



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 19, 2003
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2420 - Mutual Funds Integrity and Fee Transparency Act of 2003

(Rep. Baker (R) Louisiana and 23 cosponsors)

The Administration commends the House Financial Services Committee for its year-long focus on reform of the mutual fund industry. Chairman Oxley, Subcommittee Chairman Baker, and Ranking Member Frank developed an important record with respect to the structure, incentives, and practices of the mutual fund industry, and have focused necessary attention on the impact of the system on individual investors.

The Administration believes that H.R. 2420 highlights key areas of reform that Securities and Exchange Commission (SEC) Chairman Donaldson has committed to addressing: exposing and punishing acts of wrongdoing; improving mutual fund governance; holding fiduciaries more accountable; and providing better information to investors. The Administration believes that the Committee's work will prove to be important as the SEC and other regulatory agencies consider the tools and authority necessary to strengthen investors' trust in the integrity of mutual funds. The Administration also continues to monitor the enforcement actions being conducted by members of the President's Corporate Fraud Task Force, including the Departments of Justice and Labor, the SEC, and the Commodity Futures Trading Commission.

The Administration looks forward to continuing to work with Congress as it takes prudent steps to protect more than 95 million mutual fund investors.

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