

July 26, 2005

**Statement of the Hon. Christopher Cox of California
Before the Senate Committee on Banking, Housing, and Urban Affairs
To Be a Member of the U.S. Securities and Exchange Commission**

Mr. Chairman, Senator Sarbanes, and Members of the Committee, it is a pleasure to appear before you today. I am deeply honored that President Bush has nominated me for the very important task of ensuring the integrity and efficiency of the nation's capital markets. I want particularly to thank Senator Feinstein, Senator Boxer, and Senator Stevens for their kind introductions. It has been a pleasure to have had the opportunity to work closely with each of them over the years. Likewise, I thank you, Mr. Chairman; Ranking Member Sarbanes; and each of the Members of this Committee for the time and the advice that you have given me during this confirmation process.

It is a special honor to be nominated to follow in the footsteps of Bill Donaldson, whose advice and guidance over the past two months have been invaluable. He has served the SEC, and our country, with honor and distinction. Today, I am very pleased to share this hearing with Commissioner Roel Campos, and Commissioner-designate Annette Nazareth, both of whom have played such important and distinguished roles at the Commission.

With your permission, Mr. Chairman, I would like to introduce my wife, Rebecca, and our children, Charles, Katie, and Kevin. I am exceptionally fortunate to have the encouragement and support of a wonderful family, and I thank the Committee for allowing them to be here with us today.

The Congress--and in particular this Committee--plays the defining role in charting the course and the overall mission of the Securities and Exchange Commission. Through my years of service on the House Financial Services Committee, and the Energy and Commerce Committee (which until 2001 had jurisdiction over securities law), I have had the privilege of working with the Members and staff of this Committee to give the SEC the tools it needs to ensure the integrity of America's capital markets. Our most recent accomplishment was the historic Sarbanes-Oxley Act, which was absolutely necessary to bolster confidence in the integrity of our markets. Sarbanes-Oxley is now a pillar of our securities regulatory charter.

Mr. Chairman, this is only a brief statement. But I think it is important, in these opening comments, to describe the priorities that, if confirmed, would be the focus of my service as Chairman of the Securities and Exchange Commission.

First: my top priority will be vigorous enforcement of our securities laws. The Commission must be vigilant in behalf of investors, and stalwart against fraud and unfair dealing. This Committee and the Congress have given the Commission the legal tools it needs to protect investors and promote the health of our financial markets. If confirmed,

I will carry out that mandate, through aggressive use of the tools that Congress has provided.

Second, I will cultivate respect for the rule of law in our capital markets. There is no better means to this end than continuity, clarity, and consistency in the Commission's rulemaking and enforcement responsibilities.

Third, I will strongly support the Commission's ongoing work to ensure that the rules governing our financial markets keep pace with advancing technology. The rapid globalization of securities markets, and the amazing development of the Internet as a medium for commerce and information, have taken place at the same time that the number of Americans who are directly invested in securities has reached a record level. These developments offer both investors and issuers extraordinary new opportunities--but they also bring unprecedented risks. As a result, the work of the SEC is now more important than ever.

Fourth and finally, I will work to ensure the continuity of critical operations in the financial sector in the event of another terrorist attack. As Chairman of the Homeland Security Committee, I know how much work has already been done in this area. But as the tragic events of this July in London have shown, the threat of terrorism has not abated; and the 9/11 attacks on Wall Street have put us on fair notice.

If I am confirmed as Chairman, the SEC will continue to work with the President's Working Group on Financial Markets; the Department of the Treasury; the Justice Department; the intelligence community; state and local law enforcement; and our partners around the world to see to it that the American men and women whose savings and jobs depend on the security of our capital markets are as safe and protected as they can be.

Mr. Chairman, I am grateful for the opportunity to serve as Chairman of what Senator Sarbanes has rightly called the crown jewel of federal regulatory agencies. From my early days as a securities practitioner to my most recent years in the Congress, I have been consistently impressed by the high caliber of professionals at the Securities and Exchange Commission. For seventy years the SEC has set the standard of excellence and integrity for the rest of the federal government, and for governments around the world. It will be an honor, if confirmed, to join this exceptional team.

In closing, may I say that it has been an equally profound honor to work for nearly two decades with each of you as colleagues in the Congress; and if you confirm me, it will of course mark the end of that extraordinary experience. But I unqualifiedly welcome the opportunity to continue to work with each of you for the protection of investors, and the efficiency of our financial markets. I am happy to answer any questions you might have.