

**Statement of Kathleen Casey
Commissioner-Designate
U.S. Securities and Exchange Commission
before the
States Senate
Committee on Banking, Housing and Urban Affairs
June 8, 2006**

Mr. Chairman, Ranking Member Sarbanes, and members of the Committee, I am honored to appear before you today. I am deeply grateful and humbled by the President's nomination to serve as a Commissioner on the Securities and Exchange Commission, and I thank the President for this great honor.

I would also like to express my sincere gratitude to Chairman Shelby, the members of the Senate Banking, Housing and Urban Affairs Committee and the staff. It has been both a privilege and a joy to work on the Committee. As has so often been noted, this Committee has a long history of collegiality and bipartisanship. I believe this well-deserved reputation stands as a testament to the Committee's effectiveness and makes work – even on difficult and divisive issues – not only challenging, but rewarding.

I have also been fortunate to work with extraordinarily smart, capable and professional staff. I have come to know and respect all of them. But, I would like to particularly thank Steve Harris, the minority staff director, for his friendship and support over these past several years. It has been invaluable to me and working with you has been a real pleasure. So, thank you, Steve. The Securities and Exchange Commission is the world's preeminent market regulator. Having had the opportunity to work with members and staff of the Commission over the years, it is easy to see why.

Over the past 13 years, I have had the opportunity to work on a broad range of legislative and oversight issues affecting our capital markets and the work of the SEC. This experience has given me a deeper understanding of the legal and regulatory framework that guides our securities markets and has provided me with insight into the public policy considerations that underpin it. Further, I believe this experience has given me a strong appreciation of the important role the Securities and Exchange Commission plays in protecting investors and ensuring the integrity and efficiency of our capital markets.

I have a deep respect for the efficiency and productive power of our capital markets. I believe as a general rule, we should let market forces work. As it has often been said, we have the deepest, most liquid and efficient markets in the world. Millions of Americans invest in them everyday and rely on the market's vibrancy and depth to build and secure their futures. But, we should never lose sight of one fact - our capital markets enjoy this preeminent status because they are the most transparent. Because of this transparency, people in the United States and around the world have confidence in their integrity.

This confidence in our markets is due in large part to the disclosure requirements of our securities laws. Full and accurate disclosure is a key to transparency. But, if disclosure is to be meaningful to ordinary investors it must be understandable. I believe that Chairman Cox has identified, in a most tangible way, a promising initiative that could help demystify financial disclosure for everyday Americans and empower them with meaningful and understandable information to guide their decision-making.

As has also been evidenced in the past, while strong and dynamic, our markets can be roiled if investors do not have confidence that they are fair. It is, therefore, important that investors believe that fraud and misconduct will be pursued and penalized. The SEC must play a leading role in policing our markets and enforcing the law. Firm, but fair enforcement ensures that the misconduct of the few does not erode the confidence of the many.

Our markets also continue to rapidly evolve and change in an increasingly global marketplace. This promises tremendous benefits for U.S. investors, but also poses unique challenges. The SEC will play a vital role in ensuring that our regulatory framework is able to adjust to those changes and continue to be responsive to the needs of investors and to market forces. The SEC is already undertaking these efforts - pro-actively - to look ahead and to discuss with international counterparts how the SEC can continue to fulfill its mission in this changing marketplace.

The President has nominated me to take the seat being vacated by Commissioner Cyndi Glassman. I would like to note that she has been an extraordinary Commissioner and, should I be confirmed, I hope to serve as ably as she has.

On a final and personal note, I would like to thank Chairman Shelby again, for giving me the privilege to serve him and this Committee. Working in the United States Senate has been the most rewarding and enjoyable experiences of my life and I will cherish the knowledge, wisdom and friendships that I have gained here.

I think it is often easy to forget, in the day to day course of business, what a tremendous honor it is to work here.

I recall fondly one of my first days on the job for Senator Shelby. The Senate was considering a very controversial and contentious bill, and I had to accompany him to the Senate floor for the debate. I was extremely nervous. And, despite the fact that he kept calling me by the wrong name - I think he called me Peggy - I was also thrilled. It really didn't matter that he didn't know my name at the time. What mattered most was that I was sitting behind a United States Senator on the floor of the United States Senate.

It is with this humility and desire to continue to serve the public interest that I thank you again for the opportunity to appear before you today. I would be pleased to answer any questions.