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**U.S. House of Representatives**  
**Committee on Energy and Commerce**  
 Room 2125, Rayburn House Office Building  
 Washington, DC 20515

May 1, 1987

WM. MICHAEL KITZMILLER, STAFF DIRECTOR  
 THOMAS M. RYAN, CHIEF COUNSEL

The Honorable Donald W. Riegle, Jr.  
 Chairman  
 Subcommittee on Securities  
 Committee on Banking, Housing,  
 and Urban Affairs  
 534 Dirksen Senate Office Building  
 Washington, D.C. 20510

Dear Don:

I appreciate receiving your letter of April 9, 1987, with respect to insider trading.

As you no doubt are aware, I have a number of concerns about the desirability of and the need for a definition of insider trading. The Energy and Commerce Committee declined to include a definition in the Insider Trading Sanctions Act, P.L. 98-376, H. Rpt. 98-355, pp. 13-14 (copy enclosed for your reference). The recent insider trading scandal cases all clearly fall within the antifraud provisions of section 10(b) and 14(e) of the Securities Exchange Act of 1934.

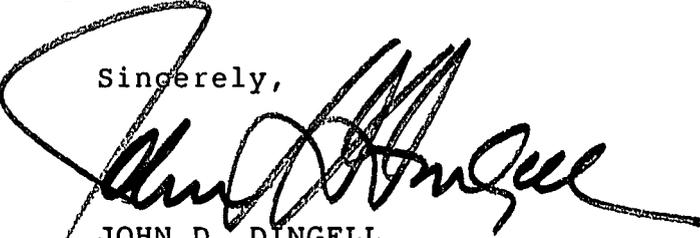
Of course, I will give full and due consideration to the work product of the panel of experts you have commissioned. However, reports leaking out about their deliberations indicate that they are mired in the same dissension and nitpicking that led to stalemate four years ago, and that they are going beyond a definition of the unlawful conduct to encompass restrictive provisions on statute of limitations, burden of proof, and similar items. Hopefully, the final proposal will not be so burdened.

The Subcommittee on Oversight and Investigations, which I also chair, as well as the Subcommittee on Telecommunications and Finance, chaired by Representative Edward J. Markey, are committed to hearings and tough and appropriate legislation to shore up the current surveillance and supervisory systems and enforcement procedures for dealing with insider trading. The General Accounting Office is assisting us and we expect testimony and a report from them on the results of their various audits. We also intend to factor in the outcome of the Winans case.

The Honorable Donald W. Riegle, Jr.  
May 1, 1987  
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I look forward to working with you on this and other issues  
in the 100th Congress.

Sincerely,



Handwritten signature of John D. Dingell in cursive ink.

JOHN D. DINGELL  
CHAIRMAN

Enclosure

cc: Subcommittee on Oversight and Investigations  
Subcommittee on Telecommunications and Finance