

in making their annual "Coats for Kids" Drive an overwhelming success.

COMMENDING THE FRESNO CHAPTER OF THE AMERICAN HEART ASSOCIATION IN HONOR OF THE AMERICAN HEART WALK

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 2003

Mr. RADANOVICH. Mr. Speaker, I rise today to commend the Fresno Chapter of the American Heart Association for hosting the 12th Annual American Heart Walk. The event will be held Saturday, September 20th at Woodward Park in Fresno, California.

The American Heart Walk is committed to increasing public awareness of walking as a heart healthy exercise, while raising funds to battle heart disease and stroke. The event also provides special recognition for survivors of stroke and heart disease. It has become the American Heart Association's fastest growing special event with 2,500 walkers and runners, as well as more than 100 volunteers expected to participate this year. By attracting both individuals and corporate teams, the walk has seen great communitarian and financial success. Although the event itself is noncompetitive, participants take seriously the task of soliciting donations which fund the Association's many programs.

The American Heart Association's fund-raising goal for the event is \$200,000: money that will help support research and community outreach programs. American Heart Association-funded research is responsible for numerous medical advances including pacemakers, bypass surgery, CPR, artificial heart valves, and blood pressure medication. Funds raised will also go toward educational programs for the community that emphasize healthy eating, smoking cessation, high blood pressure control, and promotion of physical activity.

Mr. Speaker, it is my pleasure to praise the American Heart Association for hosting the American Heart Walk. I urge my colleagues to join me in wishing the American Heart Association many years of continued success.

TO HONOR THE OUTSTANDING PUBLIC SERVICE CAREER OF MAY W. NEWBURGER, TOWN SUPERVISOR OF NORTH HEMPSTEAD, NY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 2003

Mr. ACKERMAN. Mr. Speaker, I rise today to honor May W. Newburger on the occasion of her retirement from public service. During her long and distinguished career, Ms. Newburger served for two years as Town Councilwoman as well as for eight highly productive years in the New York State Assembly. She was the first woman to be elected chief executive of a Nassau County town and

is currently serving her fifth term as Town Supervisor of North Hempstead, New York.

As Town Supervisor, May Newburger has been the driving force behind long-term strategic financial planning in North Hempstead, most notably through the Debt Management and Capital Plans. She has already transformed a \$7 million budget deficit into a surplus of \$7.7 million and will reduce the town debt by \$107 million over the next ten years. This planning has helped move the town from the lowest bond rating to the highest in its history.

Under May Newburger's leadership, North Hempstead was named "Town of the Year 1999" by the Long Island Development Corporation and received the "Quality of Life" award from the Long Island Division of the American Society of Civil Engineers. May also spearheaded the initiative to reclaim the Morewood Property, an environmentally damaged area, turning it into the Harbor Links municipal golf course, one of the country's most environmentally friendly championship level golf courses and the winner of the "Environmental Stewardship Award" as well as the prestigious "Audubon Signature Distinction." Supervisor Newburger also successfully lobbied the Environmental Protection Agency for \$200,000 to designate New Cassel as a Brownfields Pilot Community.

Throughout her career in public service, May Newburger has received innumerable awards and honors and has served on many State and national committees. In 1981, she served as a New York State Delegate to the White House Conference on Families and from 1987 to 1989 she chaired the American Jewish Congress' National Commission on Women's Equality. She was also a member of the State Judicial Committee on Women in the Courts, the Governor's Commission of Domestic Violence and the State Commission on Child Care.

I commend May W. Newburger for her commitment and tireless dedication to improving the lives of others. I ask my colleagues in the House of Representatives to please join me in celebrating her outstanding career in public service.

THE IMPORTANCE OF INDEPENDENCE FOR FASB

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 2003

Mr. FRANK of Massachusetts. Mr. Speaker, earlier this year, I received a very thoughtful letter from Eugene O'Kelly, the Chairman and Chief Executive Officer of KPMG. I was thoroughly impressed to receive a strong letter in favor of the independence of accounting standards from the Chief Executive of this major accounting firm. I believe Mr. O'Kelly's letter makes a very important contribution to the debate on a significant public policy issue and I ask that it be printed here.

KPMG,

PARK AVENUE,

New York, NY, July 9, 2003.

Hon. BARNEY FRANK,

Ranking Minority Member, House Committee on Financial Services

Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN FRANK: That public trust in our capital markets institutions has been badly shaken by recent corporate scandals is a truth that hardly needs repeating. Congress recognized the need to restore that trust when it passed the Sarbanes-Oxley Act. Among its many reforms, the Act established an independent funding source for the Financial Accounting Standards Board, to avoid any appearance of undue influence. It would be sadly ironic if the Congress itself were now to undermine the independence of the FASB.

The immediate controversy, of course, is accounting for stock options, but it is not my purpose here to debate that subject (KPMG is on record that they should be expensed). Rather, I am concerned about a more fundamental issue—namely, the integrity of the independent standard-setting process that has served out financial markets remarkably well for decades.

To do right by investors, the FASB must be free to render its judgments on the basis of sound accounting and financial reporting, the lodestar of which is transparency. As the FASB patiently (if sometimes inartfully) explains, it does not, indeed it must not, take into account the economic consequences of the standards it writes. Critics seize upon this position to justify legislative intervention on the basis of economic policy. But this criticism misses the point. The FASB bases its standards on clarity and transparency rather than other factors precisely because this is the only approach beneficial to a free-market economy.

The purpose of financial reporting is to provide investors as clear a window as possible into a company's underlying operations and results. When it succeeds, the markets efficiently allocate capital to its highest and best uses, and the economy prospers. To set accounting standards in order to engineer a particular outcome or to benefit a certain industry would distort the true picture of company performance and misdirect the flow of investment. To understand the ensuing damage, we need look no farther than to the end of the last century, littered with the failures of central economic planning.

To provide transparency to investors, in other words, accounting standard setters must be neutral with respect to economic winners and losers. They cannot be influenced by concerns over which industry is in favor or in need. This is a task for which an elected body is frankly ill suited. Just consider the consequences to our capital markets if financial reporting were subject to the same vicissitudes of politics and public opinion as, say, fiscal policy.

Congress, like all interested parties, has every right to make its views known on the standards proposed by the FASB. And all those affected have a right to thorough due process in the FASB's decision-making. Ultimately, however, the FASB must be free from political pressure to make its decisions on the merits of transparency. Over the years, Congress wisely has resisted the temptation to intervene. Today, when more than ever investors need to know that financial reports tell the straight story, nothing less than a truly independent accounting standard-setting body will do.

Sincerely,

EUGENE D. O'KELLY,

Chairman and Chief Executive.