

NEWS RELEASE

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ICI Applauds Introduction of House Bill to Reduce SEC Fees, March 2001

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Washington, DC, March 15, 2001 - The Investment Company Institute, the national association of the American investment company industry, applauds the introduction of the "Investor and Capital Markets Fee Relief Act" by Reps. Vito Fossella (R-NY), Sue Kelly (R-NY), and Joseph Crowley (D-NY) to reduce fees on securities registrations and transactions paid by American investors to the Securities and Exchange Commission (SEC). The bill is expected to be introduced formally on March 19.

"Since 1990, middle-income investors have been overcharged nearly \$9.2 billion in fees that were generated solely to fund the SEC but used for other government programs," Institute President Matthew P. Fink said. "Reducing excessive fees on securities registrations and transactions is a way to cut taxes on savings and retirement investment."

The SEC will collect more than an estimated \$2.5 billion in fees this year, far more than the agency's \$422 million operating budget. "The Institute believes fee levels should be lowered to a level commensurate with the SEC's appropriation and should not be considered general revenue to be spent on items not related to securities regulation," Fink said. "The Institute appreciates the efforts of Reps. Fossella, Kelly, and Crowley, who along with House Financial Services Committee Chairman Michael Oxley (R-OH) and House Capital Markets Subcommittee Chairman Richard Baker (R-LA), have taken leadership roles on this important issue."

The Institute has a strong record of support for providing the federal government with adequate financial resources to ensure effective regulatory oversight of mutual funds. The Institute also has for many years supported a well-funded SEC in the belief that adequate financial resources for the SEC are essential to continue effective regulatory oversight and investor protection and awareness initiatives.

Last month, the Institute voiced its strong support for the "[Competitive Market Supervision Act of 2001](#)" (S. 143), introduced by Senate Committee on Banking, Housing and Urban Affairs Chairman Phil Gramm (R-TX) and Sen. Charles Schumer (D-NY). The legislation would reduce fees on securities registrations and transactions.

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