

“(1) COVERED TRANSACTIONS.—Each 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 during the period to which the fee relates under subsection (d) 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 (b).

“(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 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.  
 “(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.

“(d) DATES FOR PAYMENT OF FEES.—The fees required by subsections (a), (b), and (c) 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.

“(e) EXEMPTIONS.—

“(1) COMMISSION AUTHORITY.—The Commission may, by rule, 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.

“(2) LOW-VOLUME TRANSACTIONS.—No fee shall be assessed under this section for transactions involving portfolios of equity securities taking place at times of day characterized by low volume and during nontraditional trading hours, as determined by the Commission.

“(f) PUBLICATION.—The Commission shall publish in the Federal Register notices of the

fee rates applicable under this section for each fiscal year.”

(b) EFFECTIVE DATE; TRANSITION.—

(1) EFFECTIVE DATE.—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 October 1, 1996.

(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 October 1, 1996.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection 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, as in effect on the day before the effective date of the amendment made by subsection (a), to make the payments required by such section on March 15, 1997.

#### SEC. 4. 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 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. 5. ELIMINATION OF UNNECESSARY FEES.

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.●

● Mr. D'AMATO. Mr. President, I am pleased to join my distinguished colleague and Securities Subcommittee Chairman, Senator GRAMM, in sponsoring legislation to fully and fairly fund the Securities and Exchange Commission. The Securities and Exchange Commission Fee Reduction Act of 1996 provides a long-term solution to the SEC's current funding problems.

The Securities and Exchange Commission is funded through offsetting collections to increases in its section 6(b) fees. Section 6(b) fees are paid by issuers who register their securities with the Securities and Exchange Commission. In the last several years, the section 6(b) fees assessed on issuers has resulted in fees collected by the agency that far exceeds the cost of regulation. Any fees raised over and above the Securities and Exchange Commission's budget are deposited into the General Treasury for deficit reduction. Last year, the SEC raised approximately \$750 million in fees to pay for a budget of less than \$300 million.

The section 6(b) fees have become a tax on capital formation. These user fees now raise enough money to fund the SEC three times. The proposed 1997 budget continues this trend by raising the statutory fee level and expanding the fee base. The 1997 budget proposal raises \$776 million in fees to fund the SEC's \$307 million budget.

The Securities and Exchange Commission Fee Reduction Act will stabilize the SEC's fee structure by reducing fees and increasing appropriations over a 5-year period. It will return the

section 6(b) registration fees closer to the statutory level of one-fiftieth of 1 percent and it will create a more equitable fee structure by expanding current section 31 trading fees now paid only for transactions executed on securities exchanges to include transactions on the over-the-counter market. As fees are reduced over the 5-year period, direct appropriations will be used to fund the SEC.

Mr. President, the bill Senator GRAMM and I introduce today will create a permanent funding structure for the SEC that enables the agency to pay for itself. At one point several years ago, Congress considered making the SEC a self-funded agency. The fee structure in H.R. 2972 allows the SEC to be virtually self-funded, yet gives Congress greater control over the agency.

It is critical for Congress to ensure that a stable and fair funding structure exists for the agency responsible for safeguarding our preeminent capital markets. Further, fees paid by participants in the securities markets—particularly for capital formation—should bear a rational relationship to the cost of regulation.

In the words of Securities and Exchange Commission Levitt when testifying before the Commerce, State, Judiciary Appropriations Subcommittee: “In order to continue the Commission's excellent record of effective law enforcement, market oversight, and investor protection the SEC will need a long-term funding mechanism.”

Mr. President, the bill we introduce today resolves the long-debated problem of how to provide the Securities and Exchange Commission with a permanent funding structure that allows the SEC to pay for itself. I commend my colleague from Texas for his leadership on this legislation and look forward to working with him to enact the Securities and Exchange Commission Fee Reduction Act of 1996.●

#### ADDITIONAL COSPONSORS

S. 794

At the request of Mr. LUGAR, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 800

At the request of Mr. COCHRAN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 800, a bill to provide for hearing care services by audiologists to Federal civilian employees.

S. 1166

At the request of Mr. LUGAR, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide

minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1189

At the request of Mr. DEWINE, the name of the Senator from Maine [Mr. SNOWE] was added as a cosponsor of S. 1189, a bill to provide procedures for claims for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products.

S. 1460

At the request of Mrs. BOXER, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1460, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1505

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1505, a bill to reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

S. 1612

At the request of Mr. HELMS, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1612, a bill to provide for increased mandatory minimum sentences for criminals possessing firearms, and for other purposes.

S. 1735

At the request of Mr. PRESSLER, the names of the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Kentucky [Mr. McCONNELL], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of S. 1735, a bill to establish the United States Tourism Organization as a non-governmental entity for the purpose of promoting tourism in the United States.

S. 1831

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1831, a bill to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes.

#### ADDITIONAL STATEMENTS

##### COMMEMORATING THE BIRTH OF IMRE NAGY

• Mr. D'AMATO. Mr. President, I rise today to call my colleagues' attention to the 100th anniversary of the birth of Imre Nagy, the Prime Minister of Hungary during the Hungarian revolt against Soviet Communist domination. Born on June 7, 1896, Nagy was executed

after a secret trial for his role in leading the revolt.

His contribution to the Hungarian people and to the cause of freedom did not end with his execution on June 16, 1958. Thirty-one years later, after his secretly interred remains were exhumed, on June 16, 1989, over 100,000 people took part in public funeral services. This was a significant step in the fall of the Soviet Empire, lending impetus to Hungary's internal liberalization.

Over the summer of 1989, Hungary began to dismantle its part of the Iron Curtain on its western border. In September 1989, Hungary opened the border for East German refugees to travel to the Federal Republic of Germany.

This action sparked the exodus of East Germans to the West, and ignited a revolution in East Germany that later spread to Czechoslovakia. It led directly to the fall of the Wall, an event most Americans never expected to see in their lifetimes, and the eventual collapse of the Soviet Union, an even more improbable event.

Imre Nagy was a dedicated Communist, but he was also a patriotic Hungarian, and original thinker, a leader, and a very brave man. He fought for the Bolshevik forces during the Russian Revolution of 1917, and participated in the Bela Kun Communist regime in Hungary in March 1919.

After the fall of that regime, he spent the inter-war years in the Soviet Union, studying and making propaganda broadcasts back to Hungary.

After the Red Army drove Nazi forces out of Hungary at the end of World War II, Nagy returned and participated in the newly established Government, eventually becoming Prime Minister on July 4, 1953.

His rise to power in Hungary coincided with the death of Josef Stalin. He attempted to liberalize the Stalinist system that had been imposed on Hungary. His program of National Communism, however, posed a grave threat to Soviet domination. He was removed from government and expelled from the Hungarian Communist Party in 1955.

However, as the only communist who had the trust of the Hungarian people, he was recalled to be Prime Minister on October 24, 1956, after the Hungarian revolt had begun. He held that position until November 4, 1956, when the Soviet Red Army crushed the revolt in bloody combat.

Nagy sought asylum in the Yugoslav Embassy in Budapest, where he remained until November 22, 1956. Then, apparently believing the promises of safe conduct issued by the Janos Kadar government, he left the safety of the Embassy only to be arrested by Soviet forces.

He was turned over to Hungarian authorities, who tried him in secret and sentenced him to death. He refused an offer of clemency and was executed on June 16, 1958.

He had made the error of taking the promises of communism at face value,

when they were false and fundamentally corrupt. He paid with his life for that mistake.

The selflessness, fearless valor, dedication to the cause of freedom, and love for his country Imre Nagy displayed throughout the Hungarian revolt of 1956 helped highlight the hypocrisy and reveal the basic evil nature of Soviet-style communism. It started a fire in the hearts of Hungarians that Soviet tanks and secret police were never able to extinguish.

Imre Nagy gave his life for eternal ideals: freedom, liberty, human dignity, and selfless love of his people. He saw that evil, in the form of Soviet-style communism, triumphed because too many good people, including political leaders, did nothing. Imre Nagy dreamed of change for the better for all Hungarians. He acted upon his dreams, showing true leadership, courage, and determination.

He paid the ultimate price for his convictions, but his sacrifice was not in vain. Hungary, along with other Eastern European nations, regained its independence in 1990, and the Soviet Union itself collapsed in 1991. His executioners killed Imre Nagy's physical body, but they could not kill his spirit. In the end, freedom triumphed, and I am confident that future generations will draw inspiration and courage from his example.

For his contributions to his country and the cause of freedom, Imre Nagy deserves to be remembered, not just by all those of Hungarian descent, but by all who love freedom. •

#### ORDERS FOR TUESDAY, JUNE 11, 1996

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m., Tuesday, June 11; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, there then be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each; I further ask unanimous consent that Senator NICKLES be in control of the time between 10 and 12 noon, with the exception of 15 minutes between 11:30 and 11:45 be reserved for Senator BYRD, and 10 minutes be reserved between 11:45 and 11:55 for Senator DASCHLE, and, further, that the majority leader be recognized at the hour of 12 noon—approximately 12 noon—and the Senate then stand in recess until the hour of 2:15 immediately following those remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.