

who demonstrate extraordinary community service, particularly in the areas of education of the Hispanic community.

It is appropriate that the award is named after Willie Velasquez. Willie was awarded the Presidential Medal of Freedom for his contributions to democracy. He spent his life ensuring that the Democratic voice of Hispanics would be heard, and he envisioned a society that would be empowered to change the world around them.

The proceeds of the event benefit the Tejano Center and the National Hispanic Scholarship Fund. These organizations work to ensure that the growing needs of the community are met. They contribute scholarship funds to improve the educational opportunities for our children. They also provide neighborhood centers which provide a wealth of programs that not only benefit our children's social opportunities but works to ensure them a healthy and safe future.

I would also like to commend Marcelo Marini of Telemundo Channel 48 for organizing the yearly event. Without his hard work and perseverance neither this award, not the scholarship would be available. Therefore, Mr. Speaker I would like to ask all the Members of the House to honor the Willie Velasquez Award and the vital role that it plays in the community.

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INTRODUCTION OF H.R. 1256 THE SAVINGS AND INVESTMENT RELIEF ACT OF 1999

**HON. VITO FOSSELLA**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 1999*

Mr. FOSSELLA. Mr. Speaker, I am pleased to announce that together with the Vice Chair of the Democratic Caucus, Mr. MENENDEZ of New Jersey, I have introduced H.R. 1256, the Savings and Investment Relief Act of 1999. This legislation is designed to address the growing problem of excess Securities and Exchange Commission (SEC) transaction fee collections. H.R. 1256 would cap SEC fees which are imposed on stock transactions at more reasonable levels than are currently being collected, thereby saving investors approximately \$2 billion over the next seven years. At the same time, the legislation would provide a flexible funding mechanism that would ensure the SEC's budget needs are always met.

The SEC collects various "user fees" imposed by the securities laws in order to recover the government's costs of running the SEC, including registration fees on stock offerings and transaction fees on stock trades. Over time, these fees had grown to significantly exceed the SEC's budget. In fiscal year 1996, for example, total SEC fee collections were more than two and one-half times the SEC's budget.

Under the leadership of the Chairman of the Commerce Committee, Mr. BLILEY, and the Chairman of the Commerce Subcommittee on Finance and Hazardous Materials, Mr. OXLEY, Congress significantly restructured the SEC fee structure in 1996, as part of the National

Securities Markets Improvement Act of 1996 (NSMIA). NSMIA's fee provisions were intended to reduce total SEC fee collections over time. Transaction fees were explicitly designed to recoup the costs of the SEC's able supervision and regulation of the securities markets and securities professionals—indeed, they were intended to be user fees, not general taxes. Unfortunately, actual SEC collections grew to over \$990 million in FY97—over three times the SEC's budget of \$305 million.

This situation prompted one of our most respected former colleagues, then-House Rules Committee Chairman Jerry Solomon, to introduce a bill last year with Mr. MENENDEZ, H.R. 4213, which sought to place an annual cap on transaction fees.

H.R. 4213 gained 62 cosponsors from both sides of the aisle, and was endorsed by the Security Traders Association, the Chicago Stock Exchange, the Pacific Stock Exchange, the New York Stock Exchange Specialists Association, the NASD, the Electronic Traders Association, and the Profit Sharing/401(k) Council of America. It was also endorsed by Americans for Tax Reform, the National Taxpayers Union, Citizens for a Sound Economy, and numerous state-level pro-taxpayer groups, as well as the U.S. Chamber of Commerce and the National Federation of Independent Businesses. The Chairman of the Ways & Means Committee, BILL ARCHER, was also a strong supporter of the bill, and expressed the Committee's view that transaction "fees" were really taxes because they greatly exceeded the SEC's regulatory costs.

A revised version of H.R. 4213 was drafted to avoid the PAYGO scoring problems which would have otherwise arisen from a reduction in transaction fees deposited as general revenues. By letter dated September 24, 1998, the Congressional Budget Office (CBO) scored the revised legislation as revenue neutral.

Since last year, the situation has only worsened. In FY98, SEC fee collections ballooned to a staggering \$1.78 billion—five and one-half times the SEC's \$322 million budget. Quite frankly, Mr. Speaker, this situation is absurd and unfair. These "fees" have undeniably become a backdoor tax of over \$1 billion on all American investors and businesses raising capital.

Transaction fees are paid by all hardworking investors in my home district and across America. This tax directly affects individual investors, and impacts those large number of Americans who own stock indirectly, such as mutual fund investors and pension plan beneficiaries. It also has a particularly severe impact on the many NASDAQ market makers and exchange specialists who live in my district. These market professionals must frequently put their own capital at risk to buy and sell as principals in order to fulfill their legal obligation to maintain orderly markets. Excess transaction fees drain capital and liquidity from the markets—which disparately impacts the smaller, start-up companies that are creating new jobs and fueling economic growth.

Mr. Speaker, there are a number of ways to achieve the desired result of reducing transaction fees, including a cap and reducing the rate at which fees are levied. While H.R. 1256 embodies the cap approach, I want to stress that I would also endorse a rate cut as well.

My intent in introducing this legislation is to continue to advance the debate on this issue, and to provide much-needed (and long overdue) relief to American investors.

I am gratified that Securities and Exchange Commission Chairman Levitt has gone on record in support of fee relief. In a recent hearing in the Senate Banking Securities Subcommittee, he testified that "[t]he SEC shares the Subcommittee's concern that fee collections are currently well in excess of initial projections." Chairman Levitt stated that he is willing to work with Congress to address this issue, and indicated that a flexible cap on fees is the most workable solution. I commend Chairman Levitt for these comments and for his continued leadership on issues of great importance to American investors.

Mr. Speaker, I pledge to work hard to ensure that the goal of providing investors with relief from these excessive fees is accomplished in the 106th Congress. I look forward to working in a bipartisan fashion to achieve this result, and I urge my colleagues to cosponsor H.R. 1256.

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CENTENNIAL CELEBRATION OF WILEY ELEMENTARY SCHOOL IN RALEIGH, NORTH CAROLINA

**HON. BOB ETHERIDGE**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 1999*

Mr. ETHERIDGE. Mr. Speaker, as the former North Carolina Superintendent of Schools and as the Second District's Congressman, I rise today to call the attention of the Congress to the centennial anniversary of Wiley Elementary School in Raleigh, North Carolina.

Last year, Wiley Elementary School was preparing to celebrate its 75th Anniversary when student researchers discovered an earlier Wiley School, making the school 100 years old this year. Wiley Principal Cecilia Rawlins describes the institution and this occasion best by saying, "Wiley School has a rich history. There are so many people in this community who played a part in our school, and we need to celebrate our history. There are many people who were a part of the school in the past. We want to celebrate the past so we can continue on that tradition toward the future." I am pleased to say that two members of my staff, Zeke Creech and Mark Hilpert, attended Wiley.

Over the past year, the students, parents, teachers, and the community have been preparing for this celebration. Students have researched the "old" Wiley and "new" Wiley, reviewed old PTA scrapbooks, and visited the state Archives and History division. Some students who were graduating to junior high school even devoted part of their summer working on a video and "memory book" to record the history of Wiley. As a part of this effort, students have recorded Wiley's rich history, architecture and alumni memories.

The current school was built in 1923 by C.V. York Construction Co. Its beautiful three story Jacobean Revival brick building was designed by architect Gadsen Sayre. The school was