George W. Bush Presidential Library

Collection: Executive Clerk, Office of the

Series: Saunders, G. Timothy (Tim) - Bill Files

Folder Title: 01/16/2002 [H.R. 1088] [2]

Withdrawn/Redacted Material
The George W. Bush Library

DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;
002	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;
003	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;
004	Routing Memo	H.R. 1088, Investor and Captial Markets Fee Relief Act - To: Harriet E. Miers - From: Calio	1	01/02/2002	P5;
005	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;

COLLECTION TITLE:
Executive Clerk, Office of the

SERIES:
Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]

FRC ID:
782

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

A. Closed by Executive Order 13526 governing access to national security information.
B. Closed by statute or by the agency which originated the document.
C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

Withdrawn/Redacted Material
The George W. Bush Library

DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
006	Memorandum	Enrolled Bill H.R. 1088 - Investor and Capital Markets Fee Relief Act - To: Harriet Miers - From: Jonathan Burks	1	01/08/2002	P5;
007	Draft	STATEMENT BY THE PRESIDENT	1	01/08/2001	P5;
008	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvy L. Pitt	3	12/26/2001	P5;
009	Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvy L. Pitt	3	12/26/2001	P5;
010	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
011	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

COLLECTION TITLE:
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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
012	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
013	Routing Memo	Statement regarding H.R. 1088 - The Investor and Captal Markets Fee Relief Act - To: Harriet E. Miers - From: Andy Card	1	01/12/2002	P5;
014	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
015	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
016	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
017	Routing Memo	Statement Regarding H.R. 1088 - The Investor And Capital Markets Fee Relief Act - To: Harriet E. Miers	1	01/14/2002	P5;

COLLECTION TITLE:
Executive Clerk, Office of the

SERIES:
Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]

FRC ID:
782

 This document was prepared on Tuesday, May 31, 2016

Withdrawn/Redacted Material
The George W. Bush Library

DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
018	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
019	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
020	Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;
021	Worksheet	Tracking Sheet for Presidential Documents - H.R. 1088	1	01/16/2002	P5;

COLLECTION TITLE:
Executive Clerk, Office of the
SERIES:
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782

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SS/ RM NO. 505304

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

'02 JAN 8 AM 7:29

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

To AHC 1/8 6:00 pm

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 JAN 7 AM10:25

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

✓

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

✓

The 1983 Securities Exchange Act Amendments imposed fees on mergers, proxy solicitations, and other activities at a rate of 1/50th of 1 percent of the value of the securities involved. These fees were also collected as general revenue. In several appropriations acts in the 1990s, the registration fee rate was increased to 1/29th of 1 percent and all fees collected in excess of 1/50th of 1 percent were to be credited as offsetting collections for SEC appropriations.

The National Securities Markets Improvement Act of 1996 (NSMIA) reduced the fees to their current levels (specifics described below) in an effort, based on projections of securities market activities that total fee collections would fall, to allow the SEC to collect only enough fees to approximately equal the cost of running the SEC. (Due to surges in market activity in the last few years, fee collections have risen much higher than expected.) Under NSMIA, fee rates are scheduled to sharply decline in FY 2007.

Reduction in Fee Rates and Elimination of General Revenue Component. H.R. 1088 would reduce these three SEC-imposed fees and eliminate the portion of fee collections recorded as general revenues. The enrolled bill would continue to allow fees collected in excess of amounts needed to fund the SEC to offset discretionary spending under the jurisdiction of the Commerce, Justice, State Appropriations Subcommittees.

Transaction (Section 31) Fees. These fees are collected when securities are sold. The fees are intended to cover costs to the government of supervising and regulating securities markets and participants. Currently, the fee is $33.33 per $1 million traded through national securities exchanges (collected as general revenues), national securities associations (offsetting collections), and brokers and dealers (general revenues) through FY 2006. After FY 2006, the rate is set to decrease to $12.50 per $1 million in transactions. H.R. 1088 would reduce the fee to $15 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee rate for all participants at the beginning of each fiscal year so that all transaction fees collected in that year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $732 million for FY 2002; $849 million for FY 2003; $1,028 million for FY 2004; $1,220 million for FY 2005; $1,435 million for FY 2006; $881 million for FY 2007; $892 million for FY 2008; $1,023 million for FY 2009; $1,161 million for FY 2010; and $1,321 million for FY 2011. These fees would equal approximately $12 per $1 million in transactions through FY 2006. After FY 2006, they would equal approximately $7 per $1 million. A final adjustment in FY 2012 would occur to produce roughly the target amount for FY 2011 to be applied for transactions in all subsequent years. The SEC would be authorized to adjust the rates if the estimate of the aggregate dollar volume of sales for a particular fiscal year is "reasonably likely" to be 10 percent (or more) greater or less than the actual volume.

Registration (6(b)) Fees. These fees are paid by companies at the time of filing a registration for securities that are proposed to be offered (e.g., initial public offerings). The fees are currently set at $239 per $1 million of the maximum aggregate price of the securities, and will phase down to $200 per $1 million in FY 2006. After FY 2006, the fee is set to decrease to $67 per $1 million. Fees in excess of $200 per $1 million are counted as offsetting collections, and the remainder are collected as revenues. H.R. 1088 would set the fee at $92 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee for all participants at the beginning of each fiscal year so that all transaction fees collected in that fiscal year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $337 million for FY 2002; $435 million for FY 2003; $467 million for FY 2004; $570 million for FY 2005; $689 million for FY 2006; $214 million for FY 2007; $234 million for FY 2008; $284 million for FY 2009; $334 million for FY 2010; and $394 million for FY 2011, with a final rate adjustment in FY 2012 as with transaction fees above.

Merger/Tender Fees. Currently, companies pay these fees at a rate equal to $200 per $1 million of the value of securities proposed to be purchased as part of a merger at the time of filing. The fees are collected as revenues. H.R. 1088 would set these fees at $92 per $1 million in FY 2002. Thereafter, they would be adjusted to match the registration fee rate and they would be recorded as offsetting collections.

Other fees. Under the enrolled bill, fees on security futures transactions and transactions on options on security futures (excluding narrow-based security indices) would be reduced from $0.02 to $0.009 through FY 2006. They would be recorded as offsetting collections. After FY 2006, the fee would be further reduced to equal $0.0042 per transaction. In addition, the $100 fee for qualification of certain indentures under the Trust Indenture Act of 1939 would be eliminated.

"Pay Parity" for SEC Employees. H.R. 1088 would authorize the SEC to adjust the base rates of pay and other benefits for all of its employees to be comparable to the pay and benefits provided by certain other financial regulatory agencies. The other agencies are the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Board, the Farm Credit Administration, and Treasury's Office of the Comptroller of the Currency and Office of Thrift Supervision. Under current law, the SEC must follow the Civil Service's General Schedule for pay while the other agencies cited above may individually establish and adjust schedules of compensation and benefits. To implement the authority, the SEC would have to develop an implementation plan and submit a report to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees on the plan, including: evidence and supporting documentation and budget projections on costs and benefits resulting from the plan. (Approval of the plan would not be necessary before the SEC could implement it.)

Studies. H.R. 1088 would require the SEC to study the extent to which benefits of fee reductions are passed along to investors and submit a report on such study to Congress within two years of enactment. The enrolled bill would also require the General Accounting Office to study the impact and consequences of converting the SEC to a self-funded organization and submit a report on the study within 180 days of enactment to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees.

Administration Position to Date

The Administration strongly supported the fee reduction provisions of H.R. 1088, noting that current fee collections are far in excess of the SEC's budget, acting as a burden on investors and discouraging investment. The Administration opposed the bill's pay parity provisions because exempting individual agencies from government-wide personnel laws adversely affects the portability of Federal employees and fragments personnel systems.

Pay-As-You-Go Scoring

H.R. 1088 would affect receipts and direct spending; therefore it is subject to the pay-as-you-go requirements of the Budget Enforcement Act. OMB staff estimate that the reduction in fees would reduce revenues by $1.1 billion in FY 2002, $8.0 billion over FYs 2002-2006, and $13.3 billion over FYs 2002-2011. (These amounts are net of estimated increased corporate income tax collections, which are assumed to be 25 percent of the lost fee revenue.) The revenue effects included in this estimate capture only the revenue lost by eliminating the general revenue component of the fees. In fact, the fees credited to the Commerce, Justice, State Appropriations Subcommittees would increase versus OMB's baseline estimates by $133 million for FY 2002, $3.0 billion for FYs 2002-2006, and $6.1 billion for FYs 2002-2011. In scoring the revenue effect of the legislation, these additional fees are not counted because their collection is triggered by subsequent appropriations action.

Conclusion and Recommendations

The Securities and Exchange Commission recommends approval of H.R. 1088 because it will "provide meaningful securities fee relief to the nation's investors, those seeking to raise capital, and market participants, while assuring a full and stable long-term funding source" for the SEC. The SEC states that the pay parity provisions, if "appropriately funded," will help respond to the Commission's "staffing crisis" of recent years.

We join the SEC in recommending approval of H.R. 1088, which passed the House by a vote of 404-22 and the Senate by unanimous consent.

M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

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Executive Clerk, Office Of the
SERIES:
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01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

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SS/ RM NO. 505304

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

'02 JAN 8 AM8:22

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

CEA has no comment —
DHR

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. 505304

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Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

02 JAN 8 AM8:32

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

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ok

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 JAN 7 PM 10:25

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

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The National Securities Markets Improvement Act of 1996 (NSMIA) reduced the fees to their current levels (specifics described below) in an effort, based on projections of securities market activities that total fee collections would fall, to allow the SEC to collect only enough fees to approximately equal the cost of running the SEC. (Due to surges in market activity in the last few years, fee collections have risen much higher than expected.) Under NSMIA, fee rates are scheduled to sharply decline in FY 2007.

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Transaction (Section 31) Fees. These fees are collected when securities are sold. The fees are intended to cover costs to the government of supervising and regulating securities markets and participants. Currently, the fee is $33.33 per $1 million traded through national securities exchanges (collected as general revenues), national securities associations (offsetting collections), and brokers and dealers (general revenues) through FY 2006. After FY 2006, the rate is set to decrease to $12.50 per $1 million in transactions. H.R. 1088 would reduce the fee to $15 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee rate for all participants at the beginning of each fiscal year so that all transaction fees collected in that year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $732 million for FY 2002; $849 million for FY 2003; $1,028 million for FY 2004; $1,220 million for FY 2005; $1,435 million for FY 2006; $881 million for FY 2007; $892 million for FY 2008; $1,023 million for FY 2009; $1,161 million for FY 2010; and $1,321 million for FY 2011. These fees would equal approximately $12 per $1 million in transactions through FY 2006. After FY 2006, they would equal approximately $7 per $1 million. A final adjustment in FY 2012 would occur to produce roughly the target amount for FY 2011 to be applied for transactions in all subsequent years. The SEC would be authorized to adjust the rates if the estimate of the aggregate dollar volume of sales for a particular fiscal year is "reasonably likely" to be 10 percent (or more) greater or less than the actual volume.

Registration (6(b)) Fees. These fees are paid by companies at the time of filing a registration for securities that are proposed to be offered (e.g., initial public offerings). The fees are currently set at $239 per $1 million of the maximum aggregate price of the securities, and will phase down to $200 per $1 million in FY 2006. After FY 2006, the fee is set to decrease to $67 per $1 million. Fees in excess of $200 per $1 million are counted as offsetting collections, and the remainder are collected as revenues. H.R. 1088 would set the fee at $92 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee for all participants at the beginning of each fiscal year so that all transaction fees collected in that fiscal year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $337 million for FY 2002; $435 million for FY 2003; $467 million for FY 2004; $570 million for FY 2005; $689 million for FY 2006; $214 million for FY 2007; $234 million for FY 2008; $284 million for FY 2009; $334 million for FY 2010; and $394 million for FY 2011, with a final rate adjustment in FY 2012 as with transaction fees above.

Merger/Tender Fees. Currently, companies pay these fees at a rate equal to $200 per $1 million of the value of securities proposed to be purchased as part of a merger at the time of filing. The fees are collected as revenues. H.R. 1088 would set these fees at $92 per $1 million in FY 2002. Thereafter, they would be adjusted to match the registration fee rate and they would be recorded as offsetting collections.

Other fees. Under the enrolled bill, fees on security futures transactions and transactions on options on security futures (excluding narrow-based security indices) would be reduced from $0.02 to $0.009 through FY 2006. They would be recorded as offsetting collections. After FY 2006, the fee would be further reduced to equal $0.0042 per transaction. In addition, the $100 fee for qualification of certain indentures under the Trust Indenture Act of 1939 would be eliminated.

"Pay Parity" for SEC Employees. H.R. 1088 would authorize the SEC to adjust the base rates of pay and other benefits for all of its employees to be comparable to the pay and benefits provided by certain other financial regulatory agencies. The other agencies are the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Board, the Farm Credit Administration, and Treasury's Office of the Comptroller of the Currency and Office of Thrift Supervision. Under current law, the SEC must follow the Civil Service's General Schedule for pay while the other agencies cited above may individually establish and adjust schedules of compensation and benefits. To implement the authority, the SEC would have to develop an implementation plan and submit a report to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees on the plan, including: evidence and supporting documentation and budget projections on costs and benefits resulting from the plan. (Approval of the plan would not be necessary before the SEC could implement it.)

Studies. H.R. 1088 would require the SEC to study the extent to which benefits of fee reductions are passed along to investors and submit a report on such study to Congress within two years of enactment. The enrolled bill would also require the General Accounting Office to study the impact and consequences of converting the SEC to a self-funded organization and submit a report on the study within 180 days of enactment to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees.

Administration Position to Date

The Administration strongly supported the fee reduction provisions of H.R. 1088, noting that current fee collections are far in excess of the SEC's budget, acting as a burden on investors and discouraging investment. The Administration opposed the bill's pay parity provisions because exempting individual agencies from government-wide personnel laws adversely affects the portability of Federal employees and fragments personnel systems.

Pay-As-You-Go Scoring

H.R. 1088 would affect receipts and direct spending; therefore it is subject to the pay-as-you-go requirements of the Budget Enforcement Act. OMB staff estimate that the reduction in fees would reduce revenues by $1.1 billion in FY 2002, $8.0 billion over FYs 2002-2006, and $13.3 billion over FYs 2002-2011. (These amounts are net of estimated increased corporate income tax collections, which are assumed to be 25 percent of the lost fee revenue.) The revenue effects included in this estimate capture only the revenue lost by eliminating the general revenue component of the fees. In fact, the fees credited to the Commerce, Justice, State Appropriations Subcommittees would increase versus OMB's baseline estimates by $133 million for FY 2002, $3.0 billion for FYs 2002-2006, and $6.1 billion for FYs 2002-2011. In scoring the revenue effect of the legislation, these additional fees are not counted because their collection is triggered by subsequent appropriations action.

Conclusion and Recommendations

The Securities and Exchange Commission recommends approval of H.R. 1088 because it will "provide meaningful securities fee relief to the nation's investors, those seeking to raise capital, and market participants, while assuring a full and stable long-term funding source" for the SEC. The SEC states that the pay parity provisions, if "appropriately funded," will help respond to the Commission's "staffing crisis" of recent years.

We join the SEC in recommending approval of H.R. 1088, which passed the House by a vote of 404-22 and the Senate by unanimous consent.

M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

Withdrawal Marker
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

This Document was withdrawn on 8/14/2015 by AW

SS/ RM NO. 505304

WHITE HOUSE STAFFING MEMORANDUM

'02 JAN 8 PM1:02

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐		☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

'02 JAN 7 PM10:25

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

The 1983 Securities Exchange Act Amendments imposed fees on mergers, proxy solicitations, and other activities at a rate of 1/50th of 1 percent of the value of the securities involved. These fees were also collected as general revenue. In several appropriations acts in the 1990s, the registration fee rate was increased to 1/29th of 1 percent and all fees collected in excess of 1/50th of 1 percent were to be credited as offsetting collections for SEC appropriations.

The National Securities Markets Improvement Act of 1996 (NSMIA) reduced the fees to their current levels (specifics described below) in an effort, based on projections of securities market activities that total fee collections would fall, to allow the SEC to collect only enough fees to approximately equal the cost of running the SEC. (Due to surges in market activity in the last few years, fee collections have risen much higher than expected.) Under NSMIA, fee rates are scheduled to sharply decline in FY 2007.

Reduction in Fee Rates and Elimination of General Revenue Component. H.R. 1088 would reduce these three SEC-imposed fees and eliminate the portion of fee collections recorded as general revenues. The enrolled bill would continue to allow fees collected in excess of amounts needed to fund the SEC to offset discretionary spending under the jurisdiction of the Commerce, Justice, State Appropriations Subcommittees.

Transaction (Section 31) Fees. These fees are collected when securities are sold. The fees are intended to cover costs to the government of supervising and regulating securities markets and participants. Currently, the fee is $33.33 per $1 million traded through national securities exchanges (collected as general revenues), national securities associations (offsetting collections), and brokers and dealers (general revenues) through FY 2006. After FY 2006, the rate is set to decrease to $12.50 per $1 million in transactions. H.R. 1088 would reduce the fee to $15 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee rate for all participants at the beginning of each fiscal year so that all transaction fees collected in that year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $732 million for FY 2002; $849 million for FY 2003; $1,028 million for FY 2004; $1,220 million for FY 2005; $1,435 million for FY 2006; $881 million for FY 2007; $892 million for FY 2008; $1,023 million for FY 2009; $1,161 million for FY 2010; and $1,321 million for FY 2011. These fees would equal approximately $12 per $1 million in transactions through FY 2006. After FY 2006, they would equal approximately $7 per $1 million. A final adjustment in FY 2012 would occur to produce roughly the target amount for FY 2011 to be applied for transactions in all subsequent years. The SEC would be authorized to adjust the rates if the estimate of the aggregate dollar volume of sales for a particular fiscal year is "reasonably likely" to be 10 percent (or more) greater or less than the actual volume.

Registration (6(b)) Fees. These fees are paid by companies at the time of filing a registration for securities that are proposed to be offered (e.g., initial public offerings). The fees are currently set at $239 per $1 million of the maximum aggregate price of the securities, and will phase down to $200 per $1 million in FY 2006. After FY 2006, the fee is set to decrease to $67 per $1 million. Fees in excess of $200 per $1 million are counted as offsetting collections, and the remainder are collected as revenues. H.R. 1088 would set the fee at $92 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee for all participants at the beginning of each fiscal year so that all transaction fees collected in that fiscal year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $337 million for FY 2002; $435 million for FY 2003; $467 million for FY 2004; $570 million for FY 2005; $689 million for FY 2006; $214 million for FY 2007; $234 million for FY 2008; $284 million for FY 2009; $334 million for FY 2010; and $394 million for FY 2011, with a final rate adjustment in FY 2012 as with transaction fees above.

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Administration Position to Date

The Administration strongly supported the fee reduction provisions of H.R. 1088, noting that current fee collections are far in excess of the SEC's budget, acting as a burden on investors and discouraging investment. The Administration opposed the bill's pay parity provisions because exempting individual agencies from government-wide personnel laws adversely affects the portability of Federal employees and fragments personnel systems.

Pay-As-You-Go Scoring

H.R. 1088 would affect receipts and direct spending; therefore it is subject to the pay-as-you-go requirements of the Budget Enforcement Act. OMB staff estimate that the reduction in fees would reduce revenues by $1.1 billion in FY 2002, $8.0 billion over FYs 2002-2006, and $13.3 billion over FYs 2002-2011. (These amounts are net of estimated increased corporate income tax collections, which are assumed to be 25 percent of the lost fee revenue.) The revenue effects included in this estimate capture only the revenue lost by eliminating the general revenue component of the fees. In fact, the fees credited to the Commerce, Justice, State Appropriations Subcommittees would increase versus OMB's baseline estimates by $133 million for FY 2002, $3.0 billion for FYs 2002-2006, and $6.1 billion for FYs 2002-2011. In scoring the revenue effect of the legislation, these additional fees are not counted because their collection is triggered by subsequent appropriations action.

Conclusion and Recommendations

The Securities and Exchange Commission recommends approval of H.R. 1088 because it will "provide meaningful securities fee relief to the nation's investors, those seeking to raise capital, and market participants, while assuring a full and stable long-term funding source" for the SEC. The SEC states that the pay parity provisions, if "appropriately funded," will help respond to the Commission's "staffing crisis" of recent years.

We join the SEC in recommending approval of H.R. 1088, which passed the House by a vote of 404-22 and the Senate by unanimous consent.

M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the

SERIES:
Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]

FRC ID:
782

OA Num.:
733

NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

This Document was withdrawn on 8/14/2015 by AW

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Routing Memo	H.R. 1088, Investor and Captial Markets Fee Relief Act - To: Harriet E. Miers - From: Calio	1	01/02/2002	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

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FOLDER TITLE:
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

'02 JAN 7 PM 10:25

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

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Merger/Tender Fees. Currently, companies pay these fees at a rate equal to $200 per $1 million of the value of securities proposed to be purchased as part of a merger at the time of filing. The fees are collected as revenues. H.R. 1088 would set these fees at $92 per $1 million in FY 2002. Thereafter, they would be adjusted to match the registration fee rate and they would be recorded as offsetting collections.

Other fees. Under the enrolled bill, fees on security futures transactions and transactions on options on security futures (excluding narrow-based security indices) would be reduced from $0.02 to $0.009 through FY 2006. They would be recorded as offsetting collections. After FY 2006, the fee would be further reduced to equal $0.0042 per transaction. In addition, the $100 fee for qualification of certain indentures under the Trust Indenture Act of 1939 would be eliminated.

<u>"Pay Parity" for SEC Employees</u>. H.R. 1088 would authorize the SEC to adjust the base rates of pay and other benefits for all of its employees to be comparable to the pay and benefits provided by certain other financial regulatory agencies. The other agencies are the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Board, the Farm Credit Administration, and Treasury's Office of the Comptroller of the Currency and Office of Thrift Supervision. Under current law, the SEC must follow the Civil Service's General Schedule for pay while the other agencies cited above may individually establish and adjust schedules of compensation and benefits. To implement the authority, the SEC would have to develop an implementation plan and submit a report to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees on the plan, including: evidence and supporting documentation and budget projections on costs and benefits resulting from the plan. (Approval of the plan would not be necessary before the SEC could implement it.)

<u>Studies</u>. H.R. 1088 would require the SEC to study the extent to which benefits of fee reductions are passed along to investors and submit a report on such study to Congress within two years of enactment. The enrolled bill would also require the General Accounting Office to study the impact and consequences of converting the SEC to a self-funded organization and submit a report on the study within 180 days of enactment to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees.

<u>Administration Position to Date</u>

The Administration strongly supported the fee reduction provisions of H.R. 1088, noting that current fee collections are far in excess of the SEC's budget, acting as a burden on investors and discouraging investment. The Administration opposed the bill's pay parity provisions because exempting individual agencies from government-wide personnel laws adversely affects the portability of Federal employees and fragments personnel systems.

Pay-As-You-Go Scoring

H.R. 1088 would affect receipts and direct spending; therefore it is subject to the pay-as-you-go requirements of the Budget Enforcement Act. OMB staff estimate that the reduction in fees would reduce revenues by $1.1 billion in FY 2002, $8.0 billion over FYs 2002-2006, and $13.3 billion over FYs 2002-2011. (These amounts are net of estimated increased corporate income tax collections, which are assumed to be 25 percent of the lost fee revenue.) The revenue effects included in this estimate capture only the revenue lost by eliminating the general revenue component of the fees. In fact, the fees credited to the Commerce, Justice, State Appropriations Subcommittees would increase versus OMB's baseline estimates by $133 million for FY 2002, $3.0 billion for FYs 2002-2006, and $6.1 billion for FYs 2002-2011. In scoring the revenue effect of the legislation, these additional fees are not counted because their collection is triggered by subsequent appropriations action.

Conclusion and Recommendations

The Securities and Exchange Commission recommends approval of H.R. 1088 because it will "provide meaningful securities fee relief to the nation's investors, those seeking to raise capital, and market participants, while assuring a full and stable long-term funding source" for the SEC. The SEC states that the pay parity provisions, if "appropriately funded," will help respond to the Commission's "staffing crisis" of recent years.

We join the SEC in recommending approval of H.R. 1088, which passed the House by a vote of 404-22 and the Senate by unanimous consent.

M.E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

Withdrawal Marker
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvey L. Pitt	3	12/26/2001	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

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B. Closed by statute or by the agency which originated the document.
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

This Document was withdrawn on 8/14/2015 by AW

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Enrolled Bill H.R. 1088 - Investor and Capital Markets Fee Relief Act - To: Harriet Miers - From: Jonathan Burks	1	01/08/2002	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

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This Document was withdrawn on 5/31/2016 by blc

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	01/08/2001	P5;

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SS/ RM NO. 505304

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

JAN 8 PM3:54

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

OK-NEC

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 JAN 7 PM 10:25

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

The 1983 Securities Exchange Act Amendments imposed fees on mergers, proxy solicitations, and other activities at a rate of 1/50th of 1 percent of the value of the securities involved. These fees were also collected as general revenue. In several appropriations acts in the 1990s, the registration fee rate was increased to 1/29th of 1 percent and all fees collected in excess of 1/50th of 1 percent were to be credited as offsetting collections for SEC appropriations.

The National Securities Markets Improvement Act of 1996 (NSMIA) reduced the fees to their current levels (specifics described below) in an effort, based on projections of securities market activities that total fee collections would fall, to allow the SEC to collect only enough fees to approximately equal the cost of running the SEC. (Due to surges in market activity in the last few years, fee collections have risen much higher than expected.) Under NSMIA, fee rates are scheduled to sharply decline in FY 2007.

Reduction in Fee Rates and Elimination of General Revenue Component. H.R. 1088 would reduce these three SEC-imposed fees and eliminate the portion of fee collections recorded as general revenues. The enrolled bill would continue to allow fees collected in excess of amounts needed to fund the SEC to offset discretionary spending under the jurisdiction of the Commerce, Justice, State Appropriations Subcommittees.

Transaction (Section 31) Fees. These fees are collected when securities are sold. The fees are intended to cover costs to the government of supervising and regulating securities markets and participants. Currently, the fee is $33.33 per $1 million traded through national securities exchanges (collected as general revenues), national securities associations (offsetting collections), and brokers and dealers (general revenues) through FY 2006. After FY 2006, the rate is set to decrease to $12.50 per $1 million in transactions. H.R. 1088 would reduce the fee to $15 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee rate for all participants at the beginning of each fiscal year so that all transaction fees collected in that year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $732 million for FY 2002; $849 million for FY 2003; $1,028 million for FY 2004; $1,220 million for FY 2005; $1,435 million for FY 2006; $881 million for FY 2007; $892 million for FY 2008; $1,023 million for FY 2009; $1,161 million for FY 2010; and $1,321 million for FY 2011. These fees would equal approximately $12 per $1 million in transactions through FY 2006. After FY 2006, they would equal approximately $7 per $1 million. A final adjustment in FY 2012 would occur to produce roughly the target amount for FY 2011 to be applied for transactions in all subsequent years. The SEC would be authorized to adjust the rates if the estimate of the aggregate dollar volume of sales for a particular fiscal year is "reasonably likely" to be 10 percent (or more) greater or less than the actual volume.

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M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

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Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvy L. Pitt	3	12/26/2001	P5;

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SS/ RM NO. 505304

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 1088, INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

'02 JAN 8 PM 8:27

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	[x]	[ ]	HUBBARD	[x]	[ ]
CARD	[x]	[ ]	HUGHES	[x]	[ ]
BLAKEMAN	[ ]	[ ]	IRASTORZA	[ ]	[ ]
BOLTEN	[x]	[ ]	JOHNSON	[ ]	[ ]
CALIO	[x]	[ ]	LINDSEY	[x]	[ ]
CONNAUGHTON	[ ]	[ ]	MIERS	[ ]	[x]
DANIELS	[ ]	[x]	RICE	[ ]	[ ]
FLEISCHER	[x]	[ ]	RIDGE	[ ]	[ ]
GERSON	[ ]	[ ]	ROVE	[x]	[ ]
GONZALES	[x]	[ ]	SPELLINGS	[x]	[ ]
HAGIN	[ ]	[ ]	CLERK	[ ]	[x]
HAWKINS	[x]	[ ]	______	[ ]	[ ]

REMARKS:
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NO COMMENT

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. 505304

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CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 JAN 7 AM10:25

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R 1088 - Investor and Capital Markets Fee Relief Act
Sponsors - Rep. Fossella (R) New York and 45 cosponsors

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Reduces the rates of fees charged by the Securities and Exchange Commission (SEC) for securities transactions, and eliminates the general revenue component of such fees; also establishes for employees of the SEC pay parity with other financial regulatory agencies.

Agency Recommendations

Office of Management and Budget	Approval
Securities and Exchange Commission	Approval
Department of the Treasury	No objection (Informally)
Office of Personnel Management	No objection (Informally)

Discussion

Background. Section 31 of the Securities Act of 1933 (the Act) imposed fees on transactions of exchange-traded securities at a rate equal to 1/500th of 1 percent of the aggregate amount of sales. These fees were all to be collected as general revenue. The rate was increased in 1965 to 1/300th of 1 percent. Section 6(b) of the Act imposed fees on the registration of securities at a rate equal to 1/100th of 1 percent of the offering price. These fees were also collected as general revenue. This rate was increased in 1965 to 1/50th of 1 percent.

The 1983 Securities Exchange Act Amendments imposed fees on mergers, proxy solicitations, and other activities at a rate of 1/50th of 1 percent of the value of the securities involved. These fees were also collected as general revenue. In several appropriations acts in the 1990s, the registration fee rate was increased to 1/29th of 1 percent and all fees collected in excess of 1/50th of 1 percent were to be credited as offsetting collections for SEC appropriations.

The National Securities Markets Improvement Act of 1996 (NSMIA) reduced the fees to their current levels (specifics described below) in an effort, based on projections of securities market activities that total fee collections would fall, to allow the SEC to collect only enough fees to approximately equal the cost of running the SEC. (Due to surges in market activity in the last few years, fee collections have risen much higher than expected.) Under NSMIA, fee rates are scheduled to sharply decline in FY 2007.

Reduction in Fee Rates and Elimination of General Revenue Component. H.R. 1088 would reduce these three SEC-imposed fees and eliminate the portion of fee collections recorded as general revenues. The enrolled bill would continue to allow fees collected in excess of amounts needed to fund the SEC to offset discretionary spending under the jurisdiction of the Commerce, Justice, State Appropriations Subcommittees.

Transaction (Section 31) Fees. These fees are collected when securities are sold. The fees are intended to cover costs to the government of supervising and regulating securities markets and participants. Currently, the fee is $33.33 per $1 million traded through national securities exchanges (collected as general revenues), national securities associations (offsetting collections), and brokers and dealers (general revenues) through FY 2006. After FY 2006, the rate is set to decrease to $12.50 per $1 million in transactions. H.R. 1088 would reduce the fee to $15 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee rate for all participants at the beginning of each fiscal year so that all transaction fees collected in that year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $732 million for FY 2002; $849 million for FY 2003; $1,028 million for FY 2004; $1,220 million for FY 2005; $1,435 million for FY 2006; $881 million for FY 2007; $892 million for FY 2008; $1,023 million for FY 2009; $1,161 million for FY 2010; and $1,321 million for FY 2011. These fees would equal approximately $12 per $1 million in transactions through FY 2006. After FY 2006, they would equal approximately $7 per $1 million. A final adjustment in FY 2012 would occur to produce roughly the target amount for FY 2011 to be applied for transactions in all subsequent years. The SEC would be authorized to adjust the rates if the estimate of the aggregate dollar volume of sales for a particular fiscal year is "reasonably likely" to be 10 percent (or more) greater or less than the actual volume.

Registration (6(b)) Fees. These fees are paid by companies at the time of filing a registration for securities that are proposed to be offered (e.g., initial public offerings). The fees are currently set at $239 per $1 million of the maximum aggregate price of the securities, and will phase down to $200 per $1 million in FY 2006. After FY 2006, the fee is set to decrease to $67 per $1 million. Fees in excess of $200 per $1 million are counted as offsetting collections, and the remainder are collected as revenues. H.R. 1088 would set the fee at $92 per $1 million in FY 2002. After FY 2002, the SEC would set one transaction fee for all participants at the beginning of each fiscal year so that all transaction fees collected in that fiscal year equal a specified amount, the target offsetting amount. All of the fees would be recorded as offsetting collections. The enrolled bill would set these amounts as follows: $337 million for FY 2002; $435 million for FY 2003; $467 million for FY 2004; $570 million for FY 2005; $689 million for FY 2006; $214 million for FY 2007; $234 million for FY 2008; $284 million for FY 2009; $334 million for FY 2010; and $394 million for FY 2011, with a final rate adjustment in FY 2012 as with transaction fees above.

Merger/Tender Fees. Currently, companies pay these fees at a rate equal to $200 per $1 million of the value of securities proposed to be purchased as part of a merger at the time of filing. The fees are collected as revenues. H.R. 1088 would set these fees at $92 per $1 million in FY 2002. Thereafter, they would be adjusted to match the registration fee rate and they would be recorded as offsetting collections.

Other fees. Under the enrolled bill, fees on security futures transactions and transactions on options on security futures (excluding narrow-based security indices) would be reduced from $0.02 to $0.009 through FY 2006. They would be recorded as offsetting collections. After FY 2006, the fee would be further reduced to equal $0.0042 per transaction. In addition, the $100 fee for qualification of certain indentures under the Trust Indenture Act of 1939 would be eliminated.

"Pay Parity" for SEC Employees. H.R. 1088 would authorize the SEC to adjust the base rates of pay and other benefits for all of its employees to be comparable to the pay and benefits provided by certain other financial regulatory agencies. The other agencies are the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Board, the Farm Credit Administration, and Treasury's Office of the Comptroller of the Currency and Office of Thrift Supervision. Under current law, the SEC must follow the Civil Service's General Schedule for pay while the other agencies cited above may individually establish and adjust schedules of compensation and benefits. To implement the authority, the SEC would have to develop an implementation plan and submit a report to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees on the plan, including: evidence and supporting documentation and budget projections on costs and benefits resulting from the plan. (Approval of the plan would not be necessary before the SEC could implement it.)

Studies. H.R. 1088 would require the SEC to study the extent to which benefits of fee reductions are passed along to investors and submit a report on such study to Congress within two years of enactment. The enrolled bill would also require the General Accounting Office to study the impact and consequences of converting the SEC to a self-funded organization and submit a report on the study within 180 days of enactment to the House Financial Services and Government Reform Committees and the Senate Banking and Governmental Affairs Committees.

Administration Position to Date

The Administration strongly supported the fee reduction provisions of H.R. 1088, noting that current fee collections are far in excess of the SEC's budget, acting as a burden on investors and discouraging investment. The Administration opposed the bill's pay parity provisions because exempting individual agencies from government-wide personnel laws adversely affects the portability of Federal employees and fragments personnel systems.

Pay-As-You-Go Scoring

H.R. 1088 would affect receipts and direct spending; therefore it is subject to the pay-as-you-go requirements of the Budget Enforcement Act. OMB staff estimate that the reduction in fees would reduce revenues by $1.1 billion in FY 2002, $8.0 billion over FYs 2002-2006, and $13.3 billion over FYs 2002-2011. (These amounts are net of estimated increased corporate income tax collections, which are assumed to be 25 percent of the lost fee revenue.) The revenue effects included in this estimate capture only the revenue lost by eliminating the general revenue component of the fees. In fact, the fees credited to the Commerce, Justice, State Appropriations Subcommittees would increase versus OMB's baseline estimates by $133 million for FY 2002, $3.0 billion for FYs 2002-2006, and $6.1 billion for FYs 2002-2011. In scoring the revenue effect of the legislation, these additional fees are not counted because their collection is triggered by subsequent appropriations action.

Conclusion and Recommendations

The Securities and Exchange Commission recommends approval of H.R. 1088 because it will "provide meaningful securities fee relief to the nation's investors, those seeking to raise capital, and market participants, while assuring a full and stable long-term funding source" for the SEC. The SEC states that the pay parity provisions, if "appropriately funded," will help respond to the Commission's "staffing crisis" of recent years.

We join the SEC in recommending approval of H.R. 1088, which passed the House by a vote of 404-22 and the Senate by unanimous consent.

M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	Re: H.R. 1088, the "Investor and Capital Markets Fee Relief Act" - To: POTUS - From: Harvy L. Pitt	3	12/26/2001	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

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~~Statement~~ 1088

Bolten

~~Calio~~

~~Gonzales~~

Hawkins

Please Call

Bill Memo

Gonzales

Hawkins

Document Orig
Attached to
Following Page

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WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT N/C	☑	☐	HAWKINS (NC per phone)	☑	☐
CARD comment	☑	☐	HUBBARD	☑	☐
BARTLETT	☑	☐	HUGHES comment	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO ok	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE w/c	☑	☐
FLEISCHER	☑	☐	RIDGE w/c	☑	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES ok/wc	☑	☐	SPELLINGS ok	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

Stuart W. Bowen
01/12/2002 12:00:48 PM

Record Type: Record

To: Carolyn E. Cleveland/WHO/EOP@EOP, Karen D. Cruson/WHO/EOP@EOP, Debra D. Bird/WHO/EOP@EOP

cc:
Subject: PLEASE STAFF HR 1088 (SEC bill) signing statement

for tuesday at 9.

---------------------- Forwarded by Stuart W. Bowen/WHO/EOP on 01/12/2002 12:00 PM ---------------------------

From: James J. Jukes on 01/10/2002 07:12:09 PM

Record Type: Record

To: Stuart W. Bowen/WHO/EOP@EOP

cc: Richard E. Green/OMB/EOP@EOP
Subject: HR 1088 (SEC bill) signing statement

Following up on your conversation with Richard, this version reflects input from WH Counsel (Elwood/Flanigan) and OVP (Addington). We believe it is ready for your staffing process.

hr1088ss.wpd

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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SERIES:
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FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]

FRC ID:
782

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WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

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VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
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BARTLETT	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☑	☐
FLEISCHER	☑	☐	RIDGE	☑	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
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RESPONSE:

Harriet E. Miers
Assistant to the President
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Ext. 62702

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Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Routing Memo	Statement regarding H.R. 1088 - The Investor and Captal Markets Fee Relief Act - To: Harriet E. Miers - From: Andy Card	1	01/12/2002	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

A. Closed by Executive Order 13526 governing access to national security information.
B. Closed by statute or by the agency which originated the document.
C. Closed in accordance with restrictions contained in donor's deed of gift.

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Records Not Subject to FOIA

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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This Document was withdrawn on 8/14/2015 by AW

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

'02 JAN 14 AM10:27

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☑	☐
FLEISCHER	☑	☐	RIDGE	☑	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			____________	☐	☐

REMARKS:
PLEASE FORWARD YOUR COMMENTS TO STAFF SECRETARY, X62702, NO LATER THAN 9:00 AM, TUESDAY, JANUARY 15, 2002, WITH A COPY TO JIM JUKES, X53458.

RESPONSE:

No comment.

CLB 1/14/02

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

0312

SS/ RM NO.

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

'02 JAN 14 AM11:43

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE →	☑	☐
FLEISCHER	☑	☐	RIDGE	☑	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			________	☐	☐

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January 14, 2002

RESPONSE:

NSC has no comment.

Condoleezza Rice

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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C. Closed in accordance with restrictions contained in donor's deed of gift.

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Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

This Document was withdrawn on 8/14/2015 by AW

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

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GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS →	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			____________	☐	☐

'02 JAN 14 PM3:31

REMARKS:

PLEASE FORWARD YOUR COMMENTS TO STAFF SECRETARY, X62702, NO LATER THAN 9:00 AM, TUESDAY, JANUARY 15, 2002, WITH A COPY TO JIM JUKES, X53458.

61C

RESPONSE:

cc Bridge

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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Executive Clerk, Office Of the

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Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]

FRC ID:
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Routing Memo	Statement Regarding H.R. 1088 - The Investor And Capital Markets Fee Relief Act - To: Harriet E. Miers	1	01/14/2002	P5;

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

'02 JAN 14 PM10:54

January 14, 2002

MEMORANDUM FOR JIM JUKES

FROM: **JONATHAN BURKS**
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: Signing Statement – H.R. 1088 – The Investor and Capital Markets Fee Relief Act

The Office of the Vice President has reviewed the above-referenced draft and has no comments.

cc: **Harriet Miers**
STAFF SECRETARY

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

'02 JAN 15 AM9:56

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
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GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			____________	☐	☐

REMARKS:
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RESPONSE:
Legislative Affairs (Forward) - [illegible]

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	STATEMENT BY THE PRESIDENT	1	N.D.	P5;

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SS/ RM NO. Courtney

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-12-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-15-02 9:00 AM

Subject: STATEMENT REGARDING H.R. 1088—THE INVESTOR AND CAPITAL MARKETS FEE RELIEF ACT

'02 JAN 15 AM 9:56

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
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GONZALES →	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			______	☐	☐

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No comments

RESPONSE: -Per Courtney Elwood

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
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Deed of Gift Restrictions

A. Closed by Executive Order 13526 governing access to national security information.
B. Closed by statute or by the agency which originated the document.
C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

This Document was withdrawn on 8/14/2015 by AW

Withdrawal Marker
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Worksheet	Tracking Sheet for Presidential Documents - H.R. 1088	1	01/16/2002	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/16/2002 [H.R. 1088] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

FOIA IDs and Segments:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

An Act

To amend the Securities Exchange Act of 1934 to reduce fees collected by the Securities and Exchange Commission, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Investor and Capital Markets Fee Relief Act".

SEC. 2. IMMEDIATE TRANSACTION FEE REDUCTIONS.

Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended—

(1) by striking "1/300 of one percent" each place it appears in subsections (b) and (d) and inserting "$15 per $1,000,000";

(2) by striking "and security futures products" each place it appears in such subsections and inserting "security futures products, and options on securities indexes (excluding a narrow-based security index)";

(3) in the first sentence of subsection (b), by striking ", except that" and all that follows through the end of such sentence and inserting a period;

(4) in paragraph (1) of subsection (d), by striking ", except that" and all that follows through the end of such paragraph and inserting a period;

(5) in subsection (e), by striking "$0.02" and inserting "$0.009"; and

(6) by adding at the end the following new subsection:

"(i) PRO RATA APPLICATION.—The rates per $1,000,000 required by this section shall be applied pro rata to amounts and balances of less than $1,000,000.".

SEC. 3. REVISION OF SECURITIES TRANSACTION FEE PROVISIONS; ADDITIONAL FEE REDUCTIONS.

(a) POOLING AND ALLOCATION OF COLLECTIONS.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is further amended—

(1) in subsection (b)—

(A) by striking "Every" and inserting "Subject to subsection (j), each"; and

(B) by striking the last sentence;

(2) by striking subsection (c);

(3) in subsection (d)—

(A) by striking paragraphs (2) and (3);

(B) by striking the following:

to congressional consideration of the question of such conversion.

(b) SUBMISSION OF REPORT.—The Comptroller General shall submit to the Committees on Financial Services and Government Reform of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Governmental Affairs of the Senate a report on the study required by subsection (a) no later than 180 days after the date of the enactment of this Act.

(c) DEFINITION.—For the purposes of this section, the term "self-funded basis" means that—

(1) an agency is authorized to deposit the receipts of its collections in the Treasury of the United States, or in a depository institution, but such deposits are not treated as Government funds or appropriated monies, and are available for the salaries and other expenses of the Commission and its employees without annual appropriation or apportionment; and

(2) the agency is authorized to employ and fix the salaries and other compensation of its officers and employees, and such salaries and other compensation are paid without regard to the provisions of other laws applicable to officers and employees of the United States.

SEC. 11. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this Act shall take effect on October 1, 2001.

(b) IMMEDIATE TRANSACTION FEE REDUCTIONS.—The amendments made by section 2 shall take effect on the later of—

(1) the first day of fiscal year 2002; or

(2) thirty days after the date on which a regular appropriation to the Commission for such fiscal year is enacted.

(c) ADDITIONAL EXCEPTIONS.—The authorities provided by section 6(b)(9) of the Securities Act of 1933 and sections 13(e)(9), 14(g)(9), and 31(k) of the Securities Exchange Act of 1934, as so designated by this Act, shall not apply until October 1, 2002.

Wayne T. Gilchrest

Speaker of the House of Representatives pro tempore.

Robert C. Byrd

~~*Vice President of the United States and*~~
President of the Senate Pro Tempore.

APPROVED
JAN 1 6 2002