

The Honorable Richard Baker
United States House of Representatives
341 Cannon House Office Building
Washington, D.C. 20515

Re: Pay Parity for the SEC

Dear Congressman Baker:

I am writing to you out of concern for the ability of the Securities & Exchange Commission to continue to provide the services needed to ensure the fairness and efficiency of our public markets.

More than ever before, the role of the SEC is critical to ensuring fair and efficient markets. Never before have so many Americans been responsible for making their own financial decisions. And never before have they been presented with so many investment options from which to choose.

While this democratization of our markets has enormous societal benefits, it also poses significant risks. The continuing shift of investment decisionmaking from institutions to individuals increases the risk, for example, that inadequate information, a major scandal, or a general loss of faith may cause a harmful withdrawal of capital from the markets.

Conversely, enhancing public confidence and faith in our markets promises to strengthen our economy by further expanding the pool of available capital. Active oversight of the markets by the SEC, especially by its inspections program, is necessary to maintain and build upon the foundation of trust on which our capital markets have been built.

Acting SEC Chairman Laura Unger recently testified that SEC staff are paid 24% to 39% less than their counterparts at banking agencies, and that the SEC lost 30% of its professional staff over the last two years. The staff lost 13% in 1999 alone, compared with 5% for the Federal Reserve Board. No institution, public or private, can fulfill its mission while its primary resource, its people, are leaving as such a rate.

Americans' freedom to choose their investments and control their financial futures is important to our economy, but this freedom cannot survive without effective oversight by the highly skilled professionals at the SEC.

I strongly encourage you to support the Competitive Market Supervision Act and pay parity for SEC staff.

Thank you for your consideration of my views.

Sincerely