

## Union Calendar No. 836

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6745

[Report No. 115–1077]

To amend the Securities Exchange Act of 1934 to revise the shareholder threshold for registration under such Act for issuers that receive support through certain Federal universal service support mechanisms, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2018

Mr. DUFFY (for himself and Ms. SINEMA) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 12, 2018

Additional sponsor: Mr. GONZALEZ of Texas

DECEMBER 12, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on September 7, 2018]

# **A BILL**

To amend the Securities Exchange Act of 1934 to revise the shareholder threshold for registration under such Act for issuers that receive support through certain Federal universal service support mechanisms, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4        *This Act may be cited as the “Access to Capital Creates*  
5 *Economic Strength and Supports Rural America Act” or*  
6 *the “ACCESS Rural America Act”.*

7 **SEC. 2. SHAREHOLDER THRESHOLD FOR REGISTRATION OF**  
8 **CERTAIN ISSUERS.**

9        *Section 12(g) of the Securities Exchange Act of 1934*  
10 *(15 U.S.C. 78a et seq.) is amended—*

11            *(1) in paragraph (1)—*

12                    *(A) in subparagraph (A)(ii), by striking*  
13 *“and” at the end;*

14                    *(B) in subparagraph (B), by adding “and”*  
15 *at the end;*

16                    *(C) by inserting after subparagraph (B) the*  
17 *following:*

18                    *“(C) in the case of an issuer that, during its pre-*  
19 *vious fiscal year, received support, directly or through*  
20 *an affiliate, through any Federal universal service*  
21 *support mechanism established under section 254 of*  
22 *the Communications Act of 1934 and filed the report*  
23 *described under paragraph (7) with respect to such*  
24 *fiscal year, not later than 120 days after the last day*  
25 *of its first fiscal year ended after the effective date of*

1 *this subsection on which the issuer has total assets ex-*  
 2 *ceeding \$10,000,000 and a class of equity security*  
 3 *(other than an exempted security) held of record by*  
 4 *either—*

5 *“(i) 2,000 persons, or*

6 *“(ii) 1,250 persons who are not accredited*  
 7 *investors,”; and*

8 *(D) by adding at the end the following:*

9 *“The dollar figures in this paragraph shall be*  
 10 *indexed for inflation every 5 years by the Com-*  
 11 *mission to reflect the change in the Consumer*  
 12 *Price Index for All Urban Consumers published*  
 13 *by the Bureau of Labor Statistics, rounded to the*  
 14 *nearest \$100,000.”; and*

15 *(2) by adding at the end the following:*

16 *“(7) REPORT BY UNIVERSAL SERVICE SUPPORT*  
 17 *MECHANISM RECIPIENTS.—*

18 *“(A) IN GENERAL.—The Commission shall*  
 19 *issue regulations to establish a financial sum-*  
 20 *mary form that may be annually filed by an*  
 21 *issuer that—*

22 *“(i) during its previous fiscal year, re-*  
 23 *ceived support, directly or through an affil-*  
 24 *iate, through any Federal universal service*  
 25 *support mechanism established under sec-*

1            *tion 254 of the Communications Act of*  
2            *1934; and*

3            *“(ii) has a class of equity security held*  
4            *of record by 500 or more persons who are*  
5            *not accredited investors, but less than 1,250*  
6            *persons who are not accredited investors.*

7            *“(B) CONTENTS.—The form described under*  
8            *subparagraph (A) shall include a summary of*  
9            *the consolidated balance sheet and the consoli-*  
10           *dated income statement of the issuer, and such*  
11           *other information as the Commission determines*  
12           *is necessary and appropriate in the public inter-*  
13           *est and for the protection of investors.*

14           *“(C) PUBLIC AVAILABILITY OF FORMS.—The*  
15           *Commission shall make financial summary*  
16           *forms filed under this paragraph available to the*  
17           *public, including on the website of the Commis-*  
18           *sion.”.*

19    **SEC. 3. SEC STUDY.**

20           *(a) STUDY.—After the end of the 3-year period begin-*  
21           *ning on the date of enactment of this Act, the Securities*  
22           *and Exchange Commission shall carry out a study on—*

23           *(1) the effect of the amendments under section 2;*  
24           *and*

1           (2) *to what extent those changes have improved*  
2           *capital formation by the issuers described under sec-*  
3           *tion 12(g)(1)(C) of the Securities Exchange Act of*  
4           *1934.*

5           **(b) REPORT.**—*Not later than the end of the 180-day*  
6           *period beginning after the end of the 3-year period described*  
7           *under subsection (a), the Commission shall issue a report*  
8           *to the Congress containing—*

9                   (1) *all findings and determinations made in car-*  
10            *rying out the study required under subsection (a);*  
11            *and*

12                   (2) *a recommendation as to whether issuers in*  
13            *other sectors of the economy could also benefit from*  
14            *the sort of changes made by the amendments under*  
15            *section 2.*



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