

**STATEMENT OF PAUL S. ATKINS, OF VIRGINIA,
TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION
FOR THE TERM EXPIRING 5 JUNE 2008 (RENOMINATION)**

Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee:

It is a very great honor for me to appear for the second time before this Committee. I am deeply grateful for the confidence that President Bush has again shown in me by nominating me for a second time to be a commissioner. I appreciate your courtesy in calling me before you today.

I would also like to note that it has been a pleasure to work with Chairman Bill Donaldson and my other colleagues on the Commission, Cynthia Glassman, Harvey Goldschmid, and Roel Campos. I salute the leadership that Chairman Donaldson has provided us and the SEC staff. If confirmed once again by the Senate, I look forward to continuing to work with Chairman Donaldson and my fellow commissioners to address the very weighty issues that are before the SEC.

I have always regarded the Securities and Exchange Commission as one of the finest agencies of the U.S. Government. My twenty-year career has centered on the financial markets and the SEC's oversight of them. In fact, I should note that I now have had the privilege of working closely with four SEC Chairmen: Richard Breeden, Arthur Levitt, Harvey Pitt, and Bill Donaldson. I have learned much from each of these men and am happy to count them as friends and advisors.

As the Members of this Committee well know, in the past few years investors have been confronted with spectacular failures of large and small corporations because of bad accounting practices and outright fraud. The instances of corporate managers engaging in theft and reckless mismanagement of corporate funds are shocking, outrageous and completely unacceptable. The revelations of corporate malfeasance undermined our capital markets in a profound way. "Corporate Responsibility" rightfully became a national issue for the first time in perhaps seventy years. In response to this crisis, this Committee and the Congress acted forcefully and the President signed into law the Sarbanes-Oxley Act of 2002, the most important piece of corporate governance and securities legislation in the last seventy years.

For many Americans, the SEC until the last couple of years may have been just another federal agency in Washington, D.C., with an alphabet-soup acronym. As Enron, MCI, and a host of other corporate scandals -- along with the severe downturn in the marketplace -- showed, the times have radically changed. Millions of Americans look to the SEC more than ever as the defender of their financial hopes and dreams, as it should and must be. Investors rightfully demand a tough cop to fight those who steal their hard-earned savings and investment.

These are unique and demanding times at the SEC. It would be a privilege for me to continue to respond to this call and to give my best efforts to advance the Commission's mandate on behalf of the investing public.

In my relatively short tenure as an SEC commissioner, I have had the privilege of serving at the agency as we attempted to fulfill the high expectations of Congress in implementing the Sarbanes-Oxley legislation. As the Commission considered this important legislation, I tried to be mindful that investors need to have confidence that corporate officers are honest and have the best interests of their companies and stockholders in mind, not just what is good for their own wallets. Investors need to know that auditors of public companies are unconflicted, ethical, and acting in the best interests of investors. They need to know that their representatives on corporate boards are actively guarding their interests. And, last, but certainly not least, investors must be able to rely on the financial reports issued by public companies to present a clear and accurate picture of the financial health of those companies. If confirmed, I will continue to make decisions based on these bedrock principles.

We at the SEC have heard the calls from the investing public, and we are working hard to be more vigilant, more aggressive, and more faithful defenders of the public trust. We have, I believe, made significant steps to restore confidence in our financial system. If confirmed, I will continue to work towards achieving these critical objectives.

As I said the last time that I was before you, the SEC is a vital line of defense in protecting investors and the integrity of our financial markets. If confirmed, I will continue to dedicate my energy, experience, integrity, and independent judgment to achieving that goal. I look forward to the opportunity to return to my position at the SEC to serve with Chairman Donaldson and my fellow commissioners.

Thank you very much and I would be happy to answer any questions that you might have.