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

July 14, 1988

WM MICHAEL KITZMILLER STAFF DIRECTOR

CHAIRMAN'S OFFICE
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SEC. & EXCH. COMM.

The Honorable David S. Ruder
Chairman
Securities and Exchange Commission
450 Fifth Street, N. W.
Washington, D. C. 20549

Dear Chairman Ruder:

This letter is to follow up on the issues I raised with respect to your budget at Monday's insider trading hearing in our Subcommittee on Telecommunications and Finance.

For purposes of that hearing record and to assist us in resolving your resource problems, please provide us with responses to the following by the close of business on Monday, August 29.

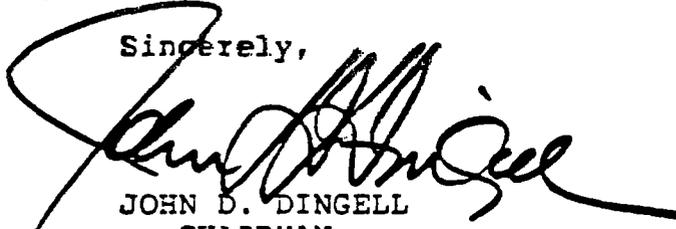
1. In tabular form, disclose for the last ten years your agency's annual authorization, annual appropriation, and monies deposited by the agency in the general fund of the United States Treasury (aggregate sum plus breakdown of sources, e.g., fee revenue, ITSA penalties).
2. Projected effect of the \$135,221,000 House appropriation figure on your agency's enforcement, market regulation, disclosure review, and other programs.
3. At the hearing, you mentioned that the Commission was conducting a study at the behest of the Senate Banking Committee on the feasibility of making the Commission self-funding. When that report is transmitted to the Senate, please also provide a copy to the Committee on Energy and Commerce.
4. The authorization process is an important accountability mechanism. Coupled with diligent adherence to our Rules X and XI oversight responsibilities under the Rules of the U.S. House of Representatives, it helps us assure that the federal securities laws are being faithfully executed. Please explain how you would maintain the discipline imposed by the budget process under a self-funding scheme. Are there other viable alternatives such as retention of a certain percentage of your fees?

The Honorable David S. Ruder
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Following receipt and evaluation of your responses by us, it is requested that the Commission provide us with the necessary technical drafting assistance. I think we both agree that the SEC must be protected from any further budget reductions at this crucial point. This will be a high priority item for this Committee in the next Congress.

Thank you for your cooperation and attention to this request.

Sincerely,



JOHN D. DINGELL
CHAIRMAN

cc: The Honorable Edward J. Markey
The Honorable Norman F. Lent
The Honorable Matthew J. Rinaldo
The Honorable Jamie L. Whitten
The Honorable Neal Smith
The Honorable Harold Rogers