

Calendar No. 20107TH CONGRESS
1ST SESSION**S. 143****[Report No. 107-3]**

To amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

Mr. GRAMM (for himself, Mr. SCHUMER, Mr. HAGEL, Mr. ENZI, Mr. BENNETT, Mr. BUNNING, Mr. BOND, Mr. TORRICELLI, Mr. ALLARD, Mr. CRAPO, Mr. BAYH, Mr. MILLER, Mrs. BOXER, Mr. ENSIGN, and Mr. SANTORUM) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

MARCH 14, 2001

Reported by Mr. GRAMM, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Competitive Market Supervision Act of 2001”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
 7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Reduction in registration fee rates; elimination of general revenue component.
- Sec. 3. Reduction in merger and tender fee rates; reclassification as offsetting collections.
- Sec. 4. Reduction in transaction fees; elimination of general revenue component.
- Sec. 5. Adjustments to fee rates.
- Sec. 6. Comparability provisions.
- Sec. 7. Effective date.

8 **SEC. 2. REDUCTION IN REGISTRATION FEE RATES; ELIMI-**
 9 **NATION OF GENERAL REVENUE COMPONENT.**

10 Section 6(b) of the Securities Act of 1933 (15 U.S.C.
 11 77f(b)) is amended—

12 (1) by striking paragraph (2) and inserting the
 13 following:

14 “(2) **FEE PAYMENT REQUIRED.**—At the time of
 15 filing a registration statement, the applicant shall
 16 pay to the Commission a fee that shall be equal to
 17 the amount determined under the rate established by
 18 paragraph (3). The Commission shall publish in the
 19 Federal Register notices of the fee rate applicable
 20 under this section for each fiscal year.”;

1 (2) by striking paragraph (3);

2 (3) by redesignating paragraphs (4) and (5) as
3 paragraphs (3) and (4), respectively;

4 (4) in paragraph (3), as redesignated—

5 (A) by striking subparagraph (A) and in-
6 serting the following:

7 “(A) IN GENERAL.—Except as provided in
8 subparagraphs (B) and (C), the rate deter-
9 mined under this paragraph is a rate equal to
10 the following amount per \$1,000,000 of the
11 maximum aggregate price at which the securi-
12 ties are proposed to be offered:

13 “(i) \$67 for each of fiscal years 2002
14 through 2006.

15 “(ii) \$33 for fiscal year 2007 and
16 each fiscal year thereafter.”; and

17 (B) in subparagraph (B), by striking “this
18 paragraph (4)” and inserting “this paragraph”;
19 and

20 (5) by striking paragraph (4), as redesignated,
21 and inserting the following:

22 “(4) PRO RATA APPLICATION OF RATE.—The
23 rate required by this subsection shall be applied pro
24 rata to amounts and balances equal to or less than
25 \$1,000,000.”.

1 **SEC. 3. REDUCTION IN MERGER AND TENDER FEE RATES;**
2 **RECLASSIFICATION AS OFFSETTING COLLEC-**
3 **TIONS.**

4 (a) SECTION 13.—Section 13(e)(3) of the Securities
5 Exchange Act of 1934 (15 U.S.C. 78m(e)(3)) is amended
6 to read as follows:

7 “(3) FEES.—

8 “(A) IN GENERAL.—At the time of the fil-
9 ing of any statement that the Commission may
10 require by rule pursuant to paragraph (1), the
11 person making the filing shall pay to the Com-
12 mission a fee equal to—

13 “(i) \$67 for each \$1,000,000 of the
14 value of the securities proposed to be pur-
15 chased; for each of fiscal years 2002
16 through 2006; and

17 “(ii) \$33 for each \$1,000,000 of the
18 value of securities proposed to be pur-
19 chased; for fiscal year 2007 and each fiscal
20 year thereafter.

21 “(B) REDUCTION.—The fee required by
22 this paragraph shall be reduced with respect to
23 securities in an amount equal to any fee paid
24 with respect to any securities issued in connec-
25 tion with the proposed transaction under sec-
26 tion 6(b) of the Securities Act of 1933, or the

1 fee paid under that section shall be reduced in
2 an amount equal to the fee paid to the Commis-
3 sion in connection with such transaction under
4 this paragraph.

5 “(C) LIMITATION; DEPOSIT OF FEES.—

6 “(i) LIMITATION.—Except as provided
7 in subparagraph (D), no amounts shall be
8 collected pursuant to this paragraph for
9 any fiscal year, except to the extent pro-
10 vided in advance in appropriations Acts.

11 “(ii) DEPOSIT OF FEES.—Fees col-
12 lected during any fiscal year pursuant to
13 this paragraph shall be deposited and cred-
14 ited as offsetting collections in accordance
15 with appropriations Acts.

16 “(D) LAPSE OF APPROPRIATIONS.—If, on
17 the first day of a fiscal year, a regular appro-
18 priation to the Commission has not been en-
19 acted for that fiscal year, the Commission shall
20 continue to collect fees (as offsetting collec-
21 tions) under this paragraph at the rate in effect
22 during the preceding fiscal year, until such a
23 regular appropriation is enacted.

24 “(E) PRO RATA APPLICATION OF RATE.—

25 The rate required by this paragraph shall be

1 applied pro rata to amounts and balances equal
 2 to or less than \$1,000,000.”

3 (b) SECTION 14.—

4 (1) PRELIMINARY PROXY SOLICITATIONS.—Sec-
 5 tion 14(g)(1) of the Securities Exchange Act of
 6 1934 (15 U.S.C. 78n(g)(1)) is amended—

7 (A) in subparagraph (A), by striking
 8 “Commission the following fees” and all that
 9 follows through the end of the subparagraph
 10 and inserting “Commission—

11 “(i) for preliminary proxy solicitation
 12 material involving an acquisition, merger,
 13 or consolidation, if there is a proposed pay-
 14 ment of cash or transfer of securities or
 15 property to shareholders, a fee equal to—

16 “(I) \$67 for each \$1,000,000 of
 17 such proposed payment, or of the
 18 value of such securities or other prop-
 19 erty proposed to be transferred, for
 20 each of fiscal years 2002 through
 21 2006; and

22 “(II) \$33 for each \$1,000,000 of
 23 such proposed payment, or of the
 24 value of such securities or other prop-
 25 erty proposed to be transferred, for

1 fiscal year 2007 and each fiscal year
2 thereafter; and

3 “(ii) for preliminary proxy solicitation
4 material involving a proposed sale or other
5 disposition of substantially all of the assets
6 of a company; a fee equal to—

7 “(I) \$67 for each \$1,000,000 of
8 the cash or of the value of any securi-
9 ties or other property proposed to be
10 received upon such sale or disposition;
11 for each of fiscal years 2002 through
12 2006; and

13 “(II) \$33 for each \$1,000,000 of
14 the cash or of the value of any securi-
15 ties or other property proposed to be
16 received upon such sale or disposition;
17 for fiscal year 2007 and each fiscal
18 year thereafter.”;

19 (B) in subparagraph (B), by inserting
20 “REDUCTION.—” before “The fee”; and

21 (C) by adding at the end the following:

22 “(C) LIMITATION; DEPOSIT OF FEES.—

23 “(i) LIMITATION.—Except as provided
24 in subparagraph (D), no amounts shall be
25 collected pursuant to this paragraph for

1 any fiscal year, except to the extent pro-
2 vided in advance in appropriations Acts.

3 “(ii) DEPOSIT OF FEES.—Fees col-
4 lected during any fiscal year pursuant to
5 this paragraph shall be deposited and cred-
6 ited as offsetting collections in accordance
7 with appropriations Acts.

8 “(D) LAPSE OF APPROPRIATIONS.—If, on
9 the first day of a fiscal year, a regular appro-
10 priation to the Commission has not been en-
11 acted for that fiscal year, the Commission shall
12 continue to collect fees (as offsetting collec-
13 tions) under this paragraph at the rate in effect
14 during the preceding fiscal year, until such a
15 regular appropriation is enacted.

16 “(E) PRO RATA APPLICATION OF RATE.—
17 The rate required by this paragraph shall be
18 applied pro rata to amounts and balances equal
19 to or less than \$1,000,000.”

20 (2) OTHER FILINGS.—Section 14(g)(3) of the
21 Securities Exchange Act of 1934 (15 U.S.C.
22 78n(g)(3)) is amended—

23 (A) by striking “At the time” and insert-
24 ing the following: “OTHER FILINGS.—

25 “(A) FEE RATE.—At the time”;

1 (B) by striking “the Commission a fee of”
 2 and all that follows through “The fee” and in-
 3 serting the following: “the Commission a fee
 4 equal to—

5 “(i) \$67 for each \$1,000,000 of the
 6 aggregate amount of cash or of the value
 7 of securities or other property proposed to
 8 be offered, for each of fiscal years 2002
 9 through 2006; and

10 “(ii) ~~\$33~~ for each \$1,000,000 of the
 11 aggregate amount of cash or of the value
 12 of securities or other property proposed to
 13 be offered, for fiscal year 2007 and each
 14 fiscal year thereafter.

15 “(B) REDUCTION.—The fee required under
 16 subparagraph (A)”;

17 (C) by adding at the end the following:

18 “(C) LIMITATION; DEPOSIT OF FEES.—

19 “(i) LIMITATION.—Except as provided
 20 in subparagraph (D), no amounts shall be
 21 collected pursuant to this paragraph for
 22 any fiscal year, except to the extent pro-
 23 vided in advance in appropriations Acts.

24 “(ii) DEPOSIT OF FEES.—Fees col-
 25 lected during any fiscal year pursuant to

1 this paragraph shall be deposited and cred-
 2 ited as offsetting collections in accordance
 3 with appropriations Acts.

4 “(D) LAPSE OF APPROPRIATIONS.—If, on
 5 the first day of a fiscal year, a regular appro-
 6 priation to the Commission has not been en-
 7 acted for that fiscal year, the Commission shall
 8 continue to collect fees (as offsetting collec-
 9 tions) under this paragraph at the rate in effect
 10 during the preceding fiscal year, until such a
 11 regular appropriation is enacted.

12 “(E) PRO RATA APPLICATION OF RATE.—
 13 The rate required by this paragraph shall be
 14 applied pro rata to amounts and balances equal
 15 to or less than \$1,000,000.”.

16 **SEC. 4. REDUCTION IN TRANSACTION FEES; ELIMINATION**
 17 **OF GENERAL REVENUE COMPONENT.**

18 Section 31 of the Securities Exchange Act of 1934
 19 (15 U.S.C. 78cc) is amended—

20 (1) by striking subsections (b) through (d) and
 21 inserting the following:

22 “(b) TRANSACTION FEES.—

23 “(1) IN GENERAL.—Each national securities ex-
 24 change and national securities association shall pay
 25 to the Commission a fee at a rate equal to the trans-

1 action offsetting collection rate described in para-
 2 graph (2) of the aggregate dollar amount of sales of
 3 securities (other than bonds, debentures, and other
 4 evidences of indebtedness)—

5 “(A) transacted on such national securities
 6 exchange;

7 “(B) transacted by or through any member
 8 of such association otherwise than on a national
 9 securities exchange of securities registered on
 10 such an exchange; and

11 “(C) transacted by or through any member
 12 of such association otherwise than on a national
 13 securities exchange of securities that are subject
 14 to prompt last sale reporting pursuant to the
 15 rules of the Commission or a registered national
 16 securities association; excluding any sales for
 17 which a fee is paid under subparagraph (B).

18 “(2) FEE RATE.—

19 “(A) TRANSACTION OFFSETTING COLLEC-
 20 TION RATE.—For purposes of this subsection,
 21 the ‘transaction offsetting collection rate’ for a
 22 fiscal year—

23 “(i) is the uniform rate required to
 24 reach the transaction fee cap for that fiscal
 25 year; and

1 “(ii) shall become effective on the
2 later of the beginning of that fiscal year or
3 the date of enactment of appropriations
4 legislation setting such rate.

5 “(B) TRANSACTION FEE CAP.—For pur-
6 poses of this paragraph, the ‘transaction fee
7 cap’ shall be equal to—

8 “(i) \$497,000,000 for fiscal year
9 2002;

10 “(ii) \$607,000,000 for fiscal year
11 2003;

12 “(iii) \$706,000,000 for fiscal year
13 2004;

14 “(iv) \$896,000,000 for fiscal year
15 2005;

16 “(v) \$1,094,000,000 for fiscal year
17 2006;

18 “(vi) \$554,000,000 for fiscal year
19 2007;

20 “(vii) \$580,000,000 for fiscal year
21 2008;

22 “(viii) \$719,000,000 for fiscal year
23 2009; and

24 “(ix) \$884,000,000 for fiscal year
25 2010 and each fiscal year thereafter.

1 “(c) LIMITATION; DEPOSIT OF FEES.—

2 “(1) LIMITATION.—Except as provided in sub-
3 section (d), no amount may be collected pursuant to
4 subsection (b) for any fiscal year, except to the ex-
5 tent provided in advance in appropriation Acts.

6 “(2) DEPOSIT OF FEES.—Fees collected during
7 any fiscal year pursuant to this section shall be de-
8 posited and credited as offsetting collections in ac-
9 cordance with appropriations Acts.

10 “(d) LAPSE OF APPROPRIATIONS.—If, on the first
11 day of a fiscal year, a regular appropriation to the Com-
12 mission has not been enacted for that fiscal year, the Com-
13 mission shall continue to collect fees (as offsetting collec-
14 tions) under this section at the rate in effect during the
15 preceding fiscal year (prior to adjustments, if any, under
16 subsections (b) and (c) of section 5 of the Competitive
17 Market Supervision Act), until such a regular appropria-
18 tion is enacted.”;

19 (2) in subsection (c), by striking “subsections
20 (b), (c), and (d)” and inserting “subsection (b)”;
21 and

22 (3) in subsection (g), by striking “rates” and
23 inserting “rate”.

24 **SEC. 5. ADJUSTMENTS TO FEE RATES.**

25 (a) ESTIMATES OF COLLECTIONS.—

1 (1) FEE PROJECTIONS.—The Securities and
2 Exchange Commission (hereafter in this Act referred
3 to as the “Commission”) shall, 1 month after sub-
4 mission of its initial report under subsection (c)(1)
5 and on a monthly basis thereafter, project the aggre-
6 gate amount of fees from all sources likely to be col-
7 lected by the Commission during the current fiscal
8 year.

9 (2) SUBMISSION OF INFORMATION.—Each na-
10 tional securities exchange and national securities as-
11 sociation shall file with the Commission, not later
12 than 10 days after the end of each month—

13 (A) an estimate of the fee required to be
14 paid pursuant to section 31 of the Securities
15 Exchange Act of 1934 by such national securi-
16 ties exchange or national securities association
17 for transactions and sales occurring during
18 such month; and

19 (B) such other information and documents
20 as the Commission may require, as necessary or
21 appropriate to project the aggregate amount of
22 fees pursuant to paragraph (1).

23 (b) FLOOR FOR TOTAL FEE COLLECTIONS.—If, at
24 any time after the end of the first half of the fiscal year,
25 the Commission projects under subsection (a) that the ag-

1 aggregate amount of fees collected by the Commission will;
2 during that fiscal year, fall below an amount equal to the
3 floor for total fee collections, the Commission may by
4 order, subject to subsection (e), increase the fee rate es-
5 tablished under section 31 of the Securities Exchange Act
6 of 1934 to the extent necessary to bring estimated collec-
7 tions to an amount equal to the floor for total fee collec-
8 tions. Such increase shall apply only to transactions and
9 sales occurring on or after the effective date specified in
10 such order through August 31 of that fiscal year. Such
11 increase shall not affect the obligation of each national
12 securities exchange and national securities association to
13 pay the Commission the fee required by section 31 of the
14 Securities Exchange Act of 1934 at the fee rate in effect
15 prior to the effective date of such order for transactions
16 and sales occurring prior to the effective date of such
17 order. In exercising its authority under this subsection, the
18 Commission shall not be required to comply with the provi-
19 sions of section 553 of title 5, United States Code.

20 (e) CAP ON TOTAL FEE COLLECTIONS.—If, at any
21 time after the end of the first half of the fiscal year, the
22 Commission projects under subsection (a) that the aggre-
23 gate amount of fees collected by the Commission will ex-
24 ceed the cap on total fee collections by more than 5 per-
25 cent during any fiscal year, the Commission shall by order,

1 subject to subsection (e), decrease the fee rate or suspend
 2 collection of fees under section 31 of the Securities Ex-
 3 change Act of 1934 to the extent necessary to bring esti-
 4 mated collections to an amount equal to the cap on total
 5 fee collections. Such decrease or suspension shall apply
 6 only to transactions and sales occurring on or after the
 7 effective date specified in such order through August 31
 8 of that fiscal year. Such decrease or suspension shall not
 9 affect the obligation of each national securities exchange
 10 and national securities association to pay the Commission
 11 the fee required by section 31 of the Securities Exchange
 12 Act of 1934 at the fee rate in effect prior to the effective
 13 date of such order for transactions and sales occurring
 14 prior to the effective date of such order. In exercising its
 15 authority under this subsection, the Commission shall not
 16 be required to comply with the provisions of section 553
 17 of title 5, United States Code.

18 (d) DEFINITIONS.—For purposes of this section—

19 (1) the term “floor for total fee collections”
 20 means the greater of—

21 (A) the total amount appropriated to the
 22 Commission for fiscal year 2002 (adjusted an-
 23 nually, based on the annual percentage change,
 24 if any, in the Consumer Price Index for all

1 urban consumers, as published by the Depart-
 2 ment of Labor); or

3 (B) the amount authorized for the Com-
 4 mission pursuant to section 35 of the Securities
 5 Exchange Act of 1934 (15 U.S.C. 78kk), if ap-
 6 plicable; and

7 (2) the term “cap on total fee collections”
 8 means—

9 (A) for fiscal years 2002 through 2010,
 10 the baseline amount for aggregate offsetting
 11 collections for such fiscal year under section
 12 6(b) of the Securities Act of 1933 and section
 13 31 of the Securities Exchange Act of 1934, as
 14 projected for such fiscal year by the Congres-
 15 sional Budget Office pursuant to section 257 of
 16 the Balanced Budget and Emergency Deficit
 17 Control Act of 1985 in its most recently pub-
 18 lished report of its baseline projection before
 19 the date of enactment of this Act; and

20 (B) for fiscal years 2011 and thereafter,
 21 the amount authorized for the Commission pur-
 22 suant to section 35 of the Securities Exchange
 23 Act of 1934 (15 U.S.C. 78kk).

24 (c) REPORTS TO CONGRESS; JUDICIAL REVIEW; NO-
 25 TICE.—

1 (1) INITIAL REPORT.—Not later than 90 days
2 after the date of enactment of this Act, the Commis-
3 sion shall report to the Committee on Banking,
4 Housing, and Urban Affairs of the Senate and the
5 Committee on Financial Services of the House of
6 Representatives to explain the methodology used by
7 the Commission to make projections under sub-
8 section (a). Not later than 30 days after the begin-
9 ning of each fiscal year, the Commission may report
10 to the Committee on Banking, Housing, and Urban
11 Affairs of the Senate and the Committee on Finan-
12 cial Services of the House of Representatives on re-
13 visions to the methodology used by the Commission
14 to make projections under subsection (a) for such
15 fiscal year and subsequent fiscal years.

16 (2) JUDICIAL REVIEW; REPORTS OF INTENT TO
17 ACT.—The determinations made and the actions
18 taken by the Commission under this subsection shall
19 not be subject to judicial review. Not later than 45
20 days before taking action under subsection (b) or
21 (c), the Commission shall report to the Committee
22 on Banking, Housing, and Urban Affairs of the Sen-
23 ate and the Committee on Financial Services of the
24 House of Representatives on its intent to take such
25 action.

1 ~~(3) NOTICE.—~~Not later than 30 days before
 2 taking action under subsection (b) or (c), the Com-
 3 mission shall notify each national securities ex-
 4 change and national securities association of its in-
 5 tent to take such action.

6 **SEC. 6. COMPARABILITY PROVISIONS.**

7 ~~(a) SECURITIES AND EXCHANGE COMMISSION EM-~~
 8 ~~PLLOYEES.—~~

9 ~~(1) IN GENERAL.—~~Section 4(b) of the Securi-
 10 ties Exchange Act of 1934 (15 U.S.C. 78d(b)) is
 11 amended—

12 ~~(A) by striking paragraphs (1) and (2) and~~
 13 inserting the following:

14 ~~“(1) APPOINTMENT AND COMPENSATION.—~~

15 ~~“(A) IN GENERAL.—~~The Commission may
 16 appoint and fix the compensation of such offi-
 17 cers, attorneys, economists, examiners, and
 18 other employees as may be necessary for ear-
 19 rying out its functions under this Act.

20 ~~“(B) RATES OF PAY.—~~Rates of basic pay
 21 for all employees of the Commission may be set
 22 and adjusted by the Commission without regard
 23 to the provisions of chapter 51 or subchapter
 24 III of chapter 53 of title 5, United States Code.

1 “(C) COMPARABILITY.—The Commission
 2 may provide additional compensation and bene-
 3 fits to employees of the Commission if the same
 4 type of compensation or benefits are then being
 5 provided by any agency referred to under sec-
 6 tion 1206(a) of the Financial Institutions Re-
 7 form, Recovery, and Enforcement Act of 1989
 8 (12 U.S.C. 1833b) or, if not then being pro-
 9 vided, could be provided by such an agency
 10 under applicable provisions of law, rule, or reg-
 11 ulation. In setting and adjusting the total
 12 amount of compensation and benefits for em-
 13 ployees, the Commission shall consult with, and
 14 seek to maintain comparability with, the agen-
 15 cies referred to under section 1206(a) of the Fi-
 16 nancial Institutions Reform, Recovery, and En-
 17 forcement Act of 1989 (12 U.S.C. 1833b).”;
 18 and

19 (B) by redesignating paragraph (3) as
 20 paragraph (2).

21 (2) EMPLOYEES REPRESENTED BY LABOR OR-
 22 GANIZATIONS.—To the extent that any employee of
 23 the Commission is represented by a labor organiza-
 24 tion with exclusive recognition in accordance with
 25 chapter 71 of title 5, United States Code, no reduc-

1 tion in base pay of such employee shall be made by
2 reason of enactment of this subsection.

3 (b) ~~REPORTING ON INFORMATION BY THE COMMISS-~~
4 ~~SION.—Section 1206 of the Financial Institutions Reform,~~
5 ~~Recovery, and Enforcement Act of 1989 (12 U.S.C.~~
6 ~~1833b) is amended—~~

7 (1) by inserting “(a) ~~IN GENERAL.—~~” before
8 “~~The Federal Deposit~~”;

9 (2) by striking “~~the Thrift Depositor Protection~~
10 ~~Oversight Board of the Resolution Trust Corpora-~~
11 ~~tion~~”; and

12 (3) by adding at the end the following:

13 “~~(b) In establishing and adjusting schedules of com-~~
14 ~~pensation and benefits for employees of the Securities and~~
15 ~~Exchange Commission under applicable provisions of law,~~
16 ~~the Commission shall inform the heads of the agencies re-~~
17 ~~ferred to under subsection (a) and Congress of such com-~~
18 ~~pensation and benefits and shall seek to maintain com-~~
19 ~~parability with such agencies regarding compensation and~~
20 ~~benefits.~~”.

21 (c) ~~TECHNICAL AMENDMENTS.—~~

22 (1) Section 3132(a)(1) of title 5, United States
23 Code, is amended—

24 (A) in subparagraph (C), by striking “~~or~~”
25 after the semicolon;

1 (B) in subparagraph (D), by inserting
2 “or” after the semicolon; and

3 (C) by adding at the end the following:

4 “(E) the Securities and Exchange Commis-
5 sion.”.

6 (2) Section 5373(a) of title 5, United States
7 Code, is amended—

8 (A) in paragraph (2), by striking “or”
9 after the semicolon;

10 (B) in paragraph (3), by striking the pe-
11 riod and inserting “; or”; and

12 (C) by adding at the end the following:

13 “(4) section 4(b) of the Securities Exchange
14 Act of 1934.”.

15 **SEC. 7. EFFECTIVE DATE.**

16 (a) IN GENERAL.—Subject to subsection (b), this Act
17 and the amendments made by this Act shall become effec-
18 tive on October 1, 2001.

19 (b) EXCEPTIONS.—The authorities provided by sec-
20 tion 13(e)(3)(D), section 14(g)(1)(D), section
21 14(g)(3)(D), and section 31(d) of the Securities Exchange
22 Act of 1934, as so designated by this Act, shall not apply
23 until October 1, 2002.

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
 3 *“Competitive Market Supervision Act of 2001”.*

4 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 5 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Reduction in registration fee rates; elimination of general revenue compo-
nent.

Sec. 3. Reduction in merger and tender fee rates; reclassification as offsetting col-
lections.

Sec. 4. Reduction in transaction fees; elimination of general revenue component.

Sec. 5. Adjustments to fee rates.

Sec. 6. Comparability provisions.

Sec. 7. Effective date.

6 **SEC. 2. REDUCTION IN REGISTRATION FEE RATES; ELIMI-**
 7 **NATION OF GENERAL REVENUE COMPONENT.**

8 (a) *SECURITIES ACT OF 1933.*—*Section 6(b) of the Se-*
 9 *curities Act of 1933 (15 U.S.C. 77f(b)) is amended—*

10 (1) *by striking paragraph (2) and inserting the*
 11 *following:*

12 “(2) *FEE PAYMENT REQUIRED.*—*At the time of*
 13 *filing a registration statement, the applicant shall*
 14 *pay to the Commission a fee that shall be equal to the*
 15 *amount determined under the rate established by*
 16 *paragraph (3). The Commission shall publish in the*
 17 *Federal Register notices of the fee rate applicable*
 18 *under this section for each fiscal year.”;*

19 (2) *by striking paragraph (3);*

20 (3) *by redesignating paragraphs (4) and (5) as*
 21 *paragraphs (3) and (4), respectively;*

1 (4) *in paragraph (3), as redesignated—*

2 (A) *by striking subparagraph (A) and in-*
3 *serting the following:*

4 “(A) *IN GENERAL.—Except as provided in*
5 *subparagraphs (B) and (C), the rate determined*
6 *under this paragraph is a rate equal to the fol-*
7 *lowing amount per \$1,000,000 of the maximum*
8 *aggregate price at which the securities are pro-*
9 *posed to be offered:*

10 “(i) *\$67 for each of fiscal years 2002*
11 *through 2006.*

12 “(ii) *\$33 for fiscal year 2007 and each*
13 *fiscal year thereafter.”; and*

14 (B) *in subparagraph (B), by striking “this*
15 *paragraph (4)” and inserting “this paragraph”;*
16 *and*

17 (5) *by striking paragraph (4), as redesignated,*
18 *and inserting the following:*

19 “(4) *PRO RATA APPLICATION OF RATE.—The rate*
20 *required by this subsection shall be applied pro rata*
21 *to amounts and balances equal to or less than*
22 *\$1,000,000.”.*

23 (b) *TRUST INDENTURE ACT OF 1939.—Section 307(b)*
24 *of the Trust Indenture Act of 1939 (15 U.S.C. 77ggg(b))*
25 *is amended by striking “, but, in the case of” and all that*

1 follows through the end of the subsection and inserting a
2 period.

3 **SEC. 3. REDUCTION IN MERGER AND TENDER FEE RATES;**
4 **RECLASSIFICATION AS OFFSETTING COLLEC-**
5 **TIONS.**

6 (a) SECTION 13.—Section 13(e)(3) of the Securities
7 Exchange Act of 1934 (15 U.S.C. 78m(e)(3)) is amended
8 to read as follows:

9 “(3) FEES.—

10 “(A) IN GENERAL.—At the time of the filing
11 of any statement that the Commission may re-
12 quire by rule pursuant to paragraph (1), the
13 person making the filing shall pay to the Com-
14 mission a fee equal to—

15 “(i) \$67 for each \$1,000,000 of the
16 value of the securities proposed to be pur-
17 chased, for each of fiscal years 2002 through
18 2006; and

19 “(ii) \$33 for each \$1,000,000 of the
20 value of securities proposed to be purchased,
21 for fiscal year 2007 and each fiscal year
22 thereafter.

23 “(B) REDUCTION.—The fee required by this
24 paragraph shall be reduced with respect to secu-
25 rities in an amount equal to any fee paid with

1 *respect to any securities issued in connection*
2 *with the proposed transaction under section 6(b)*
3 *of the Securities Act of 1933, or the fee paid*
4 *under that section shall be reduced in an amount*
5 *equal to the fee paid to the Commission in con-*
6 *nection with such transaction under this para-*
7 *graph.*

8 “(C) *LIMITATION; DEPOSIT OF FEES.—*

9 “(i) *LIMITATION.—Except as provided*
10 *in subparagraph (D), no amounts shall be*
11 *collected pursuant to this paragraph for*
12 *any fiscal year, except to the extent pro-*
13 *vided in advance in appropriations Acts.*

14 “(ii) *DEPOSIT OF FEES.—Fees col-*
15 *lected during any fiscal year pursuant to*
16 *this paragraph shall be deposited and cred-*
17 *ited as offsetting collections in accordance*
18 *with appropriations Acts.*

19 “(D) *LAPSE OF APPROPRIATIONS.—If, on*
20 *the first day of a fiscal year, a regular appro-*
21 *priation to the Commission has not been enacted*
22 *for that fiscal year, the Commission shall con-*
23 *tinue to collect fees (as offsetting collections)*
24 *under this paragraph at the rate in effect during*

1 *the preceding fiscal year, until such a regular*
2 *appropriation is enacted.*

3 “(E) *PRO RATA APPLICATION OF RATE.—*
4 *The rate required by this paragraph shall be ap-*
5 *plied pro rata to amounts and balances equal to*
6 *or less than \$1,000,000.”.*

7 (b) *SECTION 14.—*

8 (1) *PRELIMINARY PROXY SOLICITATIONS.—Sec-*
9 *tion 14(g)(1) of the Securities Exchange Act of 1934*
10 *(15 U.S.C. 78n(g)(1)) is amended—*

11 (A) *in subparagraph (A), by striking “Com-*
12 *mission the following fees” and all that follows*
13 *through the end of the subparagraph and insert-*
14 *ing “Commission—*

15 *“(i) for preliminary proxy solicitation*
16 *material involving an acquisition, merger,*
17 *or consolidation, if there is a proposed pay-*
18 *ment of each or transfer of securities or*
19 *property to shareholders, a fee equal to—*

20 *“(I) \$67 for each \$1,000,000 of*
21 *such proposed payment, or of the value*
22 *of such securities or other property*
23 *proposed to be transferred, for each of*
24 *fiscal years 2002 through 2006; and*

1 “(II) \$33 for each \$1,000,000 of
2 such proposed payment, or of the value
3 of such securities or other property
4 proposed to be transferred, for fiscal
5 year 2007 and each fiscal year there-
6 after; and

7 “(ii) for preliminary proxy solicitation
8 material involving a proposed sale or other
9 disposition of substantially all of the assets
10 of a company, a fee equal to—

11 “(I) \$67 for each \$1,000,000 of
12 the cash or of the value of any securi-
13 ties or other property proposed to be
14 received upon such sale or disposition,
15 for each of fiscal years 2002 through
16 2006; and

17 “(II) \$33 for each \$1,000,000 of
18 the cash or of the value of any securi-
19 ties or other property proposed to be
20 received upon such sale or disposition,
21 for fiscal year 2007 and each fiscal
22 year thereafter.”;

23 (B) in subparagraph (B), by inserting “RE-
24 DUCTION.—” before “The fee”; and

25 (C) by adding at the end the following:

1 “(C) *LIMITATION; DEPOSIT OF FEES.*—

2 “(i) *LIMITATION.*—*Except as provided*
3 *in subparagraph (D), no amounts shall be*
4 *collected pursuant to this paragraph for*
5 *any fiscal year, except to the extent pro-*
6 *vided in advance in appropriations Acts.*

7 “(ii) *DEPOSIT OF FEES.*—*Fees col-*
8 *lected during any fiscal year pursuant to*
9 *this paragraph shall be deposited and cred-*
10 *ited as offsetting collections in accordance*
11 *with appropriations Acts.*

12 “(D) *LAPSE OF APPROPRIATIONS.*—*If, on*
13 *the first day of a fiscal year, a regular appro-*
14 *priation to the Commission has not been enacted*
15 *for that fiscal year, the Commission shall con-*
16 *tinue to collect fees (as offsetting collections)*
17 *under this paragraph at the rate in effect during*
18 *the preceding fiscal year, until such a regular*
19 *appropriation is enacted.*

20 “(E) *PRO RATA APPLICATION OF RATE.*—
21 *The rate required by this paragraph shall be ap-*
22 *plied pro rata to amounts and balances equal to*
23 *or less than \$1,000,000.”.*

1 (2) *OTHER FILINGS.*—Section 14(g)(3) of the Se-
 2 curities Exchange Act of 1934 (15 U.S.C. 78n(g)(3))
 3 is amended—

4 (A) by striking “At the time” and inserting
 5 the following: “*OTHER FILINGS.*—

6 “(A) *FEE RATE.*—At the time”;

7 (B) by striking “the Commission a fee of”
 8 and all that follows through “The fee” and in-
 9 serting the following: “the Commission a fee
 10 equal to—

11 “(i) \$67 for each \$1,000,000 of the ag-
 12 gregate amount of cash or of the value of se-
 13 curities or other property proposed to be of-
 14 fered, for each of fiscal years 2002 through
 15 2006; and

16 “(ii) \$33 for each \$1,000,000 of the ag-
 17 gregate amount of cash or of the value of se-
 18 curities or other property proposed to be of-
 19 fered, for fiscal year 2007 and each fiscal
 20 year thereafter.

21 “(B) *REDUCTION.*—The fee required under
 22 subparagraph (A)”;

23 (C) by adding at the end the following:

24 “(C) *LIMITATION; DEPOSIT OF FEES.*—

1 “(i) *LIMITATION.*—*Except as provided*
2 *in subparagraph (D), no amounts shall be*
3 *collected pursuant to this paragraph for*
4 *any fiscal year, except to the extent pro-*
5 *vided in advance in appropriations Acts.*

6 “(ii) *DEPOSIT OF FEES.*—*Fees col-*
7 *lected during any fiscal year pursuant to*
8 *this paragraph shall be deposited and cred-*
9 *ited as offsetting collections in accordance*
10 *with appropriations Acts.*

11 “(D) *LAPSE OF APPROPRIATIONS.*—*If, on*
12 *the first day of a fiscal year, a regular appro-*
13 *priation to the Commission has not been enacted*
14 *for that fiscal year, the Commission shall con-*
15 *tinue to collect fees (as offsetting collections)*
16 *under this paragraph at the rate in effect during*
17 *the preceding fiscal year, until such a regular*
18 *appropriation is enacted.*

19 “(E) *PRO RATA APPLICATION OF RATE.*—
20 *The rate required by this paragraph shall be ap-*
21 *plied pro rata to amounts and balances equal to*
22 *or less than \$1,000,000.”*

1 **SEC. 4. REDUCTION IN TRANSACTION FEES; ELIMINATION**
 2 **OF GENERAL REVENUE COMPONENT.**

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

5 *(1) by striking subsections (b) through (d) and*
 6 *inserting the following:*

7 *“(b) TRANSACTION FEES.—*

8 *“(1) IN GENERAL.—Each national securities ex-*
 9 *change and national securities association shall pay*
 10 *to the Commission a fee at a rate equal to the trans-*
 11 *action offsetting collection rate described in para-*
 12 *graph (2) of the aggregate dollar amount of sales of*
 13 *securities (other than bonds, debentures, other evi-*
 14 *dences of indebtedness, and security futures prod-*
 15 *ucts)—*

16 *“(A) transacted on such national securities*
 17 *exchange; and*

18 *“(B) transacted by or through any member*
 19 *of such association otherwise than on a national*
 20 *securities exchange of securities that are—*

21 *“(i) registered on such an exchange; or*

22 *“(ii) subject to prompt last sale report-*
 23 *ing pursuant to the rules of the Commission*
 24 *or a registered national securities associa-*
 25 *tion.*

26 *“(2) FEE RATE.—*

1 “(A) *TRANSACTION OFFSETTING COLLEC-*
2 *TION RATE.*—For purposes of this subsection, the
3 ‘transaction offsetting collection rate’ for a fiscal
4 year—

5 “(i) is the uniform rate required to
6 reach the transaction fee cap for that fiscal
7 year; and

8 “(ii) shall become effective on the later
9 of the beginning of that fiscal year or 30
10 days after the date of enactment of appro-
11 priations legislation setting such rate.

12 “(B) *TRANSACTION FEE CAP.*—Subject to
13 subparagraph (C), for purposes of this para-
14 graph, the ‘transaction fee cap’ shall be equal
15 to—

16 “(i) \$915,000,000 for fiscal year 2002;

17 “(ii) \$1,115,000,000 for fiscal year
18 2003;

19 “(iii) \$1,340,000,000 for fiscal year
20 2004;

21 “(iv) \$1,665,000,000 for fiscal year
22 2005;

23 “(v) \$2,010,000,000 for fiscal year
24 2006;

1 “(vi) \$1,015,000,000 for fiscal year
2 2007;

3 “(vii) \$1,035,000,000 for fiscal year
4 2008;

5 “(viii) \$1,225,000,000 for fiscal year
6 2009;

7 “(ix) \$1,430,000,000 for fiscal year
8 2010; and

9 “(x) \$1,665,000,000 for fiscal year
10 2011 and each fiscal year thereafter.

11 “(C) *REDUCTION.*—*The amounts specified*
12 *in clauses (i) through (x) of subparagraph (B)*
13 *shall be reduced by the amount of assessments es-*
14 *timated to be collected by the Commission for the*
15 *subject fiscal year pursuant to subsection (e).*

16 “(c) *LIMITATION; DEPOSIT OF FEES AND ASSESS-*
17 *MENTS.*—

18 “(1) *LIMITATION.*—*Except as provided in sub-*
19 *section (d), no amount may be collected pursuant to*
20 *subsection (b) or (e) for any fiscal year, except to the*
21 *extent provided in advance in appropriations Acts.*

22 “(2) *DEPOSIT OF FEES AND ASSESSMENTS.*—
23 *Fees and assessments collected during any fiscal year*
24 *pursuant to this section shall be deposited and cred-*

1 *ited as offsetting collections in accordance with ap-*
 2 *propriations Acts.*

3 “(d) *LAPSE OF APPROPRIATIONS.—If, on the first day*
 4 *of a fiscal year, a regular appropriation to the Commission*
 5 *has not been enacted for that fiscal year, the Commission*
 6 *shall, until such a regular appropriation is enacted—*

7 *“(1) continue to collect fees (as offsetting collec-*
 8 *tions) under subsection (b) at the rate in effect during*
 9 *the preceding fiscal year (prior to adjustments, if*
 10 *any, under subsections (b) and (c) of section 5 of the*
 11 *Competitive Market Supervision Act of 2001); and*

12 *“(2) continue to collect assessments (as offsetting*
 13 *collections) under subsection (e) at the assessment rate*
 14 *in effect during the preceding fiscal year.”;*

15 *(2) in subsection (e), by striking “Assessments*
 16 *collected” and all that follows through the period; and*

17 *(3) in subsection (f), by striking “(f)” and all*
 18 *that follows through “paid—” and inserting the fol-*
 19 *lowing:*

20 *“(f) DATES FOR PAYMENT OF FEES AND ASSESS-*
 21 *MENTS.—The fees and assessments required by subsections*
 22 *(b) and (e) shall be paid—”.*

23 **SEC. 5. ADJUSTMENTS TO FEE RATES.**

24 *(a) ESTIMATES OF COLLECTIONS.—*

1 (1) *FEE PROJECTIONS.*—*The Securities and Ex-*
2 *change Commission (hereafter in this Act referred to*
3 *as the “Commission”)* shall, 1 month after submission
4 *of its initial report under subsection (e)(1) and on a*
5 *monthly basis thereafter, project the aggregate amount*
6 *of fees and assessments from all sources likely to be*
7 *collected by the Commission during the current fiscal*
8 *year.*

9 (2) *SUBMISSION OF INFORMATION.*—*Each na-*
10 *tional securities exchange and national securities as-*
11 *sociation shall file with the Commission, not later*
12 *than 10 days after the end of each month—*

13 (A) *an estimate of the fee and the assess-*
14 *ment required to be paid pursuant to section 31*
15 *of the Securities Exchange Act of 1934 by such*
16 *national securities exchange or national securi-*
17 *ties association for transactions and sales occur-*
18 *ring during that month; and*

19 (B) *such other information and documents*
20 *as the Commission may require, as necessary or*
21 *appropriate to project the aggregate amount of*
22 *fees and assessments pursuant to paragraph (1).*

23 (b) *FLOOR FOR TOTAL FEE AND ASSESSMENT COL-*
24 *LECTIONS.*—*If, at any time after the end of the first half*
25 *of the fiscal year, the Commission projects under subsection*

1 (a) that the aggregate amount of fees and assessments col-
2 lected by the Commission will, during that fiscal year, fall
3 below an amount equal to the floor for total fee and assess-
4 ment collections, the Commission may, by order, subject to
5 subsection (e) of this section, increase the fee rate established
6 under section 31(b)(2) of the Securities Exchange Act of
7 1934, to the extent necessary to bring estimated collections
8 to an amount equal to the floor for total fee collections. Such
9 increase shall apply only to transactions and sales occur-
10 ring on or after the effective date specified in such order
11 through August 31 of that fiscal year. Such increase shall
12 not affect the obligation of each national securities exchange
13 and national securities association to pay to the Commis-
14 sion the fee required by section 31(b) of the Securities Ex-
15 change Act of 1934, at the fee rate in effect prior to the
16 effective date of such order for transactions and sales occur-
17 ring prior to the effective date of such order. In exercising
18 its authority under this subsection, the Commission shall
19 not be required to comply with the provisions of section 553
20 of title 5, United States Code.

21 (c) CAP ON TOTAL FEE AND ASSESSMENT COLLEC-
22 TIONS.—If, at any time after the end of the first half of
23 the fiscal year, the Commission projects under subsection
24 (a) that the aggregate amount of fees and assessments col-
25 lected by the Commission will exceed the cap on total fee

1 *and assessment collections by more than 10 percent during*
2 *any fiscal year, the Commission shall, by order, subject to*
3 *subsection (e), decrease the fee rate established under para-*
4 *graph (2) of section 31(b) of the Securities Exchange Act*
5 *of 1934, or suspend collection of fees under that section*
6 *31(b), to the extent necessary to bring estimated collections*
7 *to an amount that is not more than 110 percent of the cap*
8 *on total fee collections. Such decrease or suspension shall*
9 *apply only to transactions and sales occurring on or after*
10 *the effective date specified in such order through August 31*
11 *of that fiscal year. Such decrease or suspension shall not*
12 *affect the obligation of each national securities exchange*
13 *and national securities association to pay to the Commis-*
14 *sion the fee required by section 31(b) of the Securities Ex-*
15 *change Act of 1934, at the fee rate in effect prior to the*
16 *effective date of such order for transactions and sales occur-*
17 *ring prior to the effective date of such order. In exercising*
18 *its authority under this subsection, the Commission shall*
19 *not be required to comply with the provisions of section 553*
20 *of title 5, United States Code.*

21 *(d) DEFINITIONS.—For purposes of this section—*

22 *(1) the term “floor for total fee and assessment*
23 *collections” means the greater of—*

24 *(A) the total amount appropriated to the*
25 *Commission for fiscal year 2002 (adjusted annu-*

1 ally, based on the annual percentage change, if
2 any, in the Consumer Price Index for all urban
3 consumers, as published by the Department of
4 Labor); or

5 (B) the amount authorized for the Commis-
6 sion pursuant to section 35 of the Securities Ex-
7 change Act of 1934 (15 U.S.C. 78kk), if applica-
8 ble; and

9 (2) the term “cap on total fee collections”
10 means—

11 (A) for fiscal years 2002 through 2011, the
12 baseline amount for aggregate offsetting collec-
13 tions for such fiscal year under section 6(b) of
14 the Securities Act of 1933 and section 31 of the
15 Securities Exchange Act of 1934, as projected for
16 such fiscal year by the Congressional Budget Of-
17 fice pursuant to section 257 of the Balanced
18 Budget and Emergency Deficit Control Act of
19 1985 in its most recently published report of its
20 baseline projection before the date of enactment
21 of this Act; and

22 (B) for fiscal years 2012 and thereafter, the
23 amount authorized for the Commission pursuant
24 to section 35 of the Securities Exchange Act of
25 1934 (15 U.S.C. 78kk).

1 (e) *REPORTS TO CONGRESS; JUDICIAL REVIEW; NO-*
2 *TICE.*—

3 (1) *INITIAL REPORT.*—Not later than 90 days
4 after the date of enactment of this Act, the Commis-
5 sion shall report to the Committee on Banking, Hous-
6 ing, and Urban Affairs of the Senate and the Com-
7 mittee on Financial Services of the House of Rep-
8 resentatives to explain the methodology used by the
9 Commission to make projections under subsection (a).
10 Not later than 30 days after the beginning of each fis-
11 cal year, the Commission may report to the Com-
12 mittee on Banking, Housing, and Urban Affairs of
13 the Senate and the Committee on Financial Services
14 of the House of Representatives on revisions to the
15 methodology used by the Commission to make projec-
16 tions under subsection (a) for such fiscal year and
17 subsequent fiscal years.

18 (2) *JUDICIAL REVIEW; REPORTS OF INTENT TO*
19 *ACT.*—The determinations made and the actions
20 taken by the Commission under this subsection shall
21 not be subject to judicial review. Not later than 45
22 days before taking action under subsection (b) or (c),
23 the Commission shall report to the Committee on
24 Banking, Housing, and Urban Affairs of the Senate
25 and the Committee on Financial Services of the

1 *House of Representatives on its intent to take such ac-*
 2 *tion.*

3 (3) *NOTICE.*—*Not later than 30 days before tak-*
 4 *ing action under subsection (b) or (c), the Commis-*
 5 *sion shall notify each national securities exchange*
 6 *and national securities association of its intent to*
 7 *take such action.*

8 **SEC. 6. COMPARABILITY PROVISIONS.**

9 (a) *SECURITIES AND EXCHANGE COMMISSION EM-*
 10 *PLOYEES.*—

11 (1) *IN GENERAL.*—*Section 4(b) of the Securities*
 12 *Exchange Act of 1934 (15 U.S.C. 78d(b)) is*
 13 *amended—*

14 (A) *by striking paragraphs (1) and (2) and*
 15 *inserting the following:*

16 “(1) *APPOINTMENT AND COMPENSATION.*—

17 “(A) *IN GENERAL.*—*The Commission may*
 18 *appoint and fix the compensation of such offi-*
 19 *cers, attorneys, economists, examiners, and other*
 20 *employees as may be necessary for carrying out*
 21 *its functions under this Act.*

22 “(B) *RATES OF PAY.*—*Rates of basic pay*
 23 *for all employees of the Commission may be set*
 24 *and adjusted by the Commission without regard*

1 to the provisions of chapter 51 or subchapter III
2 of chapter 53 of title 5, United States Code.

3 “(C) *COMPARABILITY.*—The Commission
4 may provide additional compensation and bene-
5 fits to employees of the Commission if the same
6 type of compensation or benefits are then being
7 provided by any agency referred to under section
8 1206(a) of the *Financial Institutions Reform,*
9 *Recovery, and Enforcement Act of 1989* (12
10 *U.S.C. 1833b*) or, if not then being provided,
11 could be provided by such an agency under ap-
12 plicable provisions of law, rule, or regulation. In
13 setting and adjusting the total amount of com-
14 pensation and benefits for employees, the Com-
15 mission shall consult with, and seek to maintain
16 comparability with, the agencies referred to
17 under section 1206(a) of the *Financial Institu-*
18 *tions Reform, Recovery, and Enforcement Act of*
19 *1989* (12 *U.S.C. 1833b*).”; and

20 (B) by redesignating paragraph (3) as
21 paragraph (2).

22 (2) *EMPLOYEES REPRESENTED BY LABOR ORGA-*
23 *NIZATIONS.*—To the extent that any employee of the
24 Commission is represented by a labor organization
25 with exclusive recognition in accordance with chapter

1 71 of title 5, United States Code, no reduction in base
 2 pay of such employee shall be made by reason of en-
 3 actment of this subsection.

4 (b) *REPORTING ON INFORMATION BY THE COMMIS-*
 5 *SION.—Section 1206 of the Financial Institutions Reform,*
 6 *Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833b)*
 7 *is amended—*

8 (1) *by inserting “(a) IN GENERAL.—” before*
 9 *“The Federal Deposit”;*

10 (2) *by striking “the Thrift Depositor Protection*
 11 *Oversight Board of the Resolution Trust Corpora-*
 12 *tion”;* and

13 (3) *by adding at the end the following:*

14 “(b) *In establishing and adjusting schedules of com-*
 15 *ensation and benefits for employees of the Securities and*
 16 *Exchange Commission under applicable provisions of law,*
 17 *the Commission shall inform the heads of the agencies re-*
 18 *ferred to under subsection (a) and Congress of such com-*
 19 *ensation and benefits and shall seek to maintain com-*
 20 *parability with such agencies regarding compensation and*
 21 *benefits.”.*

22 (c) *TECHNICAL AMENDMENTS.—*

23 (1) *Section 3132(a)(1) of title 5, United States*
 24 *Code, is amended—*

1 (A) in subparagraph (C), by striking “or”
2 after the semicolon;

3 (B) in subparagraph (D), by inserting “or”
4 after the semicolon; and

5 (C) by adding at the end the following:

6 “(E) the Securities and Exchange Commis-
7 sion.”.

8 (2) Section 5373(a) of title 5, United States
9 Code, is amended—

10 (A) in paragraph (2), by striking “or” after
11 the semicolon;

12 (B) in paragraph (3), by striking the period
13 and inserting “; or”; and

14 (C) by adding at the end the following:

15 “(4) section 4(b) of the Securities Exchange Act
16 of 1934.”.

17 **SEC. 7. EFFECTIVE DATE.**

18 (a) *IN GENERAL.*—Subject to subsection (b), this Act
19 and the amendments made by this Act shall become effective
20 on October 1, 2001.

21 (b) *EXCEPTIONS.*—The authorities provided by section
22 13(e)(3)(D), section 14(g)(1)(D), section 14(g)(3)(D), and
23 section 31(d) of the Securities Exchange Act of 1934, as so
24 designated by this Act, shall not apply until October 1,
25 2002.

Calendar No. 20

107TH CONGRESS
1ST SESSION

S. 143

[Report No. 107-3]

A BILL

To amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes.

MARCH 14, 2001

Reported with an amendment