

Policy Management and Administrative Support

The policy management and administrative support staff provide the Commission and operating divisions with the necessary services to accomplish the agency's mission. Their responsibilities and activities include developing and executing management policies, formulating and communicating program policy, overseeing the allocation and expenditure of agency funds, maintaining liaison with Congress, disseminating information to the press, and facilitating Commission meetings. Administrative support services include information technology, financial, space and facilities, and human resources management.

What We Did

- Held 48 Commission meetings, during which 177 matters were considered.
- Acted on 1,133 staff recommendations by seriatim vote.
- Enhanced the EDGAR system and SEC website.
- Submitted justification to the Office of Personnel Management in support of special salary rate increases for attorneys, accountants, and securities compliance examiners.

Policy Management

Commission Activities

During the 48 Commission meetings held in 2000, the Commission considered 177 matters, including the proposal and adoption of Commission rules, enforcement actions, and other items that affect the nation's capital markets and the economy. The Commission also acted on 1,133 staff recommendations by seriatim vote.

Management Activities

Our staff continued to promote management controls and financial integrity and to manage the agency's audit follow-up system. In addition, we coordinated and implemented the agency's compliance with the Government Performance and Results Act of 1993 (GPRA). Working closely with other senior officials, the office formulated the agency's budget submissions to the Office of Management and Budget and the Congress.

Administrative Support

Financial Operations

Originally, the SEC deposited \$2.27 billion in fees in the U.S. Treasury in fiscal 2000, of which \$173.8 million was used to directly fund the agency in 2000. Of the \$2.27 billion in total fees collected, 49% were from securities registrations; 48% were from securities transactions; and 3% were from tender offer, merger, and other filings.

The fee rate for securities registrations was established in the Securities Act of 1933 at 1/50 of 1 percent. Between 1990 and 1996, Congress annually increased this fee rate to

partially offset the costs of funding the agency. In October 1996, Congress enacted Title IV of the National Securities Markets Improvement Act (NSMIA), reducing the fee rate for fiscal 1997 to 1/33 of 1 percent and providing future annual reductions in the fee rate. The rate for fiscal 2000 was 1/38 of 1 percent. When the scheduled NSMIA reductions are fully implemented in 2007, the fee rate on securities registrations will be 1/150 of 1 percent.

The transaction fee rate on exchange-based securities was established in the Securities Exchange Act of 1934 at 1/300 of 1 percent of the total dollar value of all trades. To equalize the costs of trading across markets, NSMIA extended these transaction fees to the over-the-counter market at the same rate of 1/300 of 1 percent. This rate will be reduced to 1/800 to 1 percent in 2007 for exchange listed and over-the-counter securities.

Revenue from other filings and reports includes fees for tender offers and merger filings under Section 13 of the 1934 Act.

Public Reference Room

Due to the success of electronic information dissemination through EDGAR and the Internet (www.sec.gov), the Commission closed its New York and Chicago public reference rooms. However, the SEC continues to maintain a public reference room in its headquarters office. All public filings, Commission rules, orders, studies, reports, and speeches are obtainable from the SEC website or by written request, e-mail, or in person visit.

The SEC completed its transition to electronic document storage for paper filings. Paper filings are available electronically in the headquarters public reference room via the *Global Access* system. A total of 401,505 electronically

imaged paper filings, including 310,121 trading reports by insiders (forms 3, 4, 5, and 144), were added to the library of information available to the public.

EDGAR System

The Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system entered the last year of its three-year modernization effort. Using commercial software products in lieu of custom-developed solutions, filers may now submit documents securely via the Internet in both ASCII and HTML (the most common languages on the Internet). The SEC privatized its document dissemination service significantly reducing the cost of the subscription service. The public continues to have free access to filings via the SEC website.

During the past year we also established an Internet-based filer website that allows filers to seek assistance, download software, or submit documents to us. The EDGAR system is on target to complete modernization in 2001.

www.sec.gov

The agency's website provides the public with electronic access to the EDGAR database and other information of interest to the investing public. The website continues to be a popular source of information, generating over 1.2 million hits per day, with over 37 gigabytes of data displayed per day and roughly 35 gigabytes of data downloaded per day. The site underwent a major redesign to make information more easily available and to expand the public's ability to search for information.

New Registration and Filing System for Investment Advisers

The SEC partnered with the National Association of Securities Dealers Regulation to develop a web-based electronic registration and filing system for investment

advisers. The IARD system became operational in January 2001 and, when fully implemented, will contain information on over 8,000 SEC registered advisers and an additional 15,000 state registered advisers.

Human Resources

This year our staff:

- gathered and developed justification that was submitted to the Office of Personnel Management in support of special salary rate increases for attorneys, accountants, and for the first time, securities compliance examiners;
- established and staffed a labor relations function as employees elected the National Treasury Employees Union to be their exclusive representative; and
- with the addition of an agency Chief Recruiter, enhanced the Commission's recruitment efforts through increasing our participation in law school visitation, job fairs and recruitment conferences, including Career 2000. This included the expanded use of Internet technology.