June 14, 2001
(House)

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

The Administration strongly supports this bill's efforts to provide fee relief to the Nation's growing number of investors and urges the House to pass the fee reduction provisions of H.R. 1088, which are very similar to those of its companion legislation in the Senate. Currently, fees are collected far in excess of the Securities and Exchange Commission's budget, acting as a burden on investors and discouraging investment. The bill would return those excess fees to market participants while ensuring that the Commission continues to be funded at a level that will allow it to effectively fulfill its mission. This legislation fits into the responsible budget framework agreed to by the President and Congress.

While the Administration supports fee relief for investors, the Administration opposes the inclusion of the pay parity provisions in this bill. The Administration is concerned with the ability of all Federal agencies to attract and retain qualified employees for highly-skilled positions. The Administration plans to systematically address a broad range of human resource practices to improve Federal employment opportunities and reduce existing disincentives to seeking Federal employment. Pay is only one component to be considered among several factors. The Administration has concerns with any legislation that would exempt individual agencies from all or part of title 5 of the U.S. Code, adversely affecting the portability of Federal employees and fragmenting personnel systems. The Administration believes its comprehensive approach to Federal workforce issues will ultimately be a greater benefit to all agencies.

Pay-As-You-Go Scoring

Any law that would reduce receipts is subject to the pay-as-you-go requirements of the Balanced Budget and Emergency Deficit Control Act. Accordingly, H.R. 1088 or any substitute amendment in lieu thereof, that would also reduce revenues, will be subject to the pay-as-you-go requirement. OMB's preliminary scoring estimates indicate that the bill would result in a net loss of receipts of $1.3 billion in FY 2002 and a total of $8.2 billion during FYs 2002-2006. The Administration will work with Congress to ensure that any unintended sequester of spending does not occur under current law or the enactment of any other proposals that meet the President's objectives to reduce the debt, fund priority initiatives, and grant tax relief to all income tax paying Americans.

[Ed. Note: Copied from http://www.whitehouse.gov/omb/legislative/sap/107-1/HR1088-h.html and converted to PDF without change on August 14, 2006.]