the following amounts (and any amount collected for fiscal years beginning on or after October 1, 2001) shall be deposited and credited as general revenues of the Treasury:

"(A) \$20,000,000 for fiscal year 1997;

"(B) \$26,000,000 for fiscal year 1998;

"(C) \$32,000,000 for fiscal year 1999;

"(D) \$32,000,000 for fiscal year 2000;

"(E) \$32,000,000 for fiscal year 2001; and

"(F) \$0 for fiscal year 2002 and any succeeding fiscal year.

"(4) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this subsection at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.

"(e) DATES FOR PAYMENT OF FEES.—The fees required by subsections (b), (c), and (d) of this section shall be paid—

"(1) on or before March 15, with respect to transactions and sales occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and

"(2) on or before September 30, with respect to transactions and sales occurring during the period beginning on the preceding January 1 and ending at the close of the preceding August 31.

"(f) EXEMPTIONS.—The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

"(g) PUBLICATION.—The Commission shall publish in the Federal Register notices of the fees applicable under this section for each fiscal year."

(b) EFFECTIVE DATES; TRANSITION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to transactions in securities that occur on or after January 1, 1997.

(2) OFF-EXCHANGE TRADES OF LAST SALE REPORTED TRANSACTIONS.—The amendment made by subsection (a) shall apply with respect to transactions described in section 31(d)(1) of the Securities Exchange Act of 1934 (as amended by subsection (a) of this section) that occur on or after September 1, 1996.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the obligation of national securities exchanges and registered brokers and dealers under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) as in effect prior to the amendment made by subsection (a) to make the payments required by such section on March 15, 1997.

SEC. 6. TIME FOR PAYMENT.

Section 4(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(e)) is amended by inserting before the period at the end thereof the following: "and the Commission may also specify the time that such fee shall be determined and paid relative to the filing of any statement or document with the Commission".

SEC. 7. SENSE OF THE CONGRESS CONCERNING FEES.

It is the sense of the Congress that—

(1) the fees authorized by the amendments made by this Act are in lieu of, and not in addition to, any fees that the Securities and Exchange Commission is authorized to impose or collect pursuant to section 9701 of title 31, United States Code; and

(2) in order to maintain the competitiveness of United States securities markets relative to foreign markets, no fee should be assessed on transactions involving portfolios of equity securities taking place at times of day characterized by low volume and during non-traditional trading hours.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. OXLEY] and the gentleman from Massachusetts [Mr. MARKEY] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. OXLEY].

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

(Mr. OXLEY asked and was given permission to include extraneous material.)

Mr. OXLEY. Mr. Speaker, today I am pleased to rise in support of H.R. 2972, the SEC Reauthorization Act of 1996. This legislation provides a long-term mechanism for funding the SEC. In addition, it reduces the fees charged by the SEC by over \$751 million dollars through 2002. Members of both parties have expressed concern with the amount of fee revenue collected by the SEC, which currently is more than double the cost of running the agency.

Currently the SEC takes in over \$600 million in fees annually, and costs approximately \$300 million to run. This surplus in fee revenue over the cost of running the agency amounts to a tax on capital paid by all investors—including small investors investing in individual retirement accounts for their retirement. Members of both parties are rightly concerned with promoting savings and growth, and this tax on capital represents an impediment to that growth. With the cooperation of Chairman ROGERS of the Commerce, Justice, State, and Judiciary Subcommittee of the Appropriations Committee, and Chairman ARCHER of the Ways and Means Committee, we have been able to work out a sensible plan to reduce these fees. We also have agreed on a procedure for more orderly and certain funding of the SEC. I am pleased that the legislation has the support and cosponsorship of my friends, JOHN DINGELL, ranking member of the Commerce Committee, and ED MARKEY, ranking member of the Telecommunications and Finance Subcommittee of the Commerce Committee. Additionally, I have received a letter from Chairman LEVITT of the SEC endorsing the legislation.

Mr. Speaker, I include for the RECORD this letter from Chairman Levitt, and letters addressed to the chairman of the committee, the gentleman from Virginia [Mr. BLILEY].

U.S. SECURITIES AND
EXCHANGE COMMISSION,

Washington, DC, February 27, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce,
Washington, DC.

DEAR TOM: I write to offer my support and endorsement of the "Securities and Exchange Commission Authorization Act of 1996." Thank you for your strong leadership and the support of Chairman Fields, Rogers and Archer in designing a creative approach to the SEC's funding both on a short-term and long term basis.

Your proposed resolution to the perennial problem of SEC funding and fees is perhaps the most important aspect of the "Securities and Exchange Commission Authorization Act of 1996." The funding mechanism for the SEC would reduce Section 6(b) fees over a five-year period and expand existing securities transaction fees to the over-the-counter market, recognizing that the Commission also oversees those markets. Under your proposal, the SEC also has agreed to act to eliminate fees that it collects pursuant to the Independent Offices Appropriation Act of 1952 ("IOAA fees"), which include a fee of \$250 that must be paid in connection with filings of annual reports and certain periodic filings. Finally, the SEC would gradually move from reliance on increased offsetting fees towards full appropriation status. The Commission believes that adoption of this approach provides a long-term solution to the SEC's funding problems.

Finally, the premier aspects of the SEC Authorization Bill is that it enables us to maintain our vigorous programs to both protect investors and ensure that the capital formation system in the U.S. markets is efficient. This legislation will help the agency avoid the funding problems it has had in the past, and enable the SEC to be funded entirely through appropriations by the year 2001.

David Cavicke has been extremely helpful in this important initiative. We look forward to working with you and your staff toward final passage of this authorization legislation.

Sincerely,

ARTHUR LEVITT.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 8, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you today to thank you for working with me on issues of jurisdictional concern to the Committee on Ways and Means regarding H.R. 2972, the Securities and Exchange Commission Authorization Act of 1996. In light of the agreement reached between you, Chairman Rogers, and me to phase down the rate of certain SEC fees, I am proud to cosponsor this legislation with you.

As you know, I am strongly committed to protecting the jurisdictional interests of the Committee on Ways and Means and to ensuring that all revenue measures are properly referred to this Committee. To this end, the Committee on Ways and Means relies upon the statement issued by Speaker Foley in January 1991 (and reiterated by Speaker Gingrich on January 4, 1995) regarding the jurisdiction of the House Committees with respect to fees and revenue measures. Pursuant to that statement, the Committee on Ways and Means generally will not assert jurisdiction over "true" regulatory fees that met the following requirements:

(i) The fees are assessed and collected solely to cover the costs of specified regulatory activities (not including public information activities and other activities benefiting the public in general);

(ii) The fees are assessed and collected only in such manner as may reasonably be expected to result in an aggregate amount collected during any fiscal year which does not exceed the aggregate amount of the regulatory costs referred to in (i) above;

(iii) The only persons subject to the fees are those who directly avail themselves of, or are directly subject to, the regulatory activities referred to in (i) above; and

(iv) The amounts of the fees (a) are structured such that any person's liability for such fees is reasonably based on the proportion of the regulatory activities which relate to such person, and (b) are nondiscriminatory between foreign and domestic entities.

Additionally, pursuant to the Speaker's statement, the mere reauthorization of a preexisting fee that had not historically been considered a tax would not necessarily require a sequential referral to the Committee on Ways and Means. However, if such a preexisting fee were fundamentally changed, it properly should be referred to the Committee on Ways and Means.

The fees described in H.R. 2972 clearly do not meet all four requirements set forth above. If they were being newly created or were fundamentally different from existing fees, the Committee on Ways and Means would ask that they be referred to it, in accordance with its jurisdictional prerogative. However, the Committee on Ways and Means understands that these fees have been in place for many decades and are not being fundamentally changed by H.R. 2972. Further, H.R. 2972 provides that the fee structure eventually will reflect the four requirements set forth above. Therefore, it is not necessary for the Committee on Ways and Means to assert its jurisdictional interest at this time.

However, I would emphasize that, if the fee structure set forth in H.R. 2972 is modified in

the future, the Committee on Ways and Means will take all action necessary to protect its proper jurisdictional interest. For example, the Committee on Ways and Means will view any modification as falling within its jurisdiction if such modification would result in fee collections in excess of the amount required to fund the relevant regulatory activities of the Securities and Exchange Commission.

With regard to budgetary issues, I am concerned about any legislation that may worsen the pay-as-you-go accounts, thus threatening a sequester. I understand that the Congressional Budget Office believes that H.R. 2972 will not create a debit on the pay-go accounts or a potential sequester of entitlement programs. I also understand that H.R. 2972 will not increase the deficit within the current budget window. I very much appreciate your cooperation in solving these budgetary problems for purposes of House consideration of H.R. 2972.

Finally, I would respectfully request that you include a copy of this letter in the Record during consideration of H.R. 2972 on the Floor. I wish to thank you again, Mr. Chairman, for your full cooperation and the cooperation of your staff. With best personal regards,

Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, March 12, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce,
Washington, DC.

DEAR MR. CHAIRMAN. As you know, I am a cosponsor of H.R. 2972, the Securities and Exchange Commission Authorization Act of 1996. I believe it is important that, working together, we find a way to end the uncertainty about the SEC's funding that has been a continuing problem in the past several years.

H.R. 2972 provides for a gradual reduction in the amount of SEC fees that will be available to support the SEC's operating budget over a six year period. This will require that the amount of discretionary funds required just to support the SEC's budget at its current level will have to be increased by an estimated \$25-35 million each year.

This amount of an increase each year will be a challenge, during an era when the amount of overall discretionary funds available to the Appropriations Committee will be declining, as we seek to balance the budget in seven years. Nonetheless, the Committee is prepared to try to the best of our ability to make that happen, in the interest of bringing to a closure the past years of uncertainty about how the SEC will be funded.

However, I believe that this is the maximum amount we will be in a position to attempt to accomplish. As this bill moves forward, in working with the Senate, I would simply make the point that a more rapid phase-out in the amount of fees available to support the SEC budget would probably be unworkable.

I appreciate the opportunity to work with you and Chairman Archer, and I congratulate you on bringing this bill to the floor. I would respectfully request that you include a copy of this letter in the Record during consideration of H.R. 2972 on the Floor.

With best regards,

Sincerely,

HAROLD ROGERS,
Chairman, Subcommittee on the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies.

Mr. OXLEY. Mr. Speaker, I also want to pay special tribute to Chairman Levitt for his leadership on this very important issue. Without his help and guidance, Mr. Speaker, we would not be here today with this I think very historic legislation.

Mr. Speaker, pursuant to this legislation, SEC fees are reduced by \$751 million between fiscal years 1997 to 2002. Thereafter, SEC fees will be at least \$256 million lower per annum than they would be under current law.

Of equal importance is the fact that Chairman ROGERS has agreed to work with us to provide a more stable funding mechanism for the SEC, so the Commission can focus on doing its important work rather than devoting time to the problems of funding its operations. As SEC fees are reduced, the SEC will be increasingly funded by an appropriation. By 2002, the SEC will be entirely funded by means of an appropriation. Fees collected by the SEC will approximately equal the cost of running the agency, and will be deposited in the Treasury as general revenue.

This legislation will begin to solve the problems associated with funding the SEC. It will also eliminate the surplus in SEC fees which constitutes a tax on our capital markets. I urge its support by the House.

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

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

Mr. Speaker, I am pleased to rise this afternoon to join with Commerce Committee Chairman BLILEY, Subcommittee Chairman JACK FIELDS, and the ranking Democrat on the Commerce Committee, JOHN DINGELL, in support of the Securities and Exchange Commission's authorization for fiscal year 1997. Each of them deserve praise for their efforts to develop a solution to the persistent problem of how to provide a stable funding mechanism for the SEC—an agency long recognized by Members of both parties as one of the most effective, efficient and essential anywhere in Government.

The funding mechanism contemplated by the bill is workable and responsible, and deserves broad bipartisan support. Most significantly, it removes the temptation that has seduced administrations, past and present, to view securities registration fees as a source of general revenues. Especially during the bull market of the last 6 years, these fees have greatly exceeded the size of the SEC's overall budget.

I am, of course, reluctant to see revenues cut at a time when some are seeking to slash the resources made available to support our children's education, our elderly's right to retire with dignity, and every person's right to a clean environment. At the same time however, we must be certain that the gamesmanship that has surrounded SEC budget deliberations for the last several years is ended permanently.

Notwithstanding my support for the bill coming before us today, I continue

to believe that the mission of the Securities and Exchange Commission—to protect the Nation's 100 million investors and to ensure fair and orderly markets—is so vital to our national interests that the Commission should be self-funded, subject to annual Congressional approval of its budget. Although I will continue to support the self-funding concept, I am satisfied that the proposal before us today is a significant step in the right direction, and I am pleased to endorse it.

I am somewhat less sanguine about the size of the SEC budget as contemplated by the legislation. In light of the record levels of investment in our markets, the unprecedented number of new investors attracted to them, the complexity of many of the securities that are sold, the increasingly sophisticated marketing techniques used to sell them, and the growing volatility the market is experiencing as we attempt to adjust to the remarkable altitudes we have recently reached, the commitment of additional resources to this remarkable agency would certainly be justified.

Here are some facts and figures worth keeping in mind when thinking about the SEC's budget. In 1940, the SEC had 1,400 full-time staff. Fifty-six years later, the SEC has 2,800 full-time staff. In 1940, the typical daily trading volume on the New York Stock Exchange could be counted in the thousands. Today, an average day involves 400 million shares, and the New York Stock Exchange has increased its capacity to handle well over a billion shares a day. Another 450 million shares are traded on the NASDAQ, representing interests in more than 5,000 companies.

Of course the NASDAQ didn't even exist in 1940—it was invented in 1972. Derivatives didn't exist in 1940 either—nor did money market funds, mortgage-backed securities, bond funds, hedge funds, junk bonds, penny stocks, stock options, program trading, financial futures, poison pills, or triple witching hours.

I've addressed the funding mechanism in the bill as well as my concern about the SEC budget. Let me briefly touch upon why the soundness of our system of securities regulation is so important, and why trendy proposals to sweep away important aspects of securities laws need to be considered carefully, lest they lead to unintended and possibly devastating consequences.

For a rapidly growing number of Americans, and a vastly higher percentage of the population than in 1940, hopes for the future—dreams of being able to send a child to college, to buy a new home, or to retire in dignity—are increasingly dependent on the stability, integrity, and success of our financial markets. Indeed, this growing dependence by individuals on the success of the market may be a stealth contributor to middle class Americans' growing anxiety about the future.

For tens of millions of Americans with stakes in the market through a

pension plan or mutual fund, the effectiveness and safety of our markets, and the existence of a vital and vigorous SEC, is neither an abstract nor an ideological issue.

The important bill brought before us today recognizes the crucial role that the SEC plays in promoting fair, honest, and successful capital markets.

□ 1530

Again, I applaud the work of the gentleman from Virginia [Mr. BLILEY], chairman, the gentleman from Texas [Mr. FIELDS], chairman, and all on the majority side who worked in a bipartisan fashion, especially the gentleman from Ohio [Mr. OXLEY], so that we could bring this bill out here today. I speak for the gentleman from Michigan [Mr. DINGELL], the distinguished ranking member, in extending our plaudits to the majority for their work.

This has been done in a bipartisan fashion, working in close cooperation with Chairman Levitt of the Securities and Exchange Commission and their staff to ensure that we could produce a budget that would give predictable sources of revenue to the SEC for their very important mission, especially in these coming months and years when the aerodynamics of the existing market may in fact come into question and we have to ensure that we have got an agency there that can manage the consequences at that time.

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

Mr. OXLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, this House and in particular our committee this year has seen many hard bills but I am happy to say that this is an easy bill. It is easy because it eliminates a surplus that the SEC is collecting, saves a little money for the taxpayers. It makes sure that the SEC is included under the appropriations process, as it ought to be and as I think is appropriate.

It is a bipartisan bill which we have been able to work on with our Democratic colleagues, and that is always a step in the right direction and, last but not least, it does some great things for my district. We consider ourselves in the Seattle area to be the capital formation capital of the Pacific Northwest and of the entire Northwest United States. This will help us do in Seattle what we need to do to make sure we prosper and keep those capital markets running.

I was very happy to support this bill in committee, and I am delighted to support it here on the floor. I would urge all my colleagues to do the same.

Mr. RICHARDSON. Mr. Speaker, I rise in support of H.R. 2972, the Securities and Exchange Commission Reauthorization Act of 1996. I would like to commend Commerce Chairman BLILEY, Telecommunications and Finance Subcommittee Chairman FIELDS, Rank-

ing Member DINGELL and Mr. MARKEY of Massachusetts for their work on this piece of legislation that meets this Congress' objectives of proper market oversight and fiscal prudence.

H.R. 2972 is an excellent example of good government crafted with bipartisan interests taken into account. I would like to commend SEC Chairman Arthur Levitt for accepting the challenges that this tight budget will impose upon an agency that watches over a larger herd than ever.

As more and more Americans choose the securities markets to augment their incomes, it is necessary to maintain the safeguards that make U.S. markets the best.

This bill ensures that our regulatory structure remains sensible, reasonable and cost-effective so that the U.S. marketplace remains vigorous, efficient and attractive to capital formation. I am confident that the SEC will maintain a regulatory environment that encourages capital formation for small entrepreneurial businesses, which drive the U.S. economy in most states like New Mexico.

Finally, the reliance on U.S. equity markets to play a role in the income of average Americans requires vigilant enforcement of sound rules that ensure investor protection and the maintenance of the integrity and honesty of the U.S. capital markets.

In July of 1993, Chairman Levitt requested approximately \$317 million for fiscal year 1995. It is noteworthy and, indeed, a credit to the Chairman and the administration's efforts to "reinvent" government that we sit here today and request the same amount of money for fiscal year 1997. Clearly, this stands as evidence that we can get better government for less money.

The SEC has prepared itself for difficult fiscal times ahead by doubling its commitment to working with industry to provide cost-effective, efficient regulation in partnership with the private sector. Despite tight budgetary limits, the Commission has focused on the essentials by fostering small businesses who need capital formation to survive and grow.

Our actions today signal to the American people that periodic review of agency operations like that of the SEC can yield efficiency without drastic overhauls designed for political appeal. The leadership of the subcommittee and committee deserve our sport for endeavors of this nature.

Mr. OXLEY. Mr. Speaker, as an original co-sponsor of the bill, I rise in support of this reauthorization. I'm pleased to be considering it on today's suspension calendar.

This bipartisan measure is a credit to its author, Chairman TOM BLILEY, and the subcommittee chairman, JACK FIELDS. It brings coherence and stability to the issue of Securities and Exchange Commission funding, while at the same time providing well-deserved tax relief to investors. It has the support of SEC Chairman Arthur Levitt.

Currently, the SEC has a budget of approximately \$300 million, but it collects nearly twice that in fees annually. These are filing fees paid by pension funds, start-up companies, and individual investors. The excess fees amount to a tax on capital formation.

This reauthorization puts the Commission on-budget and phases out the surplus fees, saving investors more than \$750 million over the next 5 years. In so doing, it will promote investment, capital formation, and job creation.

Again, Mr. Speaker, I urge support for the bill, and I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

Mr. OXLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CAMP). The question is on the motion offered by the gentleman from Ohio [Mr. OXLEY] that the House suspend the rules and pass the bill. H.R. 2972, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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 H.R. 2972, the bill just passed.

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

There was no objection.

FEDERAL AVIATION ADMINISTRATION REVITALIZATION ACT OF 1995

Mr. SHUSTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2276), as amended, to establish the Federal Aviation Administration as an independent establishment in the executive branch, and for other purposes.

The Clerk read as follows:

H.R. 2276

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 "Federal Aviation Administration Revitalization Act of 1995".

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. ESTABLISHMENT OF FEDERAL AVIATION ADMINISTRATION.

Subtitle II is amended by adding at the end the following:

"CHAPTER 13—FEDERAL AVIATION ADMINISTRATION

"SUBCHAPTER I—GENERAL PROVISIONS

"1301. Definitions.

"SUBCHAPTER II—ORGANIZATION AND ADMINISTRATIVE

"1311. Establishment.

"1312. Federal Aviation Board.

"1313. Officers.

"1314. Personnel management program.

"1315. Management Advisory Committee.

"1316. Authority to carry out certain transferred functions, duties, and powers.

"SUBCHAPTER III—AUTHORITY

"1331. Functions.