

sistent with the protection of investors, to require each issuer, together with periodic reports required pursuant to sections 78m(a) and 78o(d) of this title, to disclose whether or not, and if not, the reasons therefor, the audit committee of that issuer is comprised of at least 1 member who is a financial expert, as such term is defined by the Commission.

**(b) Considerations**

In defining the term “financial expert” for purposes of subsection (a), the Commission shall consider whether a person has, through education and experience as a public accountant or auditor or a principal financial officer, controller, or principal accounting officer of an issuer, or from a position involving the performance of similar functions—

- (1) an understanding of generally accepted accounting principles and financial statements;
- (2) experience in—
  - (A) the preparation or auditing of financial statements of generally comparable issuers; and
  - (B) the application of such principles in connection with the accounting for estimates, accruals, and reserves;
- (3) experience with internal accounting controls; and
- (4) an understanding of audit committee functions.

**(c) Deadline for rulemaking**

The Commission shall—

- (1) propose rules to implement this section, not later than 90 days after July 30, 2002; and
- (2) issue final rules to implement this section, not later than 180 days after July 30, 2002.

(Pub. L. 107-204, title IV, § 407, July 30, 2002, 116 Stat. 790.)

**§ 7266. Enhanced review of periodic disclosures by issuers**

**(a) Regular and systematic review**

The Commission shall review disclosures made by issuers reporting under section 78m(a) of this title (including reports filed on Form 10-K), and which have a class of securities listed on a national securities exchange or traded on an automated quotation facility of a national securities association, on a regular and systematic basis for the protection of investors. Such review shall include a review of an issuer’s financial statement.

**(b) Review criteria**

For purposes of scheduling the reviews required by subsection (a), the Commission shall consider, among other factors—

- (1) issuers that have issued material restatements of financial results;
- (2) issuers that experience significant volatility in their stock price as compared to other issuers;
- (3) issuers with the largest market capitalization;
- (4) emerging companies with disparities in price to earning ratios;
- (5) issuers whose operations significantly affect any material sector of the economy; and

(6) any other factors that the Commission may consider relevant.

**(c) Minimum review period**

In no event shall an issuer required to file reports under section 78m(a) or 78o(d) of this title be reviewed under this section less frequently than once every 3 years.

(Pub. L. 107-204, title IV, § 408, July 30, 2002, 116 Stat. 790.)

**CHAPTER 99—NATIONAL CONSTRUCTION SAFETY TEAM**

Sec.	
7301.	National Construction Safety Teams.
7302.	Composition of Teams.
7303.	Authorities.
7304.	Briefings, hearings, witnesses, and subpoenas.
7305.	Additional powers.
7306.	Disclosure of information.
7307.	National Construction Safety Team report.
7308.	National Institute of Standards and Technology actions.
7309.	National Institute of Standards and Technology annual report.
7310.	Advisory committee.
7311.	Additional applicability.
7312.	Construction.
7313.	Authorization of appropriations.

**§ 7301. National Construction Safety Teams**

**(a) Establishment**

The Director of the National Institute of Standards and Technology (in this chapter referred to as the “Director”) is authorized to establish National Construction Safety Teams (in this chapter referred to as a “Team”) for deployment after events causing the failure of a building or buildings that has resulted in substantial loss of life or that posed significant potential for substantial loss of life. To the maximum extent practicable, the Director shall establish and deploy a Team within 48 hours after such an event. The Director shall promptly publish in the Federal Register notice of the establishment of each Team.

**(b) Purpose of investigation; duties**

**(1) Purpose**

The purpose of investigations by Teams is to improve the safety and structural integrity of buildings in the United States.

**(2) Duties**

A Team shall—

- (A) establish the likely technical cause or causes of the building failure;
- (B) evaluate the technical aspects of evacuation and emergency response procedures;
- (C) recommend, as necessary, specific improvements to building standards, codes, and practices based on the findings made pursuant to subparagraphs (A) and (B); and
- (D) recommend any research and other appropriate actions needed to improve the structural safety of buildings, and improve evacuation and emergency response procedures, based on the findings of the investigation.

**(c) Procedures**

**(1) Development**

Not later than 3 months after October 1, 2002, the Director, in consultation with the