

Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services

H.R. 2941, the Brownfields Redevelopment Enhancement Act
H.R. 3764, Securities and Exchange Commission Authorization,
H.R. 3763, Corporate and Auditing Accountability, Responsibility,
And Transparency Act

April 11, 2002

The Financial Services Committee meets today to consider three important pieces of legislation.

H.R. 2941, introduced by Rep. Gary Miller, will authorize the Department of Housing and Urban Development's brownfields redevelopment program for the first time and make more communities eligible for that cleanup assistance.

H.R. 3764 will authorize appropriations for the Securities and Exchange Commission, providing a significant and much-needed boost for the agency's oversight and enforcement activities.

And last but by no means least, we will turn to H.R. 3763, the Corporate and Auditing Accountability, Responsibility and Transparency Act.

To my colleagues on both sides of the aisle: today we must act.

In recent months, our struggling economy has absorbed a number of shocks. We have endured two large bankruptcies, Enron and Global Crossing. Thousands upon thousands of jobs have been lost for hard-working employees. Billions of dollars are gone from investment portfolios and retirement plans. Investor confidence has, understandably, wavered.

Congress has examined these issues for four months. Members and Senators have regaled hearing rooms and talk shows with their opinions. The wires have been smoking with all the video news stories, and who could even calculate how many barrels of ink have been spilled?

Our Committee has held seven hearings, hearing testimony from 33 witnesses. We know what needs to be done. Now, it's our chance and our responsibility to do something about it.

We owe action to the American investor who faithfully puts aside money every month in his IRA or his 401(k) plan. We owe action to the employees who lost their jobs to do the right thing. And we owe action to all of the American companies who are operating in good faith and working to grow.

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I'd like to say a word of thanks to the President and his staff for all of the support and encouragement we have received throughout the process of drafting and moving this bill. His thoughts, summarized in his 10-point plan, were very much on the same track as our bill, and have helped us improve it.

President Bush has asked us to move on his plan, and we need to act now. Clearly, this is a national priority. We need to encourage greater corporate responsibility. We need to strengthen and modernize accounting oversight. We need to make sure that investors have timely and clear information.

And there is a real urgency. We can't undo the past. But I think we can help to prevent future Enrons and Global Crossings, and we ought to do just that.

Let's remember that in our zeal to act, we can easily do more harm than good. It's easy to do something extreme and to give in to the emotions that run strong whenever there is a scandal afoot. We can easily smother American businesses with red tape, we can punish those who have done nothing wrong, and we can damage the capital markets and the economy in the process.

I say let's do the difficult thing. Let's accomplish something that's worthy, as the President has charged us with his 10-point plan. CARTA strikes the right balance.

CARTA recognizes the need for corporate leaders to act responsibly, and holds them accountable if they fail to do so. CARTA ensures the highest standards of auditor independence, ethics and competence and establishes a public regulatory organization for accountants of publicly traded companies.

CARTA improves corporate disclosures by requiring companies to provide the public with more information about their financial condition. CARTA makes important improvements in the area of corporate transparency, requiring that companies disclose to investors important company news on a real-time basis. CARTA also directs the SEC to require greater disclosure for off-balance sheet transactions.

Some of my colleagues on the other side of the aisle argue we haven't gone far enough. But I have been pressed by some in my own party who think we've gone too far. So I'm confident that we're striking the right balance.

This legislation has commanded a great deal of support in the Committee, and I thank my friends who already have endorsed it. To my other colleagues who have not yet made up their minds, I want to emphasize two things about the approach I've taken.

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First, if you want to give the SEC the flexibility to deal with problems without legislating every time, that's exactly what our bill does. Congress created the SEC precisely to deal with situations like this. We need to empower the SEC to act without tying its hands with inflexible statutory changes.

Second, we are recommending boosting the SEC budget by almost half. Republicans should note that we'll have an amendment today that will complete President Bush's vision for improved capital markets.

So, I'm satisfied that we're right where we should be at the beginning of this markup session.

Delaying action in this committee, and the House, means that we are pushing this to the next Congress, and that is completely unacceptable. Let's show the American people that we can respond in a meaningful way to their very real economic concerns. Let's put aside our partisan differences, work together, and pass CARTA today.

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