

**OPENING REMARKS OF THE HONORABLE RUBÉN HINOJOSA
HOUSE FINANCIAL SERVICES COMMITTEE
SUBCOMMITTEE ON CAPITAL MARKETS
“REVIEWING U.S. CAPITAL MARKET STRUCTURE II”
OCTOBER 30, 2003**

Chairman Baker and Ranking Member Kanjorski,

I want to thank you for holding this second hearing on market structure. The focus of the first hearing in this series was on governance issues at the New York Stock Exchange and the regulatory role of exchanges. During that hearing, we also examined what has been referred to as the “potential conflicts of interest that are created by a regulator overseeing itself.”

In light of recent developments in the capital markets and the fact that the SEC staff is reviewing what changes, if any, need to be made to the agency’s various regulations, I look forward to hearing the testimony of Chairman Donaldson.

I understand that the Senate Banking Securities Subcommittee held another hearing on market structure yesterday at which SEC Chairman William Donaldson testified. Chairman Donaldson, you expressed certain concerns about the current corporate governance at the various exchanges, and after the hearing, you reportedly stated that SEC approval for the new listing standards proposed by the NYSE and NASDAQ is “imminent”. I would like to know the status. I also have an interest in the trade-through rules, but I will save that for the question and answer period.

Again, Chairman Baker, I want to thank you for holding this timely and important hearing. I look forward to learning more about our capital markets from today’s and future witnesses and to possibly working with you and Ranking Member Kanjorski should this Subcommittee conclude that it needs to formulate legislation to change corporate governance or encourage the exchanges to adopt certain best practices.

I yield back the balance of my time.

.