

COMMENT LETTER

February 12, 2004

ICI Urges Congressional Support for Bush Budget Plan to Bolster SEC Funding, February 2004

February 11, 2004

The Honorable Ted Stevens
Chairman
Committee on Appropriations
S-128 Capitol
United States Senate
Washington, DC

[Letter also sent to Senate Appropriations Committee Ranking Members, House Appropriations Committee Chairmen and Ranking Members, and Chairmen and Ranking Members of the Commerce-Justice-State Subcommittees]

Dear Mr. Chairman:

I am writing on behalf of the Investment Company Institute¹ to express our strong support for the Bush Administration's proposed [FY 2005 budget](#) for the Securities and Exchange Commission. The \$913 million request is a significant increase over the record amount appropriated for the current fiscal year and is essential for the SEC to continue effective regulatory oversight and investor protection initiatives.

The increased funding for the SEC is especially important for the continued regulatory oversight of the mutual fund industry by the agency's Division of Investment Management. The many responsibilities of the Division, including developing appropriate initiatives in response to certain abuses within the fund industry, will require additional resources to ensure a complete and thorough understanding of the issues and an appropriate regulatory response. Increased funding is essential for the Office of Compliance Inspections and Examinations as well to permit them to successfully carry out their inspection duties with respect to mutual funds.

The Institute and mutual funds have a long history of strongly supporting increased resources for the SEC. It is more important now than ever that the SEC be provided with the funding and staffing it needs to fulfill its mission of protecting the nation's investors, including the 91.2 million Americans who own mutual funds.

Accordingly, we urge you to support the Bush Administration's FY 2005 budget request for the SEC.

Sincerely,

Matthew P. Fink

ENDNOTES

1 The Investment Company Institute is the national association of the American investment company industry. Its membership includes 8,668 open-end investment companies ("mutual funds"), 611 closed-end investment companies, 111 exchange-traded funds and 6 sponsors of unit investment trusts. Its mutual fund members have assets of about \$7.456 trillion. These assets account for more than 95% of assets of all U.S. mutual funds. Individual owners represented by ICI member firms number 86.6 million as of mid 2003, representing 50.6 million households.

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