

OPENING STATEMENT BY REPRESENTATIVE CAROLYN MCCARTHY

COMMITTEE ON FINANCIAL SERVICES

HEARING ON COMPENSATION STRUCTURE AND SYSTEMATIC RISK

JUNE 11, 2009

I commend Chairman Frank for his remarks on the issue of executive compensation. I, too, believe that the Financial Services Committee and Congress have an obligation to do everything possible to prevent future crises. This Committee and Congress should move forward legislation that helps the private sector by providing the tools necessary to create an adequate compensation system that is based on performance principles and not on incentives backed by excessively risky business decisions. I fully agree with the Chairman that it is not the role of the federal government to dictate what is considered excessive compensation, and what is considered fair compensation—rather, that decision should be left to those who have ownership of a company.

I look forward to working with the Chairman and my colleagues on the Financial Services Committee to create principles and guidelines that will help aid in the creation and adoption of a new compensation structure. Future compensation should promote competition, innovation and put the U.S. economy and our business community back on the road to success.
