

## Bachus Floor Statement Supporting Repeal of Section 929I of Dodd-Frank to Ensure Transparency, Accountability at the SEC

WASHINGTON - Financial Services Committee Ranking Member Spencer Bachus made the following statement during House consideration of legislation to repeal section 929I of the Dodd-Frank Act.

"Madam Speaker, I rise in support of S. 3717, legislation to amend and repeal a provision of the Dodd-Frank Act - Section 929I- that grants the Securities and Exchange Commission a broad exemption from disclosure under the Freedom of Information Act. A hearing that the Financial Services Committee held on this provision last week yielded bipartisan agreement that Section 929I needed to be tailored more narrowly. Chairman Ed Towns and Ranking Member Darrell Issa from the Oversight and Government Reform Committee should be commended for their leadership and for working with the Financial Services Committee to improve this provision of the Dodd-Frank Act. Additionally, I want to thank SEC Chairman Mary Schapiro for expressing her willingness to work with the Committee in a spirit of cooperation to address the concerns that have been raised about section 929I.

"The Dodd-Frank Act confers significant new supervisory, rulemaking, and investigative powers on the SEC. Combining these broad powers with a provision that appears to insulate the SEC from public scrutiny has caused understandable alarm among Members on both sides of the aisle. Congress must support a legislative fix that ensures proper accountability at the SEC while not undermining the agency's ability to exercise effective supervision over the thousands of firms it is responsible for overseeing in the post-Dodd-Frank world.

"To her credit, Chairman Schapiro has been forthright with Congress and the American public in acknowledging past failures at the SEC in protecting investors and regulating large investment banks. We can all agree that an agency that presided over the collapse of some of the largest financial institutions on Wall Street and allowed Bernard Madoff to perpetrate the largest financial fraud in American history must be fully transparent in its operations, and that any statutory departures from that general policy of openness must be narrowly crafted.

"While S. 3717 makes some improvements to Section 929I, it is not a perfect solution. Congress will need to make further changes to Section 929I sooner rather than later and I look forward to working with Chairmen Frank and Towns and Ranking Member Issa. We must be sensitive to the concern raised by Chairman Schapiro that outright repeal of section 929I could result in the SEC being compelled to release proprietary information in response to subpoenas issued in litigation to which the Commission is not a party. The SEC must not become the discovery warehouse for the plaintiff's bar. I commend Chairman Frank for also acknowledging their legitimate concern during the Committee's hearing on this issue last week, when he stated that whatever amendment we propose for Section 929I should not provide an opportunity for third parties to engage in an SEC 'fishing expedition' seeking a company's proprietary information.

"The challenge for this Congress is to strike a proper balance - one that ensures that the SEC has 'real-time' access to the kind of sensitive, proprietary information it needs to catch the next Bernie Madoff, while also giving the public the tools it needs to hold the agency accountable when it fails to fulfill its mission of protecting investors and policing our financial markets. Acknowledging the amendment we are considering is as an important and significant improvement over the status quo, it will still be necessary to revisit this issue. With Chairman Schapiro's cooperation, I am confident that we can arrive at a solution that achieves a balance between disclosure and protection of sensitive proprietary information in the next Congress. The American people, and those with dealings with the SEC, deserve nothing less."