

Institute Urges Congress to Fully Fund the SEC for Fiscal-Year 2003 Before Adjourning, October 2002

October 10, 2002

The Honorable J. Dennis Hastert
Speaker
H-232 Capitol
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

On behalf of the Investment Company Institute¹, I write to urge that before adjourning for the year, Congress act to fund fully the Securities and Exchange Commission at FY 2003 authorized levels. Congress spoke clearly and overwhelmingly in favor of increasing FY 2003 funding for the SEC when it passed H.R. 3763, the Sarbanes-Oxley legislation, which the President signed into law in July. H.R. 3763 authorized \$776 million for the SEC—a substantial and necessary increase over FY 2002 spending levels.

Congress has also addressed the importance of increased SEC funding through other legislative vehicles. The House passed H.R. 3764, authorizing SEC funding at \$776 million in June, and the Senate Appropriations Committee reported the Commerce-Justice-State bill in July which funded the SEC at \$750.5 million for FY 2003, an increase of \$312 million over FY 2002.

We believe it imperative that Congress provide the SEC with its full FY 2003 funding increase as soon as possible. A well-funded SEC will allow it to meet its enhanced obligations in the aftermath of recent accounting scandals and to continue to provide effective oversight of our financial markets. Congress must act decisively to provide the SEC with necessary resources to ensure essential investor protection.

Accordingly, we ask that Congress forward the FY 2003 Commerce-Justice-State Appropriations bill to the President before adjourning or, in the alternative, to include in any Continuing Resolution, funding for the SEC at FY 2003 authorized levels. Such action will help restore investor confidence in our financial markets and benefit our economy as a whole.

Sincerely,

Matthew P. Fink
President

ENDNOTES

¹ The Investment Company Institute is the national association of the American investment company industry. Its membership includes 8,982 open-end investment companies (“mutual funds”), 513 closed-end investment companies and, six sponsors of unit investment trusts. Its mutual fund members have assets of about \$6.373 trillion, accounting for approximately 95 percent of total industry assets, and over 87.8 million individual shareholders.