



SECURITIES AND EXCHANGE COMMISSION

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LOOMIS COMMENTS ON SUNSET LEGISLATION

Commissioner Philip Loomis told the Senate Committee on Governmental Affairs today that, although the Commission agrees "that careful and searching Congressional, and probably executive, review of government programs and agencies is highly desirable," it also believes that "sunset provisions are not the best way to accomplish that objective."

"These provisions," Commissioner Loomis said, "are presumably designed to force the Congress and the Executive to act promptly. But if for whatever reason, this is not done, the consequence would be to indiscriminately destroy agencies and programs which happened to be next on the list when Congress became preoccupied with other matters."

Besides having a serious impact on the morale and effectiveness of agency employees, Commissioner Loomis pointed out that "the 'sunset' provisions of the bills would not repeal or stay the effectiveness of the statutes which

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the agency is charged with administering." He said that, at least in the case of the Commission "such a situation would create a serious problem and hardship for many private persons and businesses."

Commissioner Loomis noted that "certain statutory proscriptions against wrongful conduct are not self-executing, but were intended by Congress to take effect only when implemented by Commission rules and regulations." Thus, the termination of existing agency regulations as a result of sunset provisions "might have drastic adverse effects on the investing public."

Commissioner Loomis told the Committee that the Commission recognizes that "these bills reflect an entirely justified concern that there has been a great proliferation of government programs and agencies...that these programs are burdensome and costly to business and the American people, that many of them may not be accomplishing their intended purpose, or do not do so in a cost-effective fashion." He pointed out, however, that Congress already has available to it the means to conduct detailed scrutiny of federal programs and agencies. "We believe, based upon our experience, particularly in

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recent years, that existing procedures for Congressional and Executive oversight and review can work and, at least in our case, have worked quite well; and we also think these can, if necessary be refined and improved." He noted that "some of the provisions of S.2 could be of significant assistance in this regard by providing that similar or overlapping programs or agencies could be subject to concurrent review, and by authorizing increased appropriations for review."

Reaffirming the Commission's commitment to meaningful regulatory reform, Commissioner Loomis said "we believe that the goal of efficient and responsible government would be best furthered by measures which are addressed to the real causes of regulatory problems, and which did not contain the potential for such unwarranted adverse impacts on the public as do S.2 and similar sunset legislation."

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