

Policy Management & 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 83 Commission meetings, during which 907 matters were considered.
- Acted on 331 staff recommendations by seriatim vote.
- Implemented provisions of the Investor and Capital Markets Fee Relief Act, including reducing certain fee rates under the Securities Act of 1933 (Securities Act) and the Securities Exchange Act of 1934 (Exchange Act) and establishing a pay parity system to improve employee retention.
- Negotiated a collective bargaining agreement with the National Treasury Employees Union (NTEU).

- Enhanced the Commission’s website and Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system to allow for extended filing hours, electronic filings by foreign securities issuers, real-time access, and improved search capabilities.
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Policy Management

Commission Activities

During the 83 Commission meetings held in 2002, the Commission considered 907 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 331 staff recommendations by seriatim vote.

Administrative Support

Financial Management

The SEC deposited \$1.013 billion in fees in the U.S. Treasury, of which \$109.5 million was used to directly fund the agency in 2002. Of the \$1.013 billion in total fees collected, 32 percent was from securities registrations; 67 percent was from securities transactions; and 1 percent was 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 Market 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 transaction fee rate on exchange-listed securities was established in the Exchange Act 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. On January 16, 2002, the President signed the Investor and Capital Markets Fee Relief Act (Fee Relief Act). The Fee Relief Act reduced the fee rates applicable under section 6(b) of the Securities Act for all of fiscal 2002 and sections 13(e), 14(g), 31(b) and 31(c) of the Exchange Act for the rest of fiscal 2002. The Fee Relief Act also amended these sections to require the Commission to make annual adjustments to the fee rates applicable under these sections for fiscal years 2003 through 2011, and one final adjustment to fix the fee rates under these sections for fiscal 2012 and beyond.

Human Resources Management

During the year, the SEC:

- Successfully implemented the new pay parity system and converted the agency's payroll operations on May 19, 2002.
- Established a new Executive Program and Compensation System for members of the agency's Senior Officers Program.
- Negotiated a collective bargaining agreement with the NTEU, which covers all bargaining unit members of the SEC.
- Established a comprehensive Work/Life Plus Program for all SEC employees, including a referral service, brochure, and intranet site.

- Established an agency-wide Reasonable Accommodation Program, working with the Offices of Information Technology and Equal Employment Opportunity.
- Implemented a Mentor Program for the Summer Honors Program.

EDGAR

The SEC enhanced the EDGAR system to allow for Commission-mandated electronic filing by foreign securities issuers. The most significant changes made to the system were the introduction of new form type changes and the updating of the country codes. The enhancements also permit the EDGAR system to support an earlier morning opening to provide for the business work times of our foreign securities issuers.

EDGAR continued to receive recognition for its innovative information technology. *Computerworld* awarded EDGAR its Honors Laureate for Innovations in Technology Achievement Award. *Post Newsweek* awarded EDGAR its Excellence in Government Award for Innovative IT Accomplishments. EDGAR also received the Enterprise Value Award from *CIO Magazine* for 2003 for its modernization efforts.

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The Commission upgraded its website to provide the public and SEC staff with real-time access to the EDGAR filings database of historical and recently filed information. Thus, the agency eliminated the 24-hour delay the public and staff previously had experienced. The Commission also implemented new or enhanced search capabilities, allowing individuals to search the EDGAR database by company name, CIK number, or SIC number via the website.

Information Technology Security

The SEC initiated a certification and accreditation program for reviewing the security of agency systems. The agency also adopted a policy governing agency practices with respect to certifying and accrediting SEC systems.

Shared Access to Examination Reports

Working in collaboration with the self-regulatory organizations, the agency established a secure facility for accessing examination and inspection reports from other oversight bodies. The secure data exchange facility dramatically reduced the length of time spent identifying, requesting, and transferring information between parties.

Space and Facilities Management

During the year, the SEC:

- Reestablished the Commission's Northeast Regional Office in the Woolworth Building. The office had been located at 7 World Trade Center, which was destroyed on September 11, 2001.
- Oversaw and coordinated the moves of the Chicago, Denver, and Miami offices to new space and installed new telephone systems in each.
- Successfully managed mail operations during the anthrax crisis.