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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. EDWARDS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 22, 2024.

I hereby appoint the Honorable CHUCK EDWARDS to act as Speaker pro tempore on this day.

MIKE JOHNSON,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 9, 2024, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with time equally allocated between the parties and each Member other than the majority and minority leaders and the minority whip limited to 5 minutes, but in no event shall debate continue beyond 11:50 a.m.

JUSTICE ALITO'S UPSIDE-DOWN FLAG

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. ESPAILLAT) for 5 minutes.

Mr. ESPAILLAT. Mr. Speaker, through recent confirmed reports, we now know that after the January 6, 2021, Capitol insurrection, Supreme Court Justice Samuel Alito flew an upside-down American flag in front of his home for several days.

This is just the latest brazen act by an out-of-control, extreme MAGA Justice whose conduct is directly responsible for the current public opinion on the Supreme Court being at record lows.

The inverted flag was a well-known symbol flown by far-right, extreme MAGA activists in early 2021. These were extremists who believed the former President's nonsensical election lie and who supported the goals of the January 6 assault on this body and our democracy.

Federal judges cannot make political displays, and Alito is a Supreme Court Justice. He knew exactly what he was doing when he expressed solidarity with January 6 criminals. To quote Esmeralda Santiago: ''Tell me who you walk with, and I'll tell you who you are.''

Time and time again, Alito has shown us who he is, a far-right, extreme MAGA ideologue who is anything but impartial with regards to justice.

In 2022, Alito followed the directives of the former President and the far-right, extreme MAGA camp to defy the will of the American people and 50 years of legal precedent by writing the decision to reverse Roe v. Wade.

Along with his fellow extreme MAGA Justice Clarence Thomas, Justice Alito has routinely failed to report large, luxury gifts paid for by some of his friends, private flights, and other payments to him and his family by wealthy, far-right extremists.

Worst of all, Justice Alito has also openly failed to recuse himself from any of the several January 6-related cases currently before the Supreme Court. His bias is clearly showing.

During last month's oral arguments before the Supreme Court in the Donald Trump election interference case, Alito cozied up to Trump's absurd legal argument that past Presidents are completely immune from criminal prosecution.

You should recuse yourself.

In last month's oral arguments in a separate case involving charges against January 6 Capitol insurrectionists, Alito revealed his view that prosecutors may have gone too far by daring to charge these defendants.

You should recuse yourself.

Justice Alito is someone who will do everything in his power to make sure Donald Trump and the January 6 insurrectionists evade prosecution and accountability for their crimes.

For the sake of our democracy, Justice Alito must immediately recuse himself from all and any January 6-related cases before the Supreme Court.

Justice Alito's behavior also underscores the need for Congress to immediately pass H.R. 926, the Supreme Court Ethics, Recusal, and Transparency Act. With H.R. 926, Supreme Court Justices like Samuel Alito will finally be held subject to the same ethics and recusal standards as other Federal judges in a manner that is meaningful and enforceable. Until this occurs, Justice Alito and his insurrectionist worldview will continue to dominate our highest court, representing a threat not just to the rule of law but also to American democracy itself.

The SPEAKER pro tempore. The Chair would remind Members to refrain from engaging in personalities toward presumptive nominees for the Office of President and to direct their remarks to the Chair.

RECOGNIZING CAPTAIN DAVID ROBERT WITTE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arkansas (Mr. WESTERMAN) for 5 minutes.

Mr. WESTERMAN. Mr. Speaker, I rise to recognize Captain David Robert Witte for his exceptional service to Arkansas' Fourth Congressional District and to extend my heartfelt congratulations on his upcoming new role with

the Arkansas Air National Guard as Chaplain for the 189th Airlift Wing at Little Rock Air Force Base.

David has been an invaluable member of my team for nearly a decade, demonstrating his dedication and commitment to public service. He currently serves as my deputy district director and military and veterans' affairs representative, as well as the assistant pastor at Grace Lutheran Church in Little Rock and as chaplain for the 777th Aviation Support Battalion for the Arkansas Army National Guard, all roles in which he has excelled.

Since 2015, he has played a crucial role in the service academy nomination process for Arkansas students and assisted thousands of his fellow veterans, helping them navigate complex casework and ensuring they receive the support they deserve. His work has not only benefited those individuals but has also had a significant impact on Arkansas' Fourth Congressional District.

David holds an impressive resume, with an undergraduate degree from Concordia University and master's degrees from the University of Arkansas at Little Rock and Liberty University.

He also shares my love for the great outdoors and loves visiting our national parks, as you can see pictured here, with his lovely wife, Megan, and their four children: Milo, Ike, Ames, and Etta.

It has been a pleasure getting to know David and watching his family grow over the past 10 years. I look forward to many more years of continued friendship.

While his absence from our office will be greatly felt, we wish David well on this next endeavor of service to our country. He will undoubtedly make a positive and faithful impact in his new capacity with the Arkansas Air National Guard.

HONORING MARICELA GARCIA

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Illinois (Mrs. RAMIREZ) for 5 minutes.

Mrs. RAMIREZ. Mr. Speaker, I rise today to honor Maricela Garcia, whose distinguished career we celebrate today.

Maricela will soon retire as the CEO of Gads Hill Center after 12 years of transformative impact.

A fellow Guatemalteca, Ms. Garcia immigrated to the U.S. in the 1980s seeking refuge from the civil war.

In her country, Garcia founded Casa Guatemala to support newly arrived refugees and cofounded Women for Guatemala to build solidarity among women in the U.S. and Guatemala.

Maricela's impact has been felt across the State of Illinois. In addition to her years at Gads Hill Center, she has led the Illinois Coalition for Refugee Rights and the Latino Policy Forum. Her work has empowered countless families, especially Black, Brown, and immigrant families, providing them with education, resources, and hope.

On behalf of Illinois' Third Congressional District and the Guatemalan community in my district, it is my great honor to commend Maricela Garcia for her exceptional leadership.

(English translation of the statement made in Spanish is as follows:)

Her legacy reminds us of the strength, resilience, and contributions of immigrants in building a better future.

Su legado nos recuerda la fuerza, la resilienca y las contribciones de los inmigrantes a la hora de forjar un futuro mejor.

Congratulations.

HONORING DEBBIE REZNIK

Mrs. RAMIREZ. Mr. Speaker, I rise today to honor Debbie Reznik for 30 years of distinguished service to our communities, especially working to address homelessness.

It is well known that Debbie has a standout philanthropic career. She has changed systems, strengthened sectors, and launched life-changing programs.

What is lesser known is her legacy as a champion for young leaders.

I met Debbie at the age of 19, having just been promoted to a leadership position in a Chicago nonprofit, and she made a commitment to me then to support me that day and has honored it every single day since. Twenty-one years later, I am who I am standing here in Congress in no small part because of Debbie.

While Debbie is stepping down from her position at the Polk Bros. Foundation to pursue new adventures, we know that she will continue to be a tireless advocate for a more just and loving society.

On behalf of Illinois' Third Congressional District, it is my great honor to commend Debbie Reznik for the lives changed and the impact made through her service to our communities.

I congratulate and thank Debbie.

HONORING REVEREND WALTER ''SLIM'' COLEMAN

Mrs. RAMIREZ. Mr. Speaker, I rise today to honor the life of Reverend Walter ''Slim'' Coleman, whose transformational leadership and powerful legacy has shaped the political and spiritual consciousness of so many. There is so much we have won in Chicago and across the Nation that would not be possible without the witness of Reverend Slim Coleman.

A retired United Methodist pastor, Reverend Coleman and his wife, Emma Lozano showed us how to truly love our neighbors when they opened the doors of Adalberto Memorial United Methodist Church in Humboldt Park to provide sanctuary to Elvira Arellano and many other undocumented immigrants fighting their deportations. They laid the groundwork for Chicago to declare itself a sanctuary city.

As a movement builder across several decades, his work with the Student Nonviolent Coordinating Committee, Students for a Democratic Society, and, eventually, the Rainbow Coalition showed us how to build multiracial, multicultural solidarity movements that center our mutual liberation.

He laid a foundation of solidarity for both Chicago's first Black mayor, Harold Washington, and Chicago's most recently elected mayor, Mayor Brandon Johnson, to take up their positions on the fifth floor of city hall.

□ 1015

As an organizer, Reverend Coleman showed us what people power can do. Whether through his work to establish local school councils throughout Chicago, register thousands of voters in the 1983 mayoral election, or build coalitions around housing, education, and jobs, his life and his legacy will continue to be a light in dark places, reminding us that ''a united community will never be defeated,'' ''un pueblo unido jamas sera vencido.''

To his wife, Pastora Emma Lozano, she is loved: I am with her. Pastor Coleman may have preceded her in his homegoing, but she is not alone.

Mr. Speaker, on behalf of Illinois' Third Congressional District, it is my privilege to submit this commendation in the RECORD to honor the life and the legacy of Reverend Walter ''Slim'' Coleman.

May Pastor Coleman rest in power. May he rest in power.

The SPEAKER pro tempore. The gentlewoman from Illinois will provide a translation of her remarks to the Clerk.

RECOGNIZING SAM SIMMERMAKER

The SPEAKER pro tempore. The Chair recognizes the gentleman from Indiana (Mr. PENCE) for 5 minutes.

Mr. PENCE. Mr. Speaker, I rise today to recognize Sam Simmermaker, who is retiring this week after 64 years with White River Broadcasting in my hometown of Columbus, Indiana.

Sam grew up in Pulaski County and graduated from Indiana University in 1954. He started his radio career in Goshen and later covered the Indianapolis Indians for WTTV. Sam joined WCSI on January 1, 1960, and over the past six decades, he has covered generations of high school athletes.

Receiving multiple awards, including the Indiana Basketball Hall of Fame and the Indiana Sportswriters and Sportscasters Hall of Fame, Sam and his trademark ''holy cow'' will be truly missed.

Mr. Speaker, I congratulate and wish Sam the best of luck in his retirement.

RECOGNIZING ED JENKINS

Mr. PENCE. Mr. Speaker, I recognize Ed Jenkins, who was named Indiana Teacher of the Year.

An Indiana native, Ed teaches English at Franklin Community Early College, a high school in my district. Those who know him say that Sam is dedicated to his students and passionate about instilling a love of reading.

Mr. Speaker, I thank Ed for his work to grow our next generation of leaders.

RECOGNIZING MIKE BUCKLEY

Mr. PENCE. Mr. Speaker, I recognize former fire Captain Mike Buckley.

Mike served the Rushville Fire Department for 32 years, retiring as captain in 2017. He later worked for the Indiana State Police as a motor carrier inspector.

I recently met Mike and learned of his cancer diagnosis at a benefit in his honor at Glenwood Volunteer Fire Department. I am so proud that that community is supporting him in this challenge, and I am grateful to have met him.

God bless Mike and the entire Buckley family.

RECOGNIZING EMMA MCLEISH

Mr. PENCE. Mr. Speaker, I recognize Franklin County college student Emma McLeish, who recently received the American Red Cross' Lifesaving Award for Professional Responders.

Last year, Emma used her Red Cross training to help save lives twice. In July she unexpectedly helped deliver a neighbor's baby, and then in October she saved a man suffering from cardiac arrest.

Emma is a true hero, and it is my honor to recognize her today.

108TH RUNNING OF THE INDIANAPOLIS 500

Mr. PENCE. Mr. Speaker, this weekend is the 108th Running of the Indianapolis 500.

Beginning in 1911, the first Indy 500 was unlike anything the world had ever seen, with 40 qualifiers fighting a 500-mile race for an overall total purse of $27,000. Eighty thousand spectators came out to watch Ray Harroun drive into victory, and a tradition was born.

The Greatest Spectacle in Racing has evolved over the last century, but its time-honored traditions keep racing fans coming back every Memorial Day weekend, like I will this weekend.

This weekend promises to be no different, hosting hundreds of thousands of people from all over the world.

I wish all this year's drivers the best of luck, and I am glad to say: This is May.

OUR SOUTHERN BORDER

Mr. PENCE. Mr. Speaker, the state of our southern border is a travesty, and this administration refuses to face the facts. I am here to repeat what we all know and what we have all said: Border security is national security.

We have seen over 7.8 million illegal aliens cross over since President Biden took office, bringing chaos, crime, and terror into our country.

It is time to take a real action: Build the wall. Grow the Border Patrol, and reinstate the policies that we know work.

RECORD-HIGH INFLATION

Mr. PENCE. Mr. Speaker, inflation under this administration continues to hit record highs.

We are all paying the price for this administration's mistakes. In April, the average Indiana household was paying $948 per month more than they were in January 2021. Everything, from electricity to rent to groceries, costs more under this administration.

Numbers don't lie, and the Democrats can't keep pretending everything is okay.

Mr. Speaker, I strongly urge the Biden administration to quit ruining the American middle class.

HONORING HEMET POLICE CHIEF EDDIE PUST

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. RUIZ) for 5 minutes.

Mr. RUIZ. Mr. Speaker, I rise today to honor and congratulate Hemet Police Chief Eddie Pust on his retirement after serving the city of Hemet for over 27 years.

Police officers spend their lives putting service before self, striving to make a positive change in their community, and Chief Pust embodies that through and through.

Chief Pust began his career with the city of Hemet Police Department in 1996. After the police academy, he started as a patrol officer. During his career, he worked a number of assignments including 16 years in SWAT, until eventually being appointed as the 18th police chief of Hemet Police Department.

In addition to his 4-year tenure as police chief, he also served for 10 months as the city of Hemet interim city manager.

After almost 30 years as a pillar of leadership in the Hemet community, Chief Pust has displayed accountability, strength, and compassion during his service.

In every rank and position Chief Pust held, he was incredibly committed to tackling the issues that improved the safety and quality of life for the residents he served.

On behalf of the people in Hemet, Jacinto Valley, and the entire district, we appreciate every moment Chief Pust dedicated to protecting and serving us. His service to the community is nothing short of exemplary.

I thank Chief Pust for tirelessly working to keep the people of Hemet safe for the past 27 years.

RECOGNIZING RICHARD RAMIREZ

Mr. RUIZ. Mr. Speaker, I rise today to recognize the life and legacy of Mr. Richard Moreno Ramirez, a pillar of the Coachella Valley and exceptional athlete.

Mr. Ramirez was an accomplished athlete, coach, athletic director, educator, loving husband, father, grandfather, and so much more.

Known as Mr. Green and Gold, the colors of his beloved Coachella Valley High School, Mr. Ramirez was a man of and for the community.

He was a beloved mentor for many and a leader in the community. He was my activities director and athletics director while I was a student athlete and ASB president at Coachella Valley High School.

His whole life he worked to foster a sense of school spirit and community pride that empowered students to create the change they wished to see in the world.

I learned three key lessons from Mr. Ramirez that I will always carry with me: first, your roots matter; second, school and community pride are important; and third, to always serve the community.

Mr. Ramirez was born on October 16, 1941, on a ranch in Thermal, California, to parents Ramon and Dolores Ramirez. Raised in the eastern Coachella Valley, he attended Coachella Valley High School where his love for sports took root playing for their baseball and football teams where he excelled at sports, winning three baseball and two football championships.

After graduation, he attended Riverside City College and then went on to California State University-Long Beach where he achieved great success in both academics and baseball, so much so he brought home the university's first baseball title in 1964 and was recently inducted into their Sports Hall of Fame.

After college, wanting to give back to his community, he rolled up his sleeves and got to work. He returned home to serve the community that raised him at Coachella Valley High School for the next 40 years.

While athletic director at CV High School, he always instilled a sense of school spirit and community pride in all students. Even throughout his retirement, Mr. Ramirez always put service above self, and he served on the boards of many nonprofit organizations. He was also dedicated to cultivating the next generation of leaders through the CV High School Alumni Association where he raised funds to provide scholarships for local students.

Each athlete, student, teacher, neighbor, and friend will undoubtedly recall Mr. Ramirez as a pillar of the community.

Together, as we mourn his passing with his wife, Dr. Diane Ramirez; his children, Ronan and Roderic Ramirez; grandchildren, Rossen and Sofia; and all his friends and loved ones, we honor his legacy as a man who returned home to his roots and gave his all to serve his community and others.

HONORING GEORGE HYAK

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. CLOUD) for 5 minutes.

Mr. CLOUD. Mr. Speaker, today I rise to honor George Hyak, a native of Victoria, Texas, who passed away on May 4, at the age of 104 years.

George's 104 years marked a life well lived. He was a wonderful man whose life truly emulated the values of faith, family, and freedom that built the American miracle.

Growing up in the family grocery store business, George learned early the value of hard work and the importance of family. These values guided him throughout his long life.

When his country called, George answered the call without hesitation and served in some of the most significant battles of World War II, including D-Day, the Battle of the Bulge, and the Ardennes campaign.

It is because of the bravery of men like George that we enjoy the freedoms we do today.

After returning home from the war, George continued his journey and became an entrepreneur, where his work ethic and dedication helped him to grow a successful local business.

He was always ready to give back to the community and even served as a volunteer firefighter, but it was at home where George truly thrived and where he built his beautiful family with his devoted wife of 75 years. He loved nothing more than spending time with his children, grandchildren, great-grandchildren, and even great-great-grandchildren.

Quite the storyteller, those closest to him tell of him captivating family and friends with tales of those significant battle campaigns that he was in.

Faith was the key central focus to George's life. Oftentimes George's powerful voice could be heard singing hymns loudly in worship, praising the Lord with all his heart. This faith guided him, giving him strength and comfort his whole life.

As we look back on George's life, we are reminded of the profound impact one person can have on a family, a community, and a nation. George's life is a testament to service, love, and faith, and he lived fully, loved deeply, and served honorably.

As we honor him today, let's remember the legacy that he left and strive to live with the same courage, dedication, and love that he showed every day of his 104 years.

HONORING OFFICER KYLE HICKS

Mr. CLOUD. Mr. Speaker, I rise today to honor Officer Kyle Hicks of the Corpus Christi Police Department who tragically died in the line of duty on April 24, 2024.

Kyle was a dedicated husband, father, and public servant to all who knew him. He was known for his selflessness, steadfast integrity, and tireless commitment to his community.

Kyle was 12 years old when he became a Texan. He graduated from Grace Preparatory Academy in Arlington, marking the start of a life devoted to public service and dedication to others.

Family was central to Kyle's life. In his early years as an employee of Chick-fil-A, he met his future wife, Cassie, whom he married in Arlington, and they soon became proud parents of four.

It didn't take long for Kyle and Cassie to pursue public service as a family. Even after being promoted to general manager at Chick-fil-A, Kyle decided to follow his dream to serve and protect his community, and in January of 2023, he graduated from the police academy to become an officer with the Corpus Christi Police Department.

As an officer, Kyle Hicks was beloved by his colleagues. He was known for his quiet strength, his unique sense of humor, and his unwavering integrity.

Throughout his career as a police officer, Kyle devoted himself entirely to the safety and well-being of our families and our community, serving to make Corpus Christi a better and safer place for everyone.

As we grieve his loss, we take comfort in knowing that he lived a life of profound purpose. His sacrifice is a testament to the courage and dedication of our law enforcement officers, inspiring all of us to honor his memory through our commitment to service.

John 15:13 says this: Greater love has no man than to lay down his life for his friends.

It is humbling to think that we get to enjoy the blessings of liberty because of people like Kyle who have committed their life to service.

May God bring comfort to his loved ones and grant them His peace which surpasses all understanding during this very difficult time. Our prayers are with them.

□ 1030

HONORING BARRY ROMO

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. GARCÍA) for 5 minutes.

Mr. GARCÍA of Illinois. Mr. Speaker, today, I rise to honor my friend Barry Romo, who passed away earlier this month.

Barry was a decorated Vietnam veteran who, having seen the horrors of the U.S. role in Vietnam, became a leading organizer. He challenged the Pentagon and White House narratives about the conflict, and he organized actions on The National Mall, at the Supreme Court, and at Arlington National Cemetery to protest the war.

Barry was the national coordinator for Vietnam Veterans Against the War for more than 40 years. In that role, he advocated for greater healthcare coverage for veterans affected by Agent Orange and other toxins. His activism later extended to other social justice causes, like affordable housing, veterans homelessness prevention, and workplace fairness.

Barry was a longtime resident of the Logan Square neighborhood in Chicago, where he was a mentor to other veterans, as well. Our community will miss Barry.

Rest in peace.

SUPPORTING 2024 FARM BILL

The SPEAKER pro tempore (Mr. CLOUD). The Chair recognizes the gentleman from Illinois (Mr. BOST) for 5 minutes.

Mr. BOST. Mr. Speaker, I rise today to speak in support of the 2024 farm bill. The farm bill touches the lives of every person in this country no matter who you are or where you are from—rural, urban, or suburban.

That is why it is such an honor to be the southern Illinois voice on the House Agriculture Committee. I have been given the opportunity to build an incredible relationship with our farmers across my district, and I have sought their input in traveling around to meet with them where they are at. Their feedback has been critical in this process.

For me, this farm bill is a partnership with my people. Farmers and producers in my district understand the positive impact the farm bill has on rural communities.

In southern Illinois, agriculture is our second largest employer, just behind Scott Air Force Base. I am proud to serve the 10,000 producers in one of the most diverse agricultural districts in this United States.

In addition to growing staples like corn and soybeans, we are also home to a variety of specialty crops, livestock, and dairy. While each one might be different, they all share the same goal: a strong farm safety net.

Our farmers produce the food, fuel, and fiber that this Nation runs on. They play an essential role in our communities. It is only right that we support them and have their backs in times of need. That is why the farm bill exists. It is not just written for good times. It is also written for the bad.

When your crops fail, the farm bill provides a safety net. When you need a loan to save a family farm, the farm bill ensures access to credit. When your community needs an updated water system, the farm bill secures that funding.

When your rural home lacks internet access, the farm bill bridges that gap for broadband service. When you need help feeding your family, the farm bill supports healthy nutrition programs to make sure Americans don't go to bed hungry.

The farm bill has always been a top priority for me. By reinforcing crop insurance and boosting commodity reference prices, we are supporting the agricultural industries on their worst days and investing in tomorrow. This is vitally important.

Another key priority of mine is ensuring farmers not only feed folks at home but around the world. My district is blessed to be located between the Mississippi and Ohio Rivers. We are strategically placed to export our commodities abroad. In 2022, Illinois exports for corn and soybean totaled over $3.5 billion.

The MAP and FMD programs play a critical role in moving commodities from farmers' fields to foreign markets. However, these programs are often oversubscribed and underfunded, leaving producers at a competitive disadvantage on the global market. We need to bolster these programs, expand into new markets, and strengthen our trade relations.

Lastly, we need to establish guidelines for large solar panel projects that are eating up acre after acre of prime farmland. My constituents have had enough. We must give local communities a say in the approval process.

That is why I am pleased that my bill, the SOLAR Act, has been included in this legislation. We are giving producers the flexibility to use solar energy on their farms while setting guidelines for large projects.

Mr. Speaker, I would like to restate my support for the farm bill. The bill is a big win for our farmers. It will have a big impact across the country, and I urge my colleagues on the Agriculture Committee to support this bill as it moves through the markup process tomorrow. I hope it will receive strong support on the House floor, as well.

STORIES OF SERVICE

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Virginia (Ms. SPANBERGER) for 5 minutes.

Ms. SPANBERGER. Mr. Speaker, I rise today during Military Appreciation Month and ahead of Memorial Day to recognize some of the many Virginians who have contributed to Virginia's proud legacy of military service and those who have paid the ultimate sacrifice.

Earlier this month, I reached out to families across the Seventh District asking them to share ''Stories of Service,'' recognizing the unwavering courage and commitment of their loved ones who have answered the call to serve our country.

I am honored to work on behalf of so many military families and veterans, and I am grateful for the opportunity to stand here today to read some of the extraordinary stories I received.

Lisa Harms from Stafford County recognized her daughter, Second Lieutenant Sabrina Harms, who is currently serving in the U.S. Air Force.

A UVA alumna, granddaughter of World War II and Korean war veterans, and the niece of Vietnam and Persian war veterans, Sabrina is in her third year of medical school at the Uniformed Services University of the Health Sciences and will graduate as a family medicine doctor next May to care for our servicemembers, veterans, and their families.

I thank Sabrina for her devotion to our country and fellow servicemembers. Lisa must be incredibly proud.

Bonnie, who lives in Stafford County, shared with me the story of her father, Jesse James Verling, a lifelong Orange County resident.

Mr. Verling never talked much of the details of his service in the Philippines and the European theater during World War II. However, following his passing, Bonnie opened his safe deposit box and discovered his military decorations, getting to understand more about her father's brave and dedicated service on behalf of our country.

Our Nation owes an immense debt of gratitude to every one of our neighbors who put on the uniform. I thank Bonnie for recognizing her father's service and allowing me the opportunity to do so in the CONGRESSIONAL RECORD.

William Hosp from Prince William County shared his father's story of service. William Brokaw Hosp, Sr., served in the U.S. Army during World War II, having enlisted straight out of high school.

After seeing combat during the Battle of the Bulge, he was transferred to Okinawa following Germany's unconditional surrender. He ultimately served on both fronts of the war. His resolve, courage, and commitment to democracy are an inspiration. I am glad to have received his story and have the opportunity to recognize his service.

Stephen from Orange County recognized many members of his family who served to preserve the freedoms we enjoy as Americans: his father and two uncles who served during World War II, his brother who served in Vietnam, and his brother who served stateside as a member of the detail at Fort Myer responsible for interring the honored dead at Arlington National Cemetery.

Stephen wrote: ''As they say, freedom isn't free, and we should all be thankful every day for those willing to pay the price.''

I am grateful for Stephen's family's sacrifices on behalf of our country.

As we head toward Memorial Day weekend, we remember the Virginians who bravely defended and died for our country, Virginians like Second Lieutenant Leonard M. Cowherd III. Leonard's sister, Lauren Salinas, wrote to me about her brother's career in service.

After growing up in Culpeper County, Leonard graduated from the U.S. Military Academy at West Point in 2003, and he was deployed in early 2004. He was killed in action in Iraq on May 16, 2004. He is buried at Arlington National Cemetery.

Lauren wrote: ''Twenty years have passed, but I remain grateful for the support and the love we still receive from many who knew Leonard in the community.''

We will never forget the Virginians whose individual sacrifices allow us to enjoy the promises of freedom. My heart is with Leonard's family as they continue to hold his memory and spirit with them.

We honor every one of our neighbors who are serving or have served in the United States of America's uniform and those who have paid the ultimate sacrifice in defense of our freedoms.

This Memorial Day, I encourage all of my colleagues and all Americans across the country to reflect on the service and the sacrifice of the brave servicemembers—our neighbors, friends, and loved ones—who paid the heavy price of freedom as we remember those who never came home.

HONORING CENTENNIAL OF FOREIGN SERVICE

Ms. SPANBERGER. Mr. Speaker, I rise today to honor the 100th anniversary of the U.S. Foreign Service.

Over the past century, Foreign Service officers, many of whom call Virginia home, have worked tirelessly around the globe to help maintain the global leadership of the United States.

Throughout my career, I have had the privilege of working alongside many Foreign Service officers. These Americans display an unwavering commitment to our diplomacy and our national security.

As we celebrate 100 years of modern American diplomacy, let's pause to reflect on the invaluable contributions made by these public servants on behalf of our country, even while facing threats and working far from their hometowns and, oftentimes, their families.

I stand here today to express my profound gratitude to these officers, as well as to honor the hundreds of members of our Foreign Service who have given their lives in service abroad.

To recognize this important centennial, I encourage my colleagues to support the bill to mint a commemorative coin celebrating 100 years of the U.S. Foreign Service.

HONORING JACQUIE WALKER

The SPEAKER pro tempore (Mr. BOST). The Chair recognizes the gentleman from New York (Mr. LANGWORTHY) for 5 minutes.

Mr. LANGWORTHY. Mr. Speaker, today, I rise to honor Jacquie Walker on her remarkable career after 40 years of service as an anchor and reporter for WIVB Channel 4 News in Buffalo.

Today, Jacquie steps away from the anchor desk for the last time. For decades, Jacquie Walker has been a trusted and beloved journalist tasked with delivering the very best news with joy and the very worst news with grace.

There is a reason she has been awarded an Emmy as well as the prestigious Silver Circle Award by the National Academy of Television Arts and Sciences. Jacquie has also been inducted in the New York State Broadcasters Hall of Fame and the Buffalo Broadcasters Hall of Fame. These are a few of her awards and achievements. If I were to read the entire list, I would be here all day.

As she signs off today, western New York is losing a universally trusted voice delivering the news of the day to the Buffalo-Niagara region.

Jacquie is an immense talent who has helped to shape so many historical moments for our community. In fact, Jacquie is the longest tenured news anchor at one station in the history of the Buffalo media market. She leaves huge shoes to fill behind Channel 4's anchor desk tonight. She will be sorely missed.

Mr. Speaker, Jacquie's integrity, her commitment to excellence, and her dedication to her craft set a standard

for journalism that will continue to inspire future generations of reporters and anchors. As Jacquie Walker embarks on the new chapter of her life, I thank her for her immense contributions to our community.

HONORING JOHN MURPHY

Mr. LANGWORTHY. Mr. Speaker, I rise to honor the career of John Murphy, the voice of the Buffalo Bills, who announced his retirement just a short time ago.

When you are from western New York, the Buffalo Bills are part of your DNA, and John Murphy was a fixture of the Bills' announce team for over 30 years.

John Murphy served side by side with the legendary Van Miller, and they embodied the spirit and passion of the Bills Mafia. As he steps away from his role as the voice of the Bills, we not only reflect on his career with immense gratitude but also celebrate the legacy he has left behind.

John's journey with the Bills began as a color analyst, but it was his last 19 years as the voice narrating every play that made him a household name. His voice became synonymous with Bills football, and the excitement and the authenticity John brought to the booth made it feel like you were right there on the sidelines with him.

We all have fond memories of listening to John. Whether it was describing a game-winning drive or a critical defensive stop, John captured every second of the drama, joy, and sometimes heartbreak that is Bills football.

I thank John Murphy on behalf of the Bills Mafia for his years of service. He is truly one of the greats, and we will miss hearing him each and every game day.

Go Bills.

□ 1045

HONORING THE CAREER OF JIM ZEHMER

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. CORREA) for 5 minutes.

Mr. CORREA. Mr. Speaker, today I rise to honor the career of my good friend Jim Zehmer, who has dedicated 32 years of his life to keeping manufacturing jobs in Southern California.

Jim is retiring from his position as president of Toyota's first North American manufacturing facility in our community. Under his guidance, that manufacturing auto plant in Southern California is still there.

As a fellow Bruin, Jim started his career with the finance team in 1992. By working hard, he made his way up to management. His dedication and his efforts led to the manufacturing plant's success, and they recently celebrated 50 years of existence in Southern California.

Jim has also been a committed member of our community, serving on the boards of the Long Beach Chamber of Commerce, the California Conference for Equality and Justice, and the Long Beach Ronald McDonald House.

I want to take this moment to thank Jim for his leadership, his dedication, and for always recognizing the backbone of America's manufacturing workers. Jim exemplifies the key values in our Southern California community.

I thank Jim very much and let me say to you: Week 5 will live forever.

1944 WATER TREATY

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Texas (Ms. DE LA CRUZ) for 5 minutes.

Ms. De La CRUZ. Mr. Speaker, it was 9 months ago that I introduced a resolution in the House of Representatives expressing support for diplomatic action to ensure water deliveries from Mexico to the United States under the 1944 water treaty that is still in effect.

This resolution passed with bipartisan support, and still to this day, the Department of Agriculture, the IBWC, and senior leadership at the State Department have not been able to secure water for our south Texas farmers.

Mr. Speaker, you may ask: Well, what does this mean to us? What is the result of their lack of action?

Well, let me tell you what the result is: In south Texas, one of our largest employers, the Rio Grande Valley Sugar Growers, closed. That means job losses for 500 people. Just like those crops that have no water, 500 jobs in our district went to dust.

What is the bigger impact of that? The bigger impact of that is that we no longer have a sugar mill in Texas.

What does that mean to all Americans across this country? That means that we will now have to rely on other countries to supply that sugar that was being produced in south Texas. That means that we are more reliant on other countries when we in the United States have the capabilities and have the businesses to produce our own sugar.

It is simply unacceptable.

The situation continues to get worse. In fact, as of May 4, Mexico owes the United States more than 850,000 acre feet of water under this treaty.

In December, I had a call with Secretary Blinken, and I was left with the impression that he viewed this as just as important as we did in south Texas.

However, our attempts to have follow-up meetings with the Secretary have proven unsuccessful. I have called both the Secretary of State, Secretary Blinken, and I have talked to and called the U.S. Ambassador to Mexico to put pressure on Mexico. Our phone calls and our emails go unanswered. They are leaving south Texas farmers to fend for themselves.

What does that mean? That means that our citrus industry is now at risk of no longer being around. One day we will look at the citrus industry and we, too, may see them close their doors forever. It is simply unacceptable.

The lack of progress from this administration is an outrage to the men and women who are now out of work. It is an outrage to our farmers and our communities in south Texas who depend on these industries. This is an outrage to all Americans.

Food security is a matter of national security. I wish that Secretary Blinken, our Agriculture Secretary, and our U.S. Ambassador to Mexico were just as outraged as I am, just as outraged as the people of south Texas who have lost the sugar mill and who are watching the slow death of our citrus industry. I am encouraging Secretary Blinken, the U.S. Ambassador to Mexico, and the IBWC to start making this a priority.

I am working with the Appropriations Committee because I believe that if we cannot get our water, if we cannot save our citrus industry, if we cannot save the jobs that that industry allows, if we cannot save our farmers, then Mexico does not deserve to have any money appropriated to them.

I believe that we need to use every tool that we have available to force Mexico to abide by the treaty.

We want our water.

We demand our water.

National security is food security.

PSP AWARENESS WEEK

The SPEAKER pro tempore (Ms. MALLIOTAKIS). The Chair recognizes the gentlewoman from Virginia (Ms. WEXTON) for 5 minutes.

Ms. WEXTON. Madam Speaker, as you may know, last year I was diagnosed with progressive supranuclear palsy, or PSP. It is basically Parkinson's on steroids, and I don't recommend it. It has affected my ability to speak, so I am using this text-to-speech app to make it easier for you and our colleagues to hear and understand me.

I rise today in support of PSP Awareness Month. Over the past year, I have come to personally know how scary and devastating a condition PSP can be for those of us battling it and for those close to us who love us and want us to be well again.

Despite its life-changing impact on more than 30,000 Americans, PSP remains relatively unknown to the general public. I am on a mission to change that. For those of you who are not familiar, PSP is a neurodegenerative condition that occurs when a buildup of a protein called tau damages brain cells, particularly in the parts of the brain that control speech, balance, coordination, and eye movement.

With a rare disease like PSP, there is a lot of confusion about what it is and also what it is not.

As you have noticed, it has affected my mobility. In less than a year, I have gone from striding confidently into and around this Chamber to relying on my walker to get around.

PSP affects how loudly and clearly I can speak, which is not an ideal situation for a politician.

In conversation, I have asked people to just ask me to repeat myself if they can't understand me or find a quieter space to talk so I can be heard. I am grateful that I have received such accommodating support from my colleagues and the staff here in the House that allows me to use this text to speech technology to be able to participate in committee hearings and to speak on the floor.

PSP has no cure, and its cause is unknown. Some medications may help temporarily alleviate some symptoms, and an active lifestyle and physical therapies can help to slow its progress. Whatever your politics, when it comes to illness, progressive is not a good thing to be.

While I will never train for or compete in another triathlon, by working out regularly and doing physical therapy I have improved my posture and balance to help prevent falls, a common source of serious injury for people with PSP. I have a rescue inhaler and certain medications I can take immediately before social engagements that can help improve my affect and my speech.

While PSP has clearly taken a toll on my body, it has not affected who I am inside. My fellow women Members know I will still chime in on the group chat with a joke or barb, which do not need to be repeated on the House floor. I still keep my staff on their toes by riding down ramps around the Capitol complex on my walker as if they were mini roller coasters, and I am still just as dedicated to doing my job of serving my community in Congress as the very first day I got here.

I share the personal details of my journey with PSP not because I want to be told how inspiring I am or for you to feel sorry for me. I speak about what I am going through because there are tens of thousands of other Americans out there who are fighting the same battles I am, and many of their loved ones, colleagues, and neighbors are having similar struggles with how to deal with the rapid and scary changes happening to the person that they know and love.

They are likely spending months or even years going to doctor's appointment after doctor's appointment anxiously hoping for answers but are left with more questions because too few medical providers are familiar enough with PSP to know what telltale signs to look for and diagnose.

In fact, one of the most common ways to diagnose and to differentiate PSP from Parkinson's is signs of brain atrophy seen on an MRI scan which appears in the shape of a hummingbird. The hummingbird sign has become a symbol for PSP, which is why I will be wearing a PSP Awareness hummingbird pin today.

Raising awareness of PSP can mean a quicker, accurate diagnosis; the development of more effective treatments; and more time for those battling PSP to take on this disease with all the resources and support available.

I am determined to use my platform to raise awareness of what PSP is and the urgent need to do more to fight against it. I am proud that over 80 of my colleagues from both sides of the aisle have joined me on a resolution to recognize May as PSP Awareness Month.

I have also championed the National Plan to End Parkinson's Act that would help bring greater resources to discovering the causes, effective treatments, and a cure for Parkinson's and related parkinsonisms like my PSP. This bipartisan legislation passed the House last year with overwhelming bipartisan support, and I hope that the Senate will take it up very soon and send it to President Biden's desk.

Madam Speaker, I have spent my career uplifting the stories of those in need. I am committed to continuing that work now on behalf of the PSP community and making the most of this platform that I have for as long as I am able.

I urge my colleagues to join me this month to raise awareness of PSP and work together to fight this terrible disease.

DIRE SITUATION AT THE SOUTHERN BORDER

The SPEAKER pro tempore. The Chair recognizes the gentleman from North Carolina (Mr. EDWARDS) for 5 minutes.

Mr. EDWARDS. Madam Speaker, today I rise on behalf of my constituents in western North Carolina to highlight the dire situation at the southern border and to advocate for the enforcement of our Nation's immigration laws.

The Biden administration continues to break records and not in a good way.

The number of individuals on the terrorist watch list that were apprehended illegally crossing the southwest border increased 2,500 percent from fiscal year 2020 to fiscal year 2023, and a record-breaking 301,000 migrants were caught trying to illegally enter our country in the month of December alone.

Our country's border control agents are overwhelmed, and they are underfunded.

What has President Biden done? He has done nothing but open our southern border up to more illegal immigrants and chaos.

I went to the Tucson sector of the southern border last year to witness the crisis for myself. I saw millions of taxpayer dollars in the form of unused border wall materials rusting away in the hot Arizona sun.

□ 1100

Local law enforcement pointed out to me where the border wall ends at the top of a hill and shared how cartel members sit on the Mexico side of the mountain peak to serve as a lookout. These cartel members are able to see for miles and signal to illegal immigrants when the coast is clear so that migrants can then flood our open border.

Many of the illegal immigrants trying to cross our border are military-aged men. They are not families and children. They are cartel members trying to smuggle fentanyl into our borders and cause harm to our communities. Local law enforcement shared how difficult it has been to step up when executives in the Federal Government refuse to prioritize our national security.

I sympathize with Cochise County law enforcement, and I think every law enforcement officer across this country can sympathize, too.

Sheriffs across this country have told me that they have asked to meet with Joe Biden to tell him firsthand of the problems that they are having and their request, for some reason, has not been granted. Why won't the President not meet with them? Is he afraid of the truth?

Since 2021, America has seen an unprecedented surge at our southern border. Customs and Border Patrol reports over 7.6 million encounters, and the Secretary of Homeland Security has affirmed more than 85 percent of the migrants caught illegally crossing our southern border are ultimately released back into the country. That is nearly 6.5 million migrants released into the interior of the United States by the Department of Homeland Security since January 2021.

Now, we have record levels of fentanyl flowing across our borders, courtesy of the Mexican cartels. Over 27,000 pounds were seized last year, and it is destroying the very fabric of our communities.

In 2022 alone, illicit opioids claimed the lives of 313 members of my district. That is 313 sets of mothers, fathers, sisters, brothers, friends, and loved ones gone due to drug trafficking promoted at our southern border and ignored by our country's President.

During my time in Congress, I have written, cosponsored, and helped pass legislation in the House to secure the southern border and end this administration's radical and dangerous border policies. I was proud to cosponsor and vote for H.R. 2, the Secure the Border Act over a year ago, last May.

Senate Democrats and President Biden could take real concrete steps to solve this migration crisis and to address everything from court backlogs to the trafficking of unaccompanied children if they would just get behind H.R. 2, but they haven't.

Why are Democrats so adamantly opposed to commonsense legislation to protect Americans and close our southern border once and for all? Instead of supporting the strongest border security package in American history, the Senate has proposed a do-nothing border bill that enriches criminal networks, uses taxpayer dollars to fund organizations that facilitate mass illegal immigration, and codifies Biden's open-border policies like catch and release.

As terrorists, drugs, and weapons flow freely into our country, I believe that we should be putting the American people first, not playing political patty-cake.

DEVELOPING A BIPARTISAN, COMPREHENSIVE, AND FISCALLY CONSERVATIVE FARM BILL

The SPEAKER pro tempore. The Chair recognizes the gentleman from Kansas (Mr. MANN) for 5 minutes.

Mr. MANN. Madam Speaker, this is a week that farmers, ranchers, and agricultural producers in my State of Kansas have long awaited. The House Agriculture Committee will finally mark up a 5-year farm bill.

I will start by thanking Chairman G.T. THOMPSON for leading the committee and developing a bipartisan, comprehensive, fiscally conservative farm bill that gives our farmers, ranchers, and agricultural producers the certainty they deserve.

Around this time last year, the chairman and I hosted a farm bill listening session next to a wheat field in my district. We heard from 150 Kansans about their priorities for a farm bill. They were clear: They need a farm bill that gives them certainty as they work day in and day out to feed, clothe, and fuel the world. The Farm, Food, and National Security Act does just that.

This farm bill strengthens the farm safety net and protects crop insurance. Agricultural producers in Kansas understand firsthand how important that is. In February 2021, Kansas had 13 consecutive days of below-freezing temperatures, which is a 40-year record. Our producers worked around the clock to protect their cattle and ensure they survived. Just last summer, drought and market conditions in Kansas caused producers to abandon the highest number of acres of wheat since World War I. Wheat farmers have seen a 35 percent decrease in production in the last year as a result.

Madam Speaker, the reality is Mother Nature is a very difficult business partner. One bad crop year could put the livelihood of our producers and their families at risk. This farm bill gives these hardworking individuals more certainty by strengthening the farm safety net, adjusting reference prices, and modernizing the Livestock Indemnity program, dairy supports, and Conservation Reserve Program.

The committee's farm bill also maintains American food independence and invests tax dollars in places we can see a return on those dollars. America is the freest country in the world, in part because we have never had to rely on another country to feed us. At the heart of that independence is agricultural research and innovation.

The Big First is home to some of the crown jewels of the animal health corridor: Kansas State University and the National Bio and Agro-Defense facility. These institutions give the Nation a scientific hub of world-renowned research. Kansas State University is conducting groundbreaking research into areas, including new heat-tolerant wheat varieties and higher yielding sorghum. The U.S. Department of Agriculture's state-of-the-art NBAF in Manhattan will conduct research into serious animal disease threats to be an important backstop in protecting our Nation's food supply. This work, and America's continued ability to feed ourselves for generations to come, depend on a 5-year farm bill that prioritizes food security as national security.

Madam Speaker, this farm bill makes robust investments in the Market Access Program and Foreign Market Development programs that ensure our American producers remain in the international marketplace. It proactively addresses issues like deferred maintenance costs at land-grant institutions and the country's veterinarian shortage before that problem gets even worse.

I have been to this floor nearly 30 times to push for my priorities in this farm bill: to protect and strengthen crop insurance, to promote trade programs that help America remain competitive and secure, conduct rigorous oversight of the executive branch to fight Big Government overreach, and invest in agricultural research at America's land-grant universities. I am pleased that the Farm, Food, and National Security Act does just that.

We need to pass a 5-year fiscally conservative farm bill that is long enough to provide certainty and short enough for Congress to respond to market changes. Farm bills feed every corner of the Nation from New England to the islands of Hawaii, both our coasts, down to the Gulf, and even the heartland of this country, including Kansas. American agricultural producers and consumers are counting on it. The legislation we mark up this week will have ripple effects for years to come. This body and Congress must use this legislation to address the concerns we have all heard over the last several years.

When we kicked off our farm bill listening session last year, there were three combines parked behind us: John Deere, Case, and Gleaner.

When you grow up on a farm, you are born into loyalty to one of these trusted American brands. They have different styles and features, but they are all designed to do the same thing: harvest. Our listening session that day and the bill that House Agriculture marks up this week are no different. We all have different priorities and backgrounds, but we are all here to do the same thing: harvest, work hard, and effectively churn out a product, the farm bill.

America's farmers, ranchers, and ag producers deserve it, America's food and national security depend on it, and Congress must deliver it.

This farm bill is something our ag community can be proud of. It puts dollars in places where Americans can see a good return on their investment. It tightens budgets and reins in reckless spending that doesn't serve taxpayers. Most importantly, this bill ensures that American farmers, ranchers, and ag producers can continue to keep us all fueled, fed, and clothed. The Farm, Food, and National Security Act is the first step in the right direction, and I look forward to this week's markup.

REMEMBERING U.S. AIR FORCE LIEUTENANT GENERAL EUGENE D. SANTARELLI

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arizona (Mr. CISCOMANI) for 5 minutes.

Mr. CISCOMANI. Madam Speaker, I rise today to remember U.S. Air Force Lieutenant General Eugene D. Santarelli, who passed away on September 21, 2023, at 79 years old.

Lieutenant General Santarelli was a highly decorated three-star general who commenced his military career following his graduation from the University of Notre Dame in 1966.

A remarkable pilot, instructor, and mentor, he was qualified in and flew a dozen different aircraft types. Over the course of his career, he accumulated approximately 3,600 flying hours, including 901 combat hours.

He commanded a numbered air force, an air division, and three flying wings in his 32-year career. General Santarelli is survived by his spouse, Kay Santarelli; sister, Paula Anthony; and brother, Francis.

His dedication and service to our country did not go unnoticed. During his lifetime, he was awarded the Legion of Merit, Distinguished Flying Cross with Valor, Meritorious Service Medal, Air Medals, Aerial Achievement Medal, Air Force Commendation Medal, and Combat Readiness Medal.

General Santarelli was at his best when teaching, mentoring, or leading through his own example. In the hearts of the Tucson community and AZ–06, Lieutenant General Santarelli remains a true hero. We extend our gratitude for his dedicated service and are eternally thankful for all his contributions.

CONGRATULATING THE UNIVERSITY OF ARIZONA'S WILDCATS FOR PAC–12 CONFERENCE CHAMPIONSHIP

Mr. CISCOMANI. Madam Speaker, I rise today to congratulate the University of Arizona baseball team for clinching the PAC–12 conference championship after defeating Oregon State.

The Wildcats lost their first two games and were in a must-win game on Saturday night. In Arizona fashion, they had a walk-off double, scoring two runs and winning the game, 4–3.

Head Coach Chip Hale has a current season record of 33 wins and 20 losses and conference record of 20 wins, 10 losses. He is the first coach in conference history to be named PAC–12 Player and Coach of the Year.

I met Coach Hale a year ago at Hi-Corbett Field and know that he will continue to do great things for this program.

As a former Wildcat, I know he has what it takes to take this team to the college world series.

Lastly, I recognize Dawson Netz, a former intern in my Tucson district office, who is a team captain and pitcher. He was voted PAC–12 Preseason All-Conference player and is currently eight games away from being the all-time leader in appearances for Arizona baseball. I am excited to see what the future holds for these athletes and wish them good luck in the PAC–12 tournament. Bear down.

HONORING TALENTED ART STUDENTS FROM COCHISE COLLEGE

Mr. CISCOMANI. Madam Speaker, I rise today to honor and recognize a group of talented Cochise College art students for the mural they painted in the city of Sierra Vista.

The mural depicts the beauty of the San Pedro River and the wildlife in Cochise County, serving as a reminder of our connection to nature and the need to steward it wisely.

Through its Neighborhood Partnership Initiative Grant program, the city of Sierra Vista provides funding for projects like the mural and inspires community members to help beautify the city. The mural, which wraps around the Oscar Yrun Community Center, is a passion project of Cochise College art instructor JenMarie Zeleznak and her students and is a testament to the creativity of our Sierra Vista community.

Mr. Speaker, I thank Ms. Zeleznak and her students for their work and for making Sierra Vista an even more beautiful city.

□ 1115

HONORING THE LIFE AND SERVICE OF LEE COVINO

The SPEAKER pro tempore (Mr. MIKE GARCIA of California). The Chair recognizes the gentlewoman from New York (Ms. MALLIOTAKIS) for 5 minutes.

Ms. MALLIOTAKIS. Mr. Speaker, I rise to recognize the life of Lee Covino, a friend, a U.S. Army veteran, and a Staten Islander who dedicated his life to making our country and community a better place for those who served.

Lee served our country in the U.S. Army during the Vietnam war. After his service, he attended the College of Staten Island on scholarship from the GI Bill. It was here that his passion for veterans' affairs flourished. He became a peer counselor for local veterans and, almost a decade later, began working as an intervention counselor for the VA's Vietnam Veterans Outreach Center, assisting nearly 1,000 Vietnam-era and combat veterans across Staten Island and Brooklyn.

In July 1990, Lee was appointed to the cabinet of Staten Island Borough President Guy Molinari, where he served as the veteran affairs adviser and director of contracts and procurement. His service to our borough continued for another two decades, extending his tenure at Staten Island Borough Hall through the administrations of James Molinaro and James Oddo until his retirement in March 2014.

In 2002, Mayor Michael Bloomberg appointed him to the city's Veterans Advisory Board, where he served until April 2015, retiring as the board's vice chairman.

During his time at the borough and city halls, Lee played a major role in bringing the vet center and the Veterans Affairs clinic to Staten Island and obtaining a Staten Island bus link to Brooklyn's VA Medical Center.

This week, New York City also will celebrate its 36th annual Fleet Week, a show of appreciation for our Nation's Navy, Marine Corps, and Coast Guard teams. Lee was instrumental in helping coordinate local activities and events for this grand recognition of our Armed Forces. He also worked tirelessly to expand veteran services to minority-based areas and assist veterans with resume development and learning computer skills so that they could find employment and readjust to civilian life.

Lee's dedication to New York City veterans did not end with his official duties. After his retirement, he continued to serve as an invaluable resource for many elected officials, including myself, where he helped our office organize our veterans' roundtables and became reliable counsel for veteran-focused legislation and ideas.

Because of the profound impact he has had on our community, Lee was installed into the College of Staten Island Alumni Hall of Fame in 1989 and was set to be inducted into the New York State Veterans Hall of Fame later this year.

He was a member of the VFW, The American Legion, Vietnam Veterans of America, Catholic War Veterans, AMVETS, New York City Veterans Alliance, the 369th Veterans Association, and he served as treasurer of the United Staten Island Veterans Organization, which sponsored our borough's annual Memorial Day parade.

Here we are at the Staten Island Memorial Day parade in 2021, which Mayor de Blasio had originally canceled, citing COVID, until Lee's advocacy and leadership made the mayor reverse his decision, and we marched together honoring our fallen.

On Monday, Memorial Day, we, the community, will march again, and Lee's absence will be noticed and his presence immensely missed.

Lee was a true American patriot who dedicated his entire life to the service of others, and I know I speak for our entire community and city when I say his commitment to fighting for our veterans is extremely appreciated.

My office sends its deepest condolences to his daughter, Mariel, and three grandchildren, Melina, Michael, and Samantha, as they grieve this tremendous loss. They should rest assured that, today, they are in the history books of the United States Congress and that his legacy of service and dedication will inspire us all as we continue to advocate for the rights and well-being of our veterans.

HONORING THE SERVICE OF BILL REYNOLDS

The SPEAKER pro tempore (Ms. MALLIOTAKIS). The Chair recognizes the gentleman from California (Mr. MIKE GARCIA) for 5 minutes.

Mr. MIKE GARCIA of California. Madam Speaker, I rise today to pay tribute to a dear friend, a war veteran, and a real hero of California's 27th Congressional District who was taken from us way too soon. Mr. Bill Reynolds crossed into Heaven and joined the Lord on January 11, 2021, a couple of years ago.

As a young man, Bill crossed oceans and fought for this Nation in the jungles of Vietnam. He fought in some of the war's fiercest battles while in Vietnam, including the Mekong Delta, where he was wounded but continued fighting alongside his brothers, the famous and heroic Boys of '67.

Bill earned a Bronze Star and a Purple Heart for his extraordinary bravery, but he never forgot his brothers who made the ultimate sacrifice, those who didn't come home, and he never stopped serving our Nation when he returned home.

Bill Reynolds dedicated himself to fellow veterans in California's 27th Congressional District and around the country. His work led to the establishment of the Veterans Memorial Wall in Newhall, California, and he personally documented the stories of countless veterans to ensure their service and sacrifices will be remembered for future generations.

I am proud to say the endless service and sacrifice of Bill will now forever be etched in the heart of Santa Clarita, as well. Right in the middle of my district, today we celebrate the official renaming of the Valencia post office to the William L. Reynolds Post Office Building, an honor that has been signed into law by the President of the United States.

This commemoration is a fitting tribute to a man who dedicated so much of his life to this beautiful Nation, both on the battlefield and in our communities. It should be noted, and frankly a fitting tribute, that about 63,000 postal workers themselves are veterans, so this is very apropos.

Bill was a devoted husband to his beloved wife, Meg, who lives in Santa Clarita, a loving father and grandfather, and a friend to thousands. His legacy not only lives on in the medals he won and the landmarks that bear his name, but in the lives he touched and the community that he strengthened.

Bill left an indelible mark on me personally, and he continues to inspire me

to serve this beautiful country in this capacity.

In a time marked by stark political division, it was inspiring to witness both Democrats and Republicans unite in support of honoring this great man who epitomized the pinnacle of American valor and empathy.

Madam Speaker, I urge my colleagues to join me in honoring Bill Reynolds, a true American hero, by supporting this special tribute.

May God bless Bill Reynolds and his family, and may God continue to bless this beautiful country, the United States of America.

CELEBRATING MEMORIAL DAY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. THOMPSON) for 5 minutes.

Mr. THOMPSON of Pennsylvania. Madam Speaker, I rise today to recognize Memorial Day. Our Nation's greatness was earned by the sacrifices of a few so that freedom and liberty would come to all. This weekend, we remember their sacrifices and service.

We are very proud that the tradition of Memorial Day originated in a Pennsylvania community located in my district, Boalsburg, Pennsylvania.

Dating back to 1864 in Boalsburg, Pennsylvania, the birthplace of Memorial Day, three ladies decorated the graves of fallen Civil War soldiers. They met in the graveyard and promised to come back the following year to do the same thing. From that simple beginning act of love and remembrance came the observance of Memorial Day.

Now, every year, on the last Monday of May, the people across this Nation gather in town squares, at memorials, and in the cemeteries of fallen heroes to pay tribute to those who gave their all. This includes our servicemembers who are missing in action or are prisoners of war.

According to the Defense POW/MIA Accounting Agency, more than 80,000 American citizens who served in the Vietnam war, Korean war, and World War II are still missing in action.

That is why I am proud to have introduced H. Con. Res. 64, which urges our mutually beneficial trade agreements to include a commitment from trading partners to continue search and recovery efforts of our Nation's missing servicemembers.

In August 2023, I was notified by the POW/MIA Accounting Agency that two MIAs from my district were identified and returning home. Army Corporal Francis James Jury of Clearfield, Pennsylvania, and Army Sergeant Richard M. Sharrow of Marienville, Pennsylvania, were deemed missing in action during the Korean war. Thanks to the hard work and dedication of the POW/MIA Accounting Agency, these two heroes were able to be returned home and receive the proper burial that they deserved.

This Nation is united by our liberties and freedoms that our men and women in uniform take an oath to protect and defend. We will always honor our brothers and sisters who fought in battle to uphold our way of life.

May God carry them in the palm of His hand and all of our servicemembers in the palm of His hand.

This Memorial Day, as we raise the Stars and Stripes, as we lay wreaths at monuments, memorials, and cemeteries, let us remember that our freedom is thanks to those who served and died in sacrifice.

PROTESTS AT UNIVERSITY OF WISCONSIN AT MILWAUKEE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. GROTHMAN) for 5 minutes.

Mr. GROTHMAN. Madam Speaker, I would like to comment on a controversy affecting the University of Wisconsin at Milwaukee this past week.

Wisconsin at Milwaukee, like many universities in America, has been the site of bizarre protests in favor of Hamas. Milwaukee is the second largest university in the State of Wisconsin. While the response to these protests by universities around the country can best be described as pathetic, Milwaukee is one of the worst.

Israel has suffered an attack almost unprecedented in its brutality in which Hamas and its supporters reveled in the horrific deaths of civilians, including young children. Israel's response can best be described as very measured, particularly given that Hamas has decided to hide among hospitals and other civilian locations.

Certainly, Israel's response was more measured than our response during World War II when you look at what was done to Tokyo and Dresden, so by comparison, there is no comparison.

Hamas could end this war tomorrow if they would surrender, show Israel its tunnels and its arms, and surrender the hostages. They are entirely responsible for allowing this war to go on.

The university's statement to the protesters appears to blame Israel. Even before the October attacks, it should have been obvious who wears the white hats here.

Israel is a modern, prosperous, and tolerant country in which even Muslims can build mosques and are allowed to vote. In Gaza, from childhood on, children are raised to hate Jews. People from Thailand, the Philippines, and Latin America—non-Jewish people—flow to Israel to live and work there.

Hamas' leadership, meanwhile, takes their foreign aid from Europe and lives in Qatar and Turkiye. The descendants of Yasser Arafat himself don't want to live in Gaza. They live in Paris.

Even with this, UWM feels they should side with Hamas. The university has tried recently to amend their position, but they still display a moral equivalence in which they can't bring themselves to say there is a right and a wrong, a good and an evil, in this conflict. Their bias shows further in that their first impulse was to meet only with representatives of the protesters and not with the broader community, this despite the fact that public opinion polls consistently show the American public as a whole, including presumably the taxpayers who fund the University of Wisconsin at Milwaukee, have no problem figuring out who is good and who is evil.

The university should apologize for developing their own foreign policy and spend some time with the broader community to learn what the vast majority of Americans and Wisconsinites think.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 11 o'clock and 27 minutes a.m.), the House stood in recess.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CARL) at noon.

PRAYER

The Chaplain, the Reverend Margaret Grun Kibben, offered the following prayer:

Immortal and invisible God, all power belongs to You. Gracious and merciful God, in You is found unfailing love.

With You, O Lord, are not competing natures but the whole of life. In You we discover both tenderness and strength. You love us with a parent's compassion and guide us with Your firm hand.

In our lives may we learn to strike the balance between patience and persistence. May we show no ill will toward others but have the wherewithal to bear their criticism and their ridicule. And when our anger is justified, may we be just as quick to forgive those who repent of their offenses.

May those who are strong bear the feelings of the weak, and may those who are vulnerable bear witness to the strength of their empathy.

In this body may we acknowledge that we belong to one another and reconcile with those who attempt to dismantle our mutual purpose. In You, may we strive for restoration, encourage one another, be of one mind, and live in peace.

God of justice and mercy, abide with us this day. In the power and love of Your eternal name, we pray.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the

last day's proceedings and announces to the House the approval thereof.

Pursuant to clause 1 of rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. TAKANO) come forward and lead the House in the Pledge of Allegiance.

Mr. TAKANO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain up to 15 requests for 1-minute speeches on each side of the aisle.

FARM BILL

(Mr. THOMPSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of Pennsylvania. Mr. Speaker, farming is more than a profession. It is the true cornerstone of American society. Moreover, no group has had a more significant impact on the evolution of modern society than our hardworking farmers. From the earliest days of our Nation's founding, the work ethic and devotion of our producers is what pushed us forward.

Before the sun rises, our Nation's farmers, ranchers, and foresters have already been hard at work for hours tending to their fields and caring for their livestock. Providing for our families goes beyond putting food on our tables. It includes clothes on our backs, heat in our homes, and fuel for our vehicles.

With each harvest, our farm families ensure that America and the world has access to a safe and abundant food supply.

American agriculture remains America's backbone, and we must support the families who give us so much by passing an effective 5-year farm bill.

PAYING TRIBUTE TO MICHAEL R. MCCORMICK

(Mr. TAKANO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAKANO. Mr. Speaker, I rise today to pay tribute to Michael R. McCormick, the remarkable superintendent of the Val Verde Unified School District, as he embarks on a well-deserved journey into retirement.

With over 27 years of dedicated service to the field of education, Michael McCormick's career has been defined by an unwavering commitment to fostering educational excellence and nurturing innovation.

Before assuming the role of superintendent, Mr. MCCORMICK served as the assistant superintendent for education services at Val Verde. Under his stewardship, the district earned numerous awards and accolades owing to his thoughtful and diligent focus that put students first.

From championing STEM education to striving to close the racial education gap for his students, Val Verde has thrived under his guidance. Superintendent Michael McCormick's dedication to education has left an enduring legacy of inspiration and empowerment.

I congratulate Mr. MCCORMICK on his retirement. We thank him for his tireless commitment to excellence in education.

REMOVAL OF KLAMATH DAMS

(Mr. LAMALFA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMALFA. Mr. Speaker, in my district in northern California there is this catastrophic removal and destruction of the Klamath dams. These are hydroelectric dams that provide clean, CO_2-free power for about 70,000 homes. It is reducing the renewable grid that everybody seems to want, eliminating recreational assets, hurting property values, damaging the local economy, and making it tougher on agriculture in the Klamath Basin.

Mr. Speaker, many of these products right here that are grown in California, 90 to 99 percent of what America relies upon. Even 100 percent of some of those same crops are grown in the Klamath Basin. They won't be able to do that much longer if they keep tearing down our infrastructure and taking water away.

The removal of these dams currently has released many millions of cubic yards of accumulated silt which has ruined the water quality and killed hundreds of thousands of fish and their spawning beds that they have laid new smelts in.

We have seen even full-sized deer getting stuck and dying in the mud. The Governors of California and Oregon seem willing to ignore these because they think it is a win to tear out the dams.

Local farmers, again, are suffering. The project borrowed water from the dams to extend irrigation systems. We won't have that flexibility anymore with that out. We won't be able to grow some of these crops that Americans enjoy and rely upon.

We have this devastation going on all in the name of the environment and all in the name of saving some fish, and in the meantime they have destroyed and killed hundreds of thousands of fish and will continue to do so with this reckless dam removal that won't end here. It will keep going. We will have less hydroelectric power, less stored water, and less recreation with this crazy type of thinking.

ISRAELI HOSTAGE FAMILY

(Ms. WILD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WILD. Mr. Speaker, 228 days. That is how long it has been since scores of people were violated, maimed, tortured, and killed in Israel.

It has been 228 days since 252 people, including children and the elderly, were abducted from Israel into Gaza.

Yesterday, I met with four of their families, Alex Danzig, a 75-year-old, was taken from Kibbutz Nir Oz. He spent the last 30 years working at Yad Vashem, Israel's Holocaust remembrance center, educating about the lessons of World War II.

Ohad Ben Ami, a dual Israeli-German citizen, was kidnapped from Kibbutz Be'eri. Ohad's daughter showed me one of the last photos she has of him which depicts him being dragged into a van by a terrorist.

Shaked Dahan, whose dog tag I wear in his honor, was a 19-year-old IDF soldier killed on October 7. Footage of his lifeless body being dragged from the tank he drove was shown to me by his family. His body was taken to Gaza, and his family prays for its return so they can give him a proper burial.

Matan Angrest, a 21-year-old IDF soldier, also abducted, status unknown, is believed to be alive. He shares a November 28 birthday with his younger sister. This past year was the first time they had ever marked their birthday apart.

Mr. Speaker, it has been 228 excruciating days for these families. We must not forget them. Until they are released, I will keep saying their names and standing with their families.

NATIONAL EMERGENCY MEDICAL SERVICES WEEK

(Mrs. HOUCHIN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOUCHIN. Mr. Speaker, I rise today to celebrate National Emergency Medical Services Week and honor the EMS professionals and paramedics who provide lifesaving care across the Nation every day.

EMS professionals like Nick Oleck, chief of Scott County EMS in my home State of Indiana. Ever since he started serving in Scott County more than a decade ago, Nick and his team have turned around the Emergency Medical Services department, and it is now self-funded, saving taxpayer money while also saving lives.

This can be a heart-wrenching line of work. Last year, Nick suddenly lost a friend and colleague, and yet still he perseveres. While suffering through his

own grief, he continues to respond to calls for service. Nick has also started a community paramedic program to train future EMS personnel. He is an outstanding medic and an exemplar of the EMS profession.

This week we celebrate every EMS professional across the country as they contend for our communities whenever emergencies happen.

ARIZONANS ARE SUFFERING FROM RADIATION EXPOSURE

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON. Mr. Speaker, in the mid-20th century, the United States Government conducted nuclear weapons development tests in the Southwest, exposing thousands of Arizonans downwind of the test site to ionized radiation from the fallout.

Women, men, and children were diagnosed with terrible cancers from the radiation exposure, and many tragically lost their lives.

Nearly 25 years ago, Congress attempted to make amends by passing the Radiation Exposure Compensation Act, but without congressional action, RECA is set to expire next month, denying Arizona families the compensation they need to pay for healthcare treatments.

The House has an opportunity to act right now to correct this injustice. More than 2 months ago, the Senate overwhelmingly passed the bipartisan RECA Reauthorization Act, a 5-year extension of the program.

It mirrors my Downwinders Parity Act by expanding the scope of the RECA's coverage to Arizonans in lower Mohave County who were previously denied compensation.

For too long, these downwinders have been left behind and overlooked. I urge my colleagues to give these people the justice they deserve and put this bill to a vote.

HONORING FALLEN SERVICEMEMBERS MEMORIAL

(Mr. GOOD of Virginia asked and was given permission to address the House for 1 minute.)

Mr. GOOD of Virginia. Mr. Speaker, I rise to recognize all men and women in uniform who have made the ultimate sacrifice for our Nation.

Since our Nation's founding via the Revolutionary War, more than 1 million Americans have given their lives to protect the freedoms that we hold dear today.

Every fallen member of the armed services and their families deserve our deepest expression of gratitude, not only on Memorial Day, but every day.

The words of Jesus Christ in John 15:12–13 apply to these heroes most deserving of remembrance, when He said: This is My commandment, that you love one another as I have loved you. Greater love has no one than this, that someone lay down his life for his friends.

As we reflect upon the ultimate sacrifice of more than 1 million American servicemembers this Memorial Day, may we also remember the family and friends they left behind.

Their pain and grief are unimaginable, tempered only by the joy of their memories and the knowledge that they gave their lives in service to the greatest country the world has ever known.

I join other Americans in offering them my prayers and heartfelt appreciation. May God bless them, and may God continue to bless the United States of America.

RECOGNIZING 100 YEARS OF ROCKINGHAM COUNTY BASEBALL LEAGUE

(Mr. CLINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINE. Mr. Speaker, I rise to recognize the Rockingham County Baseball League as they celebrate 100 years of America's favorite pastime.

Founded in 1924, the Rockingham County Baseball League is the second oldest continuously operating league in the United States. J.R. ''Polly'' Lineweaver, a sportswriter for the Daily News-Record, helped organize the league. This effort brought players together from seven communities across Rockingham County in both spirit and game, with a consistent schedule and designated rules. From there, the league would go to include teams up and down the Shenandoah Valley.

The league has a rich history. It survived the Great Depression, World War II, and integrated with African-American players in the 1950s. RCBL boasts players who went on to play in Major League Baseball and even the National Basketball Association. Today its fields remain a welcoming place that brings athletes together.

Recently, the league's storied history and many accomplishments were highlighted in a new exhibit at the Rocktown History Museum in Dayton. It calls attention to the hard work of players, coaches, fans, and other community members who have shown care toward each other through the common love of baseball.

I congratulate RCBL on the many wonderful seasons they have enjoyed over the last century, and I wish them many more to come.

□ 1215

PROVIDING FOR CONSIDERATION OF H.R. 4763, FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT; PROVIDING FOR CONSIDERATION OF H.R. 5403, CBDC ANTI-SURVEILLANCE STATE ACT; AND PROVIDING FOR CONSIDERATION OF H.R. 192, PROHIBITING VOTING BY NONCITIZENS IN DISTRICT OF COLUMBIA ELECTIONS

Mrs. HOUCHIN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1243 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1243

Resolved, That at any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4763) to provide for a system of regulation of digital assets by the Commodity Futures Trading Commission and the Securities and Exchange Commission, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their respective designees. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments in the nature of a substitute recommended by the Committees on Agriculture and Financial Services now printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 118–33, modified by the amendment printed in part A of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. No further amendment to the bill, as amended, shall be in order except those printed in part B of the report of the Committee on Rules. Each such further amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such further amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except one motion to recommit.

SEC. 2. At any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 5403) to amend the

Federal Reserve Act to prohibit the Federal reserve banks from offering certain products or services directly to an individual, to prohibit the use of central bank digital currency for monetary policy, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and amendments specified in this section and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their respective designees. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. No further amendment to the bill, as amended, shall be in order except those printed in part C of the report of the Committee on Rules accompanying this resolution. Each such further amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such further amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except one motion to recommit.

SEC. 3. Upon adoption of this resolution it shall be in order to consider in the House the bill (H.R. 192) to prohibit individuals who are not citizens of the United States from voting in elections in the District of Columbia. All points of order against consideration of the bill are waived. The amendment in the nature of a substitute recommended by the Committee on Oversight and Accountability now printed in the bill shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Oversight and Accountability or their respective designees; and (2) one motion to recommit.

The SPEAKER pro tempore. The gentlewoman from Indiana is recognized for 1 hour.

Mrs. HOUCHIN. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mrs. HOUCHIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

Mrs. HOUCHIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, last night, the Rules Committee met and produced a rule, House Resolution 1243, providing for the House's consideration of several pieces of legislation.

The rule provides for H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, to be considered under a structured rule. It provides 1 hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their designees and provides for one motion to recommit.

Additionally, the rule also provides for H.R. 5403, the CBDC Anti-Surveillance State Act. H.R. 5403 would be considered under a structured rule, and it also provides for 1 hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their designees and provides for one motion to recommit.

Finally, the rule also provides for consideration of H.R. 192, a bill which would prohibit noncitizens from voting in elections in the District of Columbia, to be considered under a closed rule. It also provides 1 hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Oversight and Accountability or their designees and provides for one motion to recommit.

Mr. Speaker, I rise in support of this rule and in support of the underlying pieces of legislation beginning with H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, or FIT21.

Mr. Speaker, I am very glad that the rule provides for consideration of this legislation. As a member of the Financial Service Committee, we have spent countless hours trying to develop a responsible regulatory structure for blockchain technology and digital assets.

These conversations have become increasingly necessary as regulators like the Securities and Exchange Commission have failed. Instead of developing a targeted and purposeful framework that would promote innovation and protect consumers, they have led with regulation by enforcement action.

This approach threatens the United States' leadership in the future of digital assets, a future that could better protect privacy, reduce business costs, and empower more Americans.

This flawed approach by the SEC has required congressional action, and FIT21 is the joint response of the Financial Services Committee and the Agriculture Committee. FIT21 establishes a framework consistent with existing law but also appropriate for the digital assets in question and their unique characteristics.

First, there is no current clear market structure for the regulation of digital assets in the United States. The SEC has merely been regulating by enforcement action.

This leaves digital asset innovators and consumers to play a guessing game. This not only stifles innovation but lends itself to the SEC picking winners and losers.

Meanwhile, there is currently no way for digital asset commodities to be registered or regulated by the CFTC. Chair Gensler has repeatedly said most digital assets are securities. However, by his own admission, we know that not all digital are securities. In fact, it is estimated that 70 percent or more are commodities.

This is among the most important reasons for the passage of FIT21. The SEC does not regulate commodities. It regulates securities. The CFTC does not regulate securities. It regulates commodities. The advent of digital assets, which can be either securities or commodities, has created a regulatory black hole that FIT21 seeks to remedy.

By defining digital asset commodities and securities and creating a clear regulatory market structure, FIT21 protects consumers and provides the regulatory clarity for digital asset developers to innovate.

The framework offered by FIT21 will give clear guidance to regulators and thus allow consumers to better judge digital assets for themselves, avoid scams, reduce instances of data theft, and lessen the potential for market manipulation.

FIT21 is good for our constituents and good for the country. Mr. Speaker, I encourage all of us to support this important legislation.

Moving on to H.R. 5403, the CBDC Anti-Surveillance State Act, I am proud of H.R. 5403 because I share the concerns of many of my colleagues about the consequences of a Federal Reserve Bank digital currency and what that could mean for our constituents and their privacy.

If issued, a government-controlled CBDC, central bank digital currency, would give Federal bureaucrats the ability to track every transaction Americans make, as well as the ability to block any transaction they so choose. This would be an unprecedented level of surveillance on the daily lives of everyday Americans, and we should all be concerned about the potential threats to individual rights and privacy.

A CBDC would give the government the power to shut off access to payments and freeze the bank accounts of law-abiding citizens and institutions for political reasons, just like we saw with the Canadian trucker protest or with Operation Choke Point.

Mr. Speaker, I hope all of my colleagues will join me in standing against the creation of a central bank digital currency by supporting this bill.

Finally, this rule also provides for consideration of H.R. 192, a bill which would prohibit noncitizens from voting in elections in the District of Columbia.

Americans are rightly concerned with election integrity. Free and fair elections are essential to any democracy. We all agree on that.

What we should also agree on is that noncitizens voting in elections undermines confidence in elections.

That is why the District of Columbia's Local Resident Voting Rights Amendment Act is so objectionable. It allows noncitizens to vote in D.C. elections, including illegal immigrants and foreign agents.

It goes without saying that these individuals, in particular, have interests that are at odds with our own. They literally represent the interests of other countries, including countries hostile to the United States. Why would we want to allow Russia or China or any foreign agent to vote on policies that impact the U.S. Capital? It defies logic, but that is exactly what D.C. has aspired to do.

My colleagues might ask why we even have an interest in the affairs of local laws in this respect. The answer is quite simple: D.C. has a unique and constitutional relationship with the United States Congress.

A lack of confidence in American elections anywhere threatens the confidence in American elections everywhere. It is incumbent upon us to protect the integrity of D.C. elections when the District's elected officials fail to do so and when they allow noncitizens and people with loyalty to other countries to vote.

Mr. Speaker, I look forward to consideration of these three important pieces of legislation and urge the passage of this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I thank the gentlewoman from Indiana for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, there is really not much to say. If you were to listen to my friend on the other side, you would think these bills are going to change the world the second the ink dries, but they are not.

This is just another week of wasted time, more of the same from the Republican leadership here in Congress that is completely out of touch with what the American people actually care about.

H.R. 192 is another GOP attempt to meddle in D.C. politics. They spend more time worrying about Washington, D.C., than they do about their own constituents.

It is astounding to me that the party that claims to care about small government and local control wants to have the Federal Government tell local leaders here in D.C. how to run their local elections.

Apparently, they are all for local control unless it is local control by Democrats—in which case, never mind.

To hear anybody on the Republican side talk about election integrity is rich, especially from a party that is filled with election deniers.

We are also here to consider H.R. 4763, a bill that provides an upper hand to the crypto industry instead of meaningfully addressing gaps in digital asset regulation.

□ 1230

Finally, we will meet on H.R. 5403, a bill that prevents the U.S. from exploring digital currency. I know my friends on the other side of the aisle are afraid of innovation, but 130 countries representing 98 percent of global GDP are looking into digital currency. Maybe, just maybe, it is something we should look into as well.

Unfortunately, I think some of my friends on the other side want to go back to stone tablets. It is our job in Congress to address the privacy concerns, not to bury our heads in the sand and pretend like the world isn't moving forward.

Mr. Speaker, it is all stunts instead of solutions, extremism over bipartisanship, and it is really a shame. This narrow majority could have given us a chance to work together in a bipartisan way, but instead, my friends over on the other side of the aisle have pandered to their most extreme Members over and over and over again.

They let the extremists kick out their own Speaker. They let the extremists dictate the agenda on the House floor. They let the extremists take down seven rule votes since January 2023, a stunning indictment of their ability to get anything done.

Speaking of indictments, Republicans are skipping their real jobs to take day trips up to New York to try to undermine Donald Trump's criminal trial.

Republicans have no time to work with Democrats but plenty of time to put on weird matching cult uniforms and stand behind President Trump with their bright red ties like pathetic props.

Maybe they want to distract from the fact that their candidate for President has been indicted more times than he has been elected. Maybe they don't want to talk about the fact that the leader of their party is on trial for covering up hush-money payments to a porn star for political gain, not to mention three other criminal felony prosecutions he is facing.

Now, I understand why my Republican friends want to distract from Donald Trump.

They don't want to talk about how Trump had the worse jobs record since the Great Depression, how he sold out our allies and empowered our adversaries.

They bring silly things like this to the floor to deflect blame and distract from the fact that they have no real vision, just division, and no real plans to make life better for the American people.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair would remind Members to refrain from engaging in personalities toward presumptive nominees for the Office of the President.

Mrs. HOUCHIN. Mr. Speaker, I would just like to note that the bury-the-head-in-the-sand approach is the very approach that Chairman Gensler has been taking with regard to the regulation of digital assets.

Our colleagues seem to be less concerned about getting a regulatory framework for consumer protection and are hurrying to put in a central bank digital currency for digital surveillance.

Mr. Speaker, I reserve the balance of my time.

PARLIAMENTARY INQUIRIES

Mr. MCGOVERN. Mr. Speaker, a few moments ago, I was admonished for stating the simple fact that the former President was indicted by a Grand Jury and is on trial in a court of law. That is not my opinion. It is just the truth. I have a parliamentarian inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. MCGOVERN. Mr. Speaker, has the Chair determined it is unparliamentary to state a fact?

The SPEAKER pro tempore. The Chair is not in a position to determine the veracity of remarks made on the floor. Members must avoid personalities.

Mr. MCGOVERN. Mr. Speaker, that is unbelievable. Last week during debate, a Republican Member of this House said: ''Watch the former President of the United States being hauled into court day after day with a sham trial.'' He wasn't admonished. I just referenced the same trial, and I was.

Mr. Speaker, I have to ask a further parliamentarian inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. MCGOVERN. Mr. Speaker, is it correct that Members of Congress can mention the trial of the presumptive nominee for President, call it a sham and question the integrity of the judge, but a reference to the mere existence of that same trial without any characterization, that is out of order?

The SPEAKER pro tempore. The Chair will not issue an advisory opinion.

Mr. MCGOVERN. Mr. Speaker, I have one last parliamentary inquiry. Is this restriction originally founded at least in part on the principle in Jefferson's Manual that ''in Parliament, to speak irreverently or seditiously against the king is against order,'' is that what this is about? I have Jefferson's Manual here.

The SPEAKER pro tempore. Members must avoid personalities in debates. The Chair will direct Members

to rule XVII and section 370 of the House Rules and Manual.

Mr. MCGOVERN. So it is, in fact, based on what is in Jefferson's Manual.

Mr. Speaker, Donald Trump might want to be a king, but he is not a king. He is not a presumptive king. He is not even the President. He is a presumptive nominee. And I know you are trying to do your job and follow precedent, but frankly, at some point it is time for this body to recognize that there is no precedent for this situation.

* * *

Ms. HOUCHIN. Mr. Speaker, I demand that the words of the gentleman from Massachusetts (Mr. MCGOVERN) be taken down.

The SPEAKER pro tempore. The gentleman from Massachusetts will be seated.

□ 1330

The SPEAKER pro tempore (Mr. CARL). The clerk will report the words.

The CLERK. We have a presumptive nominee for President facing 88 felony counts, and we are being prevented from even acknowledging it. These are not alternative facts. These are real facts.

A candidate for President of the United States is on trial for sending a hush money payment to a porn star to avoid a sex scandal during his 2016 campaign and then fraudulently disguising those payments in violation of the law.

He is also charged with conspiring to overturn the election. He is also charged with stealing classified information, and a jury has already found him liable for rape in a civil court.

Yet, in this Republican-controlled House, it is okay to talk about the trial, but you have to call it a sham. It is okay to say the jury is rigged but not that Trump should be held accountable. It is okay to say the court is corrupt but not Trump is corrupting the rule of law.

The SPEAKER pro tempore. The Chair is prepared to rule.

The words of the gentleman from Massachusetts accuse a presumptive nominee for the Office of President of engaging in illegal activity.

Presumptive nominees for the Office of President are accorded the same treatment under the rules of decorum in debate as a sitting President. This practice is memorialized in section 370 of the House Rules and Manual. This is warranted even though a candidate may not have officially obtained the party's nomination once there is no reasonable dispute that the candidate will receive the nomination.

The Chair reaches this conclusion in part based on the statement of Speaker Wright of September 29, 1988. On that day, the Speaker made it clear that actual party nomination is not a prerequisite for treatment under the precedents as though a nominee. The Chair has admonished Members on this basis on numerous occasions and as recently as earlier today.

This standard entails an application of the strictures against personality to references to candidates under the rules of decorum in debate. Therefore, although remarks in debate may include criticism of such a candidate's official positions as a candidate, it is a breach of order to refer to the candidate in terms personally offensive, whether by actual accusation or by mere insinuation.

Also as stated in section 370 of the Manual, an accusation that the President has committed a crime, or even that the President has done something illegal, is not in order. The Chair relies on the precedents of March 19, 1998, and September 10, 1998, and finds that the remarks constitute a personality.

The SPEAKER pro tempore. Without objection, the offending words are stricken from the RECORD.

There was no objection.

□ 1345

The SPEAKER pro tempore. The gentlewoman from Indiana is recognized.

Mrs. HOUCHIN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. LANGWORTHY).

Mr. LANGWORTHY. Mr. Speaker, I thank the gentlewoman from Indiana for yielding time. It is great to finally get to make a speech here.

Mr. Speaker, I am a strong supporter of the legislation being considered under the rule before us today, including the Central Bank Digital Currency Anti-Surveillance State Act, which will prohibit the Federal Reserve from pursuing a path that could jeopardize the financial freedoms and privacy of the American people.

Around the world, we are seeing authoritarian regimes embrace digital currencies, and why?

It is because it is a means to more effectively and tightly control their people.

That is why the Chinese Communist Party is actively developing a digital currency that will allow them to throttle the Chinese people's access to bank accounts and subject them to Orwellian social credit systems, among other forms of oppressive state control.

Yet, we have also seen freer democratic governments, not too different from our own, pursue policies in recent years to try and control their citizens' access to basic financial services, destroying their livelihoods in the process. In fact, it was our neighbors in Canada who recently shut down access to personal bank accounts of protesters who had the audacity to exercise their right to demonstrate in opposition to their government's draconian lockdowns and vaccine mandates.

Mr. Speaker, before coming to Congress, I joined our healthcare workers and others in the State of New York to protest against Governor Cuomo's oppressive COVID vaccine mandates that led to thousands of New Yorkers, including many frontline healthcare workers, losing their jobs.

With tools like digital currency at their disposal, it creates a new pathway for the government to retaliate against those who speak up and voice a difference in opinion.

If they had that power back then, would they have used it?

Based on our experience with the Biden administration over the past 4 years and the weaponization of government agencies, I am not surprised that the American people can clearly see the danger here.

This administration with regulation after regulation and policy after policy has chipped away at the freedoms of the American people.

Under President Biden, everyday Americans are left wondering if they will be able to purchase a gas stove, drive an affordable car, do what they like with their private land, or even whether they can safely voice a conservative viewpoint without some form of reprisal from their government.

We cannot take for granted our rights as Americans, especially when we have an administration, captured and intimidated by the radical left, that has weaponized our Federal agencies against the freedoms of individuals as the Biden administration has done over the past 4 years.

The American people are sick and tired of giving up their freedoms and being spied on by our Federal Government. First, it was warrantless surveillance through FISA. Today, it is a government-controlled digital currency.

If we allow this dangerous trend to continue, what is next?

Mr. Speaker, we need to pass the underlying legislation to prevent any further pursuit of authoritarian policies like the creation of a centralized and controllable digital currency. Let's pass this rule and protect the financial privacy and the freedoms of the American people.

Mrs. HOUCHIN. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. ROSE).

Mr. ROSE. Mr. Speaker, I rise in support of H.R. 5403, the CBDC Anti-Surveillance State Act, a bill I was proud to cosponsor. I thank Majority Whip TOM EMMER and Chairman MCHENRY of the House Financial Services Committee for their work on this legislation to protect Americans' privacy and financial data.

A central bank digital currency, or CBDC, would have devastating consequences for the Fourth Amendment rights of all freedom-loving Americans. Just as we have seen the Federal Government weaponized against conservatives, whether it is the IRS, the DOJ, the FBI, or even the Fed, no three-letter government agency should be able to trample on our Constitution.

In 21st century America, the freedom to purchase goods and services necessary to care for and protect our families shouldn't be left up to the government. A CBDC is a slippery slope toward ceding that liberty.

Mr. Speaker, I urge all Members to support this bill.

Mrs. HOUCHIN. Mr. Speaker, I am prepared to close, and I yield myself the balance of my time.

Mr. Speaker, Americans have always been a leader in innovation and technology, particularly in financial services. In order for this to remain the case, we must support regulatory structures that continue to foster that same innovative spirit without sacrificing privacy while providing necessary consumer protections and preserving market integrity.

Before us is the opportunity to move legislation that could have a positive effect on the everyday lives of all Americans.

H.R. 4763, the Financial Innovation and Technology for the 21st Century or FIT21, is a bill that delivers on all of these fronts for the future of digital assets here in the United States.

Speaking of protecting Americans, H.R. 5403, the Central Bank Digital Currency Anti-Surveillance State Act ensures that the government is never in a position to weaponize the financial system against the American people.

Innovation cannot come at the cost of sacrificing individual liberties. The issuance of a CBDC would only work to compromise Americans' rights and privacy.

Finally, H.R. 192 protects the integrity of American elections here in the District of Columbia, and we must prevent it. Congress must step in when local officials in the District fail to protect election integrity in this most basic sense. Noncitizens, including illegal immigrants and agents of foreign governments, must not have the ability to vote in American elections at any level anywhere. This is a basic issue of responsible governance.

To ensure government is responsive to and protective of the people it serves, elections must not include noncitizens or foreign actors.

Mr. Speaker, I look forward to moving these bills out of the House this week, and I ask my colleagues to join me in voting ''yes'' on the previous question and ''yes'' on the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. YAKYM). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SCANLON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 205, nays 203, not voting 22, as follows:

[Roll No. 221]

YEAS—205

Aderholt	Arrington	Banks
Alford	Babin	Bean (FL)
Allen	Bacon	Bentz
Amodei	Baird	Bergman
Armstrong	Balderson	Bice
Biggs	Graves (MO)	Mooney
Bilirakis	Green (TN)	Moore (AL)
Bishop (NC)	Greene (GA)	Moore (UT)
Boebert	Griffith	Moran
Bost	Grothman	Nehls
Brecheen	Guest	Newhouse
Buchanan	Guthrie	Norman
Bucshon	Hageman	Obernolte
Burchett	Harris	Ogles
Burgess	Harshbarger	Owens
Burlison	Hern	Palmer
Calvert	Higgins (LA)	Pence
Cammack	Hill	Perry
Carey	Hinson	Pfluger
Carl	Houchin	Posey
Carter (GA)	Hudson	Reschenthaler
Carter (TX)	Huizenga	Rodgers (WA)
Chavez-DeRemer	Issa	Rogers (AL)
Ciscomani	Jackson (TX)	Rogers (KY)
Cline	James	Rose
Cloud	Johnson (LA)	Rosendale
Clyde	Johnson (SD)	Rouzer
Cole	Jordan	Roy
Collins	Joyce (OH)	Rutherford
Comer	Joyce (PA)	Salazar
Crane	Kean (NJ)	Schweikert
Crawford	Kelly (MS)	Scott, Austin
Crenshaw	Kelly (PA)	Self
Curtis	Kiggans (VA)	Sessions
D'Esposito	Kiley	Simpson
Davidson	Kim (CA)	Smith (MO)
De La Cruz	Kustoff	Smith (NE)
DesJarlais	LaHood	Smucker
Diaz-Balart	LaLota	Spartz
Donalds	LaMalfa	Stauber
Duarte	Lamborn	Steel
Duncan	Langworthy	Stefanik
Dunn (FL)	Latta	Steil
Edwards	LaTurner	Steube
Ellzey	Lawler	Strong
Emmer	Lee (FL)	Tenney
Estes	Lesko	Thompson (PA)
Ezell	Letlow	Tiffany
Fallon	Lucas	Timmons
Feenstra	Luetkemeyer	Turner
Finstad	Luna	Valadao
Fischbach	Luttrell	Van Drew
Fitzgerald	Mace	Van Duyne
Fitzpatrick	Malliotakis	Van Orden
Fleischmann	Maloy	Wagner
Flood	Mann	Walberg
Foxx	Mast	Waltz
Franklin, Scott	McClain	Weber (TX)
Fry	McClintock	Webster (FL)
Fulcher	McCormick	Wenstrup
Gaetz	McHenry	Westerman
Garbarino	Meuser	Williams (NY)
Garcia, Mike	Miller (IL)	Williams (TX)
Gimenez	Miller (OH)	Wittman
Gonzales, Tony	Miller (WV)	Womack
Good (VA)	Miller-Meeks	Yakym
Gooden (TX)	Mills	Zinke
Gosar	Molinaro	
Graves (LA)	Moolenaar	

NAYS—203

Adams	Clark (MA)	Garamendi
Aguilar	Clarke (NY)	García (IL)
Allred	Cleaver	Garcia (TX)
Amo	Clyburn	Garcia, Robert
Auchincloss	Cohen	Golden (ME)
Balint	Connolly	Goldman (NY)
Barragán	Correa	Gomez
Beatty	Costa	Gonzalez, Vicente
Bera	Courtney	Gottheimer
Beyer	Craig	Green, Al (TX)
Bishop (GA)	Crockett	Harder (CA)
Blunt Rochester	Crow	Hayes
Bonamici	Cuellar	Himes
Bowman	Davids (KS)	Horsford
Boyle (PA)	Davis (IL)	Houlahan
Brown	Davis (NC)	Hoyer
Brownley	Dean (PA)	Hoyle (OR)
Budzinski	DeGette	Huffman
Bush	DeLauro	Ivey
Caraveo	DelBene	Jackson (IL)
Carbajal	Deluzio	Jackson (NC)
Cárdenas	DeSaulnier	Jacobs
Carson	Dingell	Jeffries
Carter (LA)	Doggett	Johnson (GA)
Cartwright	Escobar	Kamlager-Dove
Casar	Eshoo	Kaptur
Case	Espaillat	Keating
Casten	Fletcher	Kelly (IL)
Castor (FL)	Foster	Kennedy
Castro (TX)	Foushee	Khanna
Cherfilus-McCormick	Frankel, Lois	Kildee
Chu	Frost	Kilmer
	Gallego	Kim (NJ)
		Krishnamoorthi
		Kuster
		Larsen (WA)
		Larson (CT)
		Lee (CA)
		Lee (NV)
		Lee (PA)
		Leger Fernandez
		Levin
		Lieu
		Lofgren
		Lynch
		Manning
		Matsui
		McBath
		McClellan
		McCollum
		McGarvey
		McGovern
		Meeks
		Menendez
		Meng
		Mfume
		Morelle
		Moskowitz
		Moulton
		Mrvan
		Mullin
		Nadler
		Napolitano
		Neal
		Neguse
		Nickel
		Norcross
		Ocasio-Cortez
		Omar
		Pallone
		Panetta
		Pappas
		Pascrell
		Pelosi
		Peltola
		Perez
		Peters
		Pettersen
		Phillips
		Pingree
		Pocan
		Porter
		Pressley
		Quigley
		Ramirez
		Raskin
		Ross
		Ruiz
		Ruppersberger
		Ryan
		Salinas
		Sánchez
		Sarbanes
		Scanlon
		Schakowsky
		Schiff
		Schneider
		Scholten
		Schrier
		Scott (VA)
		Scott, David
		Sewell
		Sherman
		Sherrill
		Slotkin
		Smith (WA)
		Sorensen
		Soto
		Spanberger
		Stanton
		Stevens
		Strickland
		Suozzi
		Swalwell
		Sykes
		Takano
		Thanedar
		Thompson (CA)
		Thompson (MS)
		Titus
		Tlaib
		Tokuda
		Tonko
		Torres (CA)
		Torres (NY)
		Trahan
		Trone
		Underwood
		Vargas
		Vasquez
		Veasey
		Wasserman Schultz
		Waters
		Watson Coleman
		Wexton
		Wild
		Williams (GA)
		Wilson (FL)

NOT VOTING—22

Barr	Jayapal	Nunn (IA)
Blumenauer	Landsman	Scalise
Evans	Loudermilk	Smith (NJ)
Ferguson	Magaziner	Stansbury
Granger	Massie	Velázquez
Grijalva	McCaul	Wilson (SC)
Hunt	Moore (WI)	
Jackson Lee	Murphy	

□ 1430

Mr. TORRES of New York, Mses. HOYLE of Oregon, and CRAIG changed their vote from ''yea'' to ''nay.''

Messrs. CARTER of Georgia and McHENRY changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BOST). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Ms. SCANLON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 204, noes 203, not voting 23, as follows:

[Roll No. 222]

AYES—204

Aderholt	Bilirakis	Chavez-DeRemer
Allen	Bishop (NC)	Ciscomani
Amodei	Boebert	Cline
Armstrong	Bost	Cloud
Arrington	Brecheen	Clyde
Babin	Buchanan	Cole
Bacon	Bucshon	Collins
Baird	Burchett	Comer
Balderson	Burgess	Crane
Banks	Burlison	Crawford
Barr	Calvert	Crenshaw
Bean (FL)	Cammack	Curtis
Bentz	Carey	D'Esposito
Bergman	Carl	Davidson
Bice	Carter (GA)	De La Cruz
Biggs	Carter (TX)	DesJarlais

Diaz-Balart
Donalds
Duarte
Duncan
Dunn (FL)
Edwards
Ellzey
Emmer
Estes
Ezell
Fallon
Feenstra
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Flood
Foxx
Franklin, Scott
Fry
Fulcher
Gaetz
Garbarino
Garcia, Mike
Gimenez
Gonzales, Tony
Good (VA)
Gooden (TX)
Gosar
Graves (LA)
Graves (MO)
Green (TN)
Greene (GA)
Griffith
Grothman
Guest
Guthrie
Hageman
Harris
Harshbarger
Hern
Higgins (LA)
Hill
Hinson
Houchin
Hudson
Huizenga
Issa
Jackson (TX)
James
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kean (NJ)
Kelly (MS)
Kelly (PA)
Kiggans (VA)
Kiley
Kim (CA)
Kustoff
LaHood
LaLota
LaMalfa
Langworthy
Latta
LaTurner
Lawler
Lee (FL)
Lesko
Letlow
Lucas
Luetkemeyer
Luna
Mace
Malliotakis
Maloy
Mann
Mast
McCaul
McClain
McClintock
McCormick
McHenry
Meuser
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Molinaro
Moolenaar
Mooney
Moore (AL)
Moore (UT)
Moran
Nehls
Newhouse
Norman
Obernolte
Ogles
Owens
Palmer
Pence
Perry
Pfluger
Posey
Reschenthaler
Rodgers (WA)
Rogers (AL)
Rogers (KY)
Rose
Rosendale
Rouzer
Roy
Rutherford
Salazar
Scott, Austin
Self
Sessions
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Spartz
Stauber
Steel
Stefanik
Steil
Steube
Strong
Tenney
Thompson (PA)
Tiffany
Timmons
Turner
Valadao
Van Drew
Van Duyne
Van Orden
Wagner
Walberg
Waltz
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams (NY)
Williams (TX)
Wilson (SC)
Wittman
Womack
Zinke

NOES—203

Adams
Aguilar
Allred
Amo
Auchincloss
Balint
Barragán
Beatty
Bera
Beyer
Bishop (GA)
Blunt Rochester
Bonamici
Bowman
Boyle (PA)
Brown
Brownley
Budzinski
Bush
Caraveo
Carbajal
Cárdenas
Carson
Carter (LA)
Cartwright
Casar
Case
Casten
Castor (FL)
Castro (TX)
Cherfilus-McCormick
Chu
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Connolly
Correa
Costa
Courtney
Craig
Crockett
Crow
Cuellar
Davids (KS)
Davis (IL)
Davis (NC)
Dean (PA)
DeGette
DeLauro
DelBene
Deluzio
DeSaulnier
Dingell
Doggett
Escobar
Eshoo
Espaillat
Fletcher
Foster
Foushee
Frankel, Lois
Frost
Gallego
Garamendi
García (IL)
Garcia (TX)
Garcia, Robert
Golden (ME)
Goldman (NY)
Gomez
Gonzalez, Vicente
Gottheimer
Green, Al (TX)
Harder (CA)
Hayes
Himes
Horsford
Houlahan
Hoyer
Hoyle (OR)
Huffman
Ivey
Jackson (IL)
Jackson (NC)
Jacobs
Jeffries
Johnson (GA)
Kamlager-Dove
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kildee
Kilmer
Kim (NJ)
Krishnamoorthi
Kuster
Larsen (WA)
Larson (CT)
Lee (CA)
Lee (NV)
Lee (PA)
Leger Fernandez
Levin
Lieu
Lofgren
Lynch
Manning
Matsui
McBath
McClellan
McCollum
McGarvey
McGovern
Meeks
Menendez
Meng
Mfume
Morelle
Moskowitz
Moulton
Mrvan
Mullin
Nadler
Napolitano
Neal
Neguse
Nickel
Norcross
Ocasio-Cortez
Omar
Pallone
Panetta
Pappas
Pascrell
Pelosi
Peltola
Perez
Peters
Pettersen
Phillips
Pingree
Pocan
Porter
Pressley
Quigley
Ramirez
Raskin
Ross
Ruiz
Ruppersberger
Ryan
Salinas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schiff
Schneider
Scholten
Schrier
Scott (VA)
Scott, David
Sewell
Sherman
Sherrill
Slotkin
Smith (WA)
Sorensen
Soto
Spanberger
Stanton
Stevens
Strickland
Suozzi
Swalwell
Sykes
Takano
Thanedar
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Trone
Underwood
Vargas
Vasquez
Veasey
Wasserman Schultz
Waters
Watson Coleman
Wexton
Wild
Williams (GA)
Wilson (FL)

NOT VOTING—23

Alford
Blumenauer
Evans
Ferguson
Granger
Grijalva
Hunt
Jackson Lee
Jayapal
Lamborn
Landsman
Loudermilk
Luttrell
Magaziner
Massie
Moore (WI)
Murphy
Nunn (IA)
Scalise
Schweikert
Stansbury
Velázquez
Yakym

□ 1443

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. YAKYM. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted YEA on Roll Call No. 222.

PERSONAL EXPLANATION

Mr. NUNN of Iowa. Mr. Speaker, due to a natural disaster event in the district, I made an emergency trip back to Iowa to provide assistance to my constituents who have been left devastated by the tornado. Had I been present, I would have voted YEA on Roll Call No. 221, ordering the Previous Question on H. Res. 1243 and YEA on Roll Call No. 222, Adoption of H. Res. 1243.

FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT

GENERAL LEAVE

Mr. MCHENRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill (H.R. 4763).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 1243 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 4763.

The Chair appoints the gentleman from Mississippi (Mr. GUEST) to preside over the Committee of the Whole.

□ 1448

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4763) to provide for a system of regulation of digital assets by the Commodity Futures Trading Commission and the Securities and Exchange Commission, and for other purposes, with Mr. GUEST in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services or their respective designees.

The gentleman from North Carolina (Mr. MCHENRY) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. MCHENRY).

Mr. MCHENRY. Mr. Chairman, I yield myself such time as I may consume.

Today, Congress will establish a new high-water mark for digital asset policy. To be clear, this joint effort between the Financial Services Committee and the Agriculture Committee did not come together overnight. Far from it. We formed subcommittees, convened working groups, heard from countless stakeholders, and received input from Members across the ideological spectrum in the House of Representatives.

Last July, we passed the bipartisan Financial Innovation and Technology for the 21st Century Act, FIT21, out of our respective committees. Each step in this process has created a new high-water mark.

The next step will be a broad bipartisan vote today to finally provide the robust consumer protections and clear regulatory framework established by this bill. FIT21 will cement the United States' global leadership in technological innovation, invention, and adoption.

Unfortunately, our current regulatory framework is preventing digital assets innovation from reaching its full potential. The SEC and the CFTC are currently in a food fight for control of these asset classes. They have created an impossible situation where the same firms are subject to competing and contradictory enforcement actions by the two different agencies, leaving consumers behind, leaving innovators behind.

FIT21 fixes this by creating a regulatory framework that will provide clear rules of the road and strong guardrails for Americans engaging with the digital asset ecosystem.

At its core, FIT21 applies time-tested consumer protections to ensure that the 20 percent of Americans who engage in the digital asset ecosystem can do so safely and so more Americans can engage, as well.

Today, we have the opportunity to answer the calls of consumers, digital asset innovators, and the Biden administration. We can establish the next

high-water mark for digital assets here in the United States.

Mr. Chair, I urge my colleagues to support consumer protection, innovation, and American leadership by voting for FIT21, and I reserve the balance of my time.

Ms. WATERS. Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, I rise in strong opposition to H.R. 4763, which I am calling the not fit for purpose act.

This bill would deregulate a substantial portion of the crypto industry, taking them out of the purview of the Securities and Exchange Commission, or SEC. It would allow them to operate either under a lighter touch regulatory regime under the Commodity Futures Trading Commission or in what I have called a regulatory no-man's-land, with no primary regulator and virtually no regulations. For crypto that would remain under the SEC's purview, this bill still provides major exemptions from critical securities laws.

If this wasn't bad enough, this bill is not just about crypto. Language was added to the bill after it was marked up by the committees of jurisdiction that would allow even some traditional securities to also exist in this regulatory no-man's-land.

Specifically, I am referring to title II of the bill that defines the term ''investment contract asset.'' Assets that fall under this definition are explicitly deemed not to be securities and, therefore, not under the SEC's purview, but the bill doesn't provide an alternative legal framework for these assets.

This represents an extreme MAGA, libertarian approach where companies can operate without regulatory scrutiny, and consumers and investors are on their own in detecting and avoiding fraudulent schemes.

While Republican defenders of this bill have argued that this definition of investment contract asset is limited to digital assets under the bill, this is disputed by legal experts and SEC Chair Gary Gensler himself, who confirmed in a recent statement regarding this bill that it would have a broader impact on traditional securities.

Interestingly, I didn't hear any arguments from the Republicans at the Rules Committee hearing disputing that this would, in fact, be a regulatory no-man's-land, even if they insist it is just for crypto.

Even for crypto that would be transferred over to the CFTC, I have serious concerns about the loss of protections for consumers and investors. The CFTC is generally designed to deal with sophisticated institutional investors and traders. It doesn't have the same kind of protections that the SEC has for retail investors and consumers.

Under all three avenues provided for crypto under this bill: The CFTC's lighter touch regulatory regime, SEC's weaker regulatory regime for restricted digital assets, or the regulatory no-man's-land, these are just a few examples of protections that would be stripped away: the right of an investor to sue, gone; protections against conflicts of interest, gone; the right to critical disclosures that help investors make informed choices, gone; and enforcement by States against fraud; and enforcement by the SEC for all of the above protections, including antifraud.

H.R. 4763 would also upend more than 170 enforcement cases the SEC has brought related to crypto violations. These actions have been brought by both Democratic and Republican administrations to protect investors against crypto bad actors.

The SEC is the Federal agency on the front lines of enforcing our existing securities laws on crypto firms that have willfully chosen to ignore the law and defrauded consumers out of billions of dollars with these get-rich-quick schemes. Giving this industry a free pass to avoid most all regulations cannot be the answer to the serious concerns that Members have raised about crypto fraud.

I have seen many efforts by Republicans, acting at the behest of the industry to pass deregulatory regulation, but this is perhaps the worst, most harmful proposal I have seen in a long time. This bill would deregulate crypto and certain traditional securities to the extent that I and other experts have expressed serious concerns about this bill causing a potential market crash and recession.

I am also reminded of how, over the warnings of regulators, Congress moved to deregulate the over-the-counter derivatives. Remember the derivatives market back in 2000? The resulting financial crisis triggered the implosion of financial institutions, a wave of foreclosures, and trillions of dollars in lost wealth.

Mr. Chair, I urge my colleagues not to forget. They should not repeat history with this bill.

The Biden administration has released a Statement of Administration Policy opposing this bill. The bill is also opposed by a long list of investors and consumer advocates, State securities administrators concerned about State preemption, labor organizations worried about the retirement funds of their members, environmental groups concerned about the undisclosed risk of crypto mining, civic organizations worried about the undue influence of the financial and crypto industry over Congress' actions, academics, legal experts, and technologists.

Mr. Chair, I urge my colleagues to stand up and to not be afraid of Big Crypto, to stand up for everyday investors and consumers.

Mr. Chair, I urge my colleagues to vote ''no'' on this bill, and I reserve the balance of my time.

□ 1500

Mr. MCHENRY. Mr. Chair, I yield 4 minutes to the gentleman from Pennsylvania (Mr. THOMPSON), the chair of the Agriculture Committee and partner in FIT21.

Mr. THOMPSON of Pennsylvania. Mr. Chairman, I rise today in support of H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, or FIT21, which establishes a regulatory framework for digital assets while protecting consumers and fostering innovation within the United States.

This legislation has been a long time coming. Since 2018, the House Committee on Agriculture has held numerous hearings, roundtables, and meetings and introduced multiple pieces of legislation to bring certainty and clarity to the digital asset markets.

For Congress to establish a comprehensive digital assets market framework, it was clear the House Committee on Agriculture and the House Committee on Financial Services needed to work in a collaborative manner.

Chairman MCHENRY and I first met nearly 2 years ago to discuss this ambitious plan, and together, we aimed to develop the best policies possible.

Over this Congress, members of both committees have engaged in robust and collaborative debates and educational sessions on current securities and commodities laws and regulations, as well as gaining a deeper understanding of the digital asset ecosystem.

Through this process, we learned several key points, including: that the current process to determine if a digital asset is a security or not is unclear, unworkable, and impractical; the Commodity Futures Trading Commission lacks essential regulatory authority over retail-serving intermediaries in the digital commodity spot market; and the treatment of customer assets held by intermediaries needs to be strengthened.

Mr. Chairman, my colleagues on the other side of the aisle have claimed that this bill will allow a substantial portion of crypto and some traditional securities to escape nearly all laws and regulations, operating without any primary regulator. That is far from the truth. The legislation before us today enhances existing securities and commodities regulations to create an appropriate framework for digital assets.

For example, a registered digital commodity exchange would follow regulations similar to those of the CFTC for derivatives exchanges, including monitoring trading activity, prohibiting abusive practices, reporting trading information, managing conflicts of interest, ensuring governance standards, upholding cybersecurity, and more.

Mr. Chairman, Congress has a historic opportunity to enact legislation that not only protects consumers but also ensures that the United States remains at the forefront of technical innovation.

By supporting FIT21, we can foster and create a safer, more transparent, and more competitive environment for digital assets.

Let us seize this moment to provide clear guidelines and robust protections,

fostering a future where innovation can thrive responsibly within our borders.

Mr. Chairman, I urge all of my colleagues to support this bill.

Mr. Chairman, I understand that the gentlewoman from Washington State, the chair of the Energy and Commerce Committee, has a few questions for clarification.

Mrs. RODGERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Pennsylvania. Mr. Chairman, I yield to the gentlewoman for the purpose of a colloquy.

Mrs. RODGERS of Washington. Mr. Chairman, I rise in support of H.R. 4763.

Blockchains are a new foundational technology that will reshape our daily lives. Through innovative design approaches, blockchains can be used in all kinds of applications, like tracking products through supply chains or facilitating the tokenization of financial assets.

Unfortunately, many American innovators are being pushed abroad by overzealous regulators. According to a report by Electric Capital, the U.S. share of blockchain developers has declined from 40 percent in 2017 to 29 percent in 2022.

I am excited about this legislation providing clear rules of the road. This is a clear complement to some of the work that we have been doing in the Energy and Commerce Committee to ensure American leadership in blockchain technology.

I will clarify some of the nonfinancial applications and uses that may be unintentionally captured by the bill.

The CHAIR. The time of the gentleman has expired.

Mr. MCHENRY. Mr. Chairman, I yield an additional 1 minute to the gentlewoman from Washington.

Mrs. RODGERS of Washington. Mr. Chairman, I thank the gentleman for yielding time.

Based on conversations I have had, it is my understanding that the intent of this bill is to ensure that the current authority over certain restricted digital asset transactions remains with the SEC and that the CFTC would only be authorized to regulate certain intermediaries in spot digital commodity markets. Is this correct?

Mr. THOMPSON of Pennsylvania. Mr. Chairman, the gentlewoman's understanding of the legislation is correct.

The intent of FIT21 is to draw jurisdictional lines between the SEC and the CFTC as it relates to certain spot digital asset transactions.

Mrs. RODGERS of Washington. Can the gentleman clarify the intent when it comes to exclusive jurisdiction of the CFTC and how this would impact the current protections for Americans against fraud and market manipulation?

Mr. THOMPSON of Pennsylvania. FIT21 provides the CFTC with exclusive jurisdiction over digital commodity spot market transactions that occur on or through entities registered with CFTC. FIT21 does not provide CFTC with the authority to directly regulate any transaction between two people which is not intermediated by an entity registered with the CFTC.

Separate from FIT21, CFTC has existing authority to police spot market commodities for fraud and market manipulation, which FIT21 does not change.

Mrs. RODGERS of Washington. Mr. Chairman, I thank Chairman THOMPSON, Chairman MCHENRY, and Representative HILL for the clarification and for all of their work.

Ms. WATERS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. LYNCH), who is also the ranking member of the Subcommittee on Digital Assets, Financial Technology and Inclusion.

Mr. LYNCH. Mr. Chairman, I thank the gentlewoman for yielding time.

Mr. Chairman, I have been a Member of Congress for over 20 years, and I have to say that while this may not be the worst, it is in the top three in terms of the worst bills that I have seen actually progress to the floor of the House.

Anybody who is excited about this bill either has not read it or does not understand it. This bill is a radical rewrite of the securities laws in this country.

As most people who know our history realize, in 1929, when the markets crashed, we established the Securities and Exchange Commission in 1934, shortly after the crash.

What that did was it created an agency that became the cop on the beat in financial services. They became the protectors of investors.

Since that time in 1934, as courts have interpreted that law that is protecting investors, we built up a body of case law that now makes the United States financial markets the most robust, and they have become the marvel of the world. Everyone comes to the United States for investment because they know that their investment is protected and that they will be treated fairly in the courts because we have well-defined laws.

This bill undoes all of that. This bill is a radical rewriting of the securities laws since 1934. It redefines what a security is. It allows financial companies to escape the cop on the beat. Now, they can leave the jurisdiction of the SEC and go over to the CFTC, which is about six times as small as the SEC.

What will happen here is you will see a migration of companies going out from under the SEC jurisdiction over to the CFTC, and this will cause havoc in our financial markets eventually.

The one amendment I would have liked to see on this bill is that any company that becomes insolvent because of their involvement with crypto cannot receive a taxpayer bailout because that is where this bill is heading. This is going to cause infirmity in the financial institutions in this country as they get commingled with crypto, and eventually, we will be forced into a situation where we are going to have to bail some of these banks out because of their involvement in crypto.

Mr. Chairman, this is a very bad bill, and I urge my colleagues to vote against it.

Mr. MCHENRY. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. HILL), the chairman of the Subcommittee on Digital Assets, Financial Technology and Inclusion, who has shepherded this bill along very well.

Mr. HILL. Mr. Chairman, I thank the gentleman for yielding time.

Mr. Chairman, for those watching at home, it is like the tale of two cities, where one side is offering a work of fiction and the other side a work of nonfiction.

I think, over here, those who support this bill are supporting exactly the opposite of what I have heard on the other side of the aisle.

Since last January, our two committees, Agriculture and Financial Services, have collaborated to make sure that we protect consumers and investors in the digital marketplace by preventing fraud, manipulation, front-running, and other abusive practices; applying Bank Secrecy Act/AML requirements and know-your-customer rules; mitigating conflicts of interest; requiring firms to hold capital and segregate customer funds; have the right kind of custody policy; have registration for exchanges, dealers, and brokers that are working in digital assets; imposing reporting and bookkeeping requirements; and building on the existing exemption regime for the offer and sale of digital securities to include robust disclosures to anyone considering a purchase.

With that said, we hear a lot about the lack of legal clarity for the treatment of digital assets, which was the impetus for this legislation. What does that even mean?

Mr. Chairman, to this day, the SEC and the CFTC still contradict each other in court about whether a digital asset like Ethereum should be treated as a security or a commodity. Both cannot be true.

When two Federal agencies in the same administration cannot agree on the law, it should be up to Congress, and that is the regulatory clarity that this FIT21 bill will bring.

In fact, I would argue, Mr. Chairman, that FIT21 is responsive to President Biden's own executive order and the Financial Stability Oversight Council report calling on Congress to enact a framework for digital assets that are not securities. That is what we have done.

I am also proud that this measure is the product of committee work done through regular order and through good-faith bipartisan efforts.

Mr. Chairman, all Members should support this bill, and I encourage a full ''yes'' vote from both sides of the aisle.

Ms. WATERS. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois (Mr. CASTEN).

Mr. CASTEN. Mr. Chairman, we have heard several times this legislation is better than the status quo. There are a whole lot of reasons that is not true, but I want to focus specifically on this bill's utter failure to address the use of cryptocurrency by terrorists, foreign adversaries, and criminals.

By the way, Treasury asked us specifically to address those issues with a whole bunch of reasonable changes. We introduced amendments. Every one of those amendments was rejected.

The anti-money laundering provisions that are in this bill simply duplicate existing requirements. Yet, the bill's supporters have actually argued, and Treasury has agreed, that the status quo is not sufficient to address the challenges created by cryptocurrencies.

How do we know that cryptocurrencies are a problem for money laundering? Because the bad guys love crypto. Let's give some examples.

North Korean hackers have stolen $3 billion in cryptocurrency since 2017. White House national security officials said last year that crypto theft and cybercrime have funded half of North Korea's nuclear program.

Russia and Venezuela are both using crypto to evade U.S. sanctions.

Venezuela recently said that because of the bite of sanctions, they are now moving to accept payments in crypto because that allows them to get money that we, in Washington, cannot track.

The Treasury Department is reviewing more than $20 billion of cryptocurrency that was laundered through a Russian-based cryptocurrency exchange.

The Treasury Department has noted that Hamas, the Palestinian Islamic Jihad, ISIS, and al-Qaida are all using crypto to finance terrorist attacks globally.

Crypto is the preferred means of payment for fentanyl trafficking. Chinese businesses that sell fentanyl chemical ingredients to Mexican cartels have accepted millions in crypto payments. They have sold enough ingredients to make more than $54 billion worth of fentanyl pills. That is enough to kill 8.6 billion people, if you are counting.

Blockchain analytics firm Chainalysis said in January that virtual currency is the dominant choice for buyers and sellers of child sexual abuse content.

FinCEN basically said the same thing. It said that perpetrators of online child sexual exploitation are increasingly using convertible virtual currency to avoid detection.

I could go on and on. These are not cherry-picked statistics. These are statistics from U.S. officials and from crypto firms, people who are entrusted with protecting our national security and who care about this stuff.

The Treasury Department asked for new rules to address this. Every single one of those proposals was objected to either in the Financial Services Committee, the Ag Committee, or in the Rules Committee.

□ 1515

If that was all this bill did, that would be one thing. In fact, this bill goes out of its way to make it weaker by basically saying that anybody who uses unhosted wallets, decentralized, or DeFi services is exempted from regulation, ignoring recommendations from both the Trump and Biden administrations.

My Republican colleagues will boast that in this rule there is specific language that says brokers and dealers are required to comply with anti-money laundering requirements. They are already required to do that. This bill does nothing to address that. It is exactly the same. They are going to brag about saying it is now illegal to speed.

What we should have done is we should have made provisions to ban anonymous actors, to prevent you from saying: I want to move crypto from my account to yours, and I am going to move it through an anonymous party so you can't tell what a bad guy I am. It should have banned people from using digital asset mixers that allow you to take a whole bunch of people, combine all their money together, and then give you something where you can't trace it through.

If you want to understand how crazy this is, I would encourage you to go to your bank and try to deposit $10,000 in cash at your bank. Your bank will say: You have to tell me where that money came from. I am going to take you behind the counter, and we are going to have to take your picture and get your fingerprints, because I do not like money laundering, and I am obliged to protect it.

By comparison, if you want to move a million dollars of crypto from one person's account to another, send it through these mixers or send it through these anonymizers, you can do it.

The CHAIR. The time of the gentleman has expired.

Ms. WATERS. Mr. Chair, I yield an additional 30 seconds to the gentleman from Illinois.

Mr. CASTEN. Mr. Chair, we have got all of these mixers that are used. Why were they not included in there? I don't know.

I know why the crypto industry doesn't want them included in there, because they are profiting from people who are using these illicit services.

The largest cryptocurrency exchange that stands to benefit from this regime helped to finance a legal challenge to the Treasury Department's case against Tornado Cash, which was the largest asset mixer in the world.

This is a bad bill. It fails to address known problems. What it does do, however, is make the United States safer for drug traffickers, for terrorist funders, for child and drug traffickers, and for those who buy and sell child pornography. I did not know those groups had such advocates in Congress, but I am proud to oppose them and encourage all my colleagues to do the same.

Mr. MCHENRY. Mr. Chair, I yield 2 minutes to the gentleman from South Dakota (Mr. JOHNSON), my good friend and the chair of the Commodity Markets, Digital Assets, and Rural Development Subcommittee of the Agriculture Committee.

Mr. JOHNSON of South Dakota. Mr. Chair, here in Congress, we are supposed to be in the problem-solving business. My, oh, my, do we have problems in the digital asset space.

In recent years, we have seen the FTX debacle, a debacle that happened under the regulatory regime that some Members are apparently so enamored with, a regime that does not work today. We have seen chronic and disruptive overreach by the Securities and Exchange Commission.

We have seen innovation and investment flow overseas. Mr. Chair, they seek markets that are more predictable. We are the only G7 country that hasn't figured this out yet.

Clearly, we have problems. I would submit that FIT21 is the solution. For more than a year, FRENCH HILL and I, working with Chairs MCHENRY and THOMPSON and Members on both sides of the aisle, have worked hard together to craft a solution that increases regulatory predictability, which increases consumer protection, and that will foster innovation.

I know that success has many fathers and mothers, and so I do thank Messrs. MCHENRY, THOMPSON, HILL, EMMER, and DAVIDSON on the Republican side, and I do need to especially recognize my colleagues on the Democratic side of the aisle, particularly Mr. NICKEL and Ms. CARAVEO, who have invested countless hours in getting this bill right. They have been joined by Representatives HIMES, CROCKETT, TORRES, SOTO, GOTTHEIMER, and DAVIS. This success would not be possible without their good-faith efforts, and I thank them.

Ms. WATERS. Mr. Chair, I yield myself such time as I may consume.

It is no mystery why the crypto industry prefers to be regulated by the CFTC rather than the SEC. Let's start with the substantial differences in funding and staff for the CFTC compared to SEC.

In 2023, the CFTC employed roughly 680 full-time employees with an annual budget of $365 million. Wow. The Securities and Exchange Commission, the SEC, employed over 4,500 employees and had a budget of over $2 billion.

Even with the limited funding provided to the CFTC under this bill, which is capped at $40 million and set to expire after 4 years, the CFTC's funding would be only one-fifth of the SEC's budget. Mr. Chair, $40 billion is not sufficient to oversee more than 16,000 cryptocurrencies.

Let's not forget that the same Republicans who are bringing this bill to the floor are the same ones who proposed cutting CFTC's budget last year. Moreover, the CFTC is designed to deal mostly with sophisticated institutional investors and traders rather than retail investors and consumers. Therefore, the CFTC does not have the same level of protections for retail investors and consumers.

Mr. Chair, I would simply say that we should look at this example. The CFTC has no mandate like the SEC that requires entities to act in the best interests of the investors or to put their clients' interests first. This is just another reason why I am very concerned about the light-touch regulatory regime under the CFTC.

Mr. Chair, I yield 5 minutes to the gentleman from California (Mr. SHERMAN), who is also the ranking member of the Subcommittee on Capital Markets.

Mr. SHERMAN. Mr. Chair, last week we had police week. This week, the Republicans show us that they support crime in the suites. The effect of this bill in the short term will be to disempower the most effective investor protection crime investigation organization in the world, the SEC.

The long-term objective of the crypto billionaire bros is to create a new currency, and they have named it well. Cryptocurrency literally means hidden money. If it ever becomes a currency, it means we will not be able to enforce our tax laws, except on wage earners, and we will not be able to enforce our laws against child traffickers, drug dealers, and those who violate our sanctions.

The crypto bros have a lot of money. They make money by literally making money. They spread it around all of Washington. They had Sam Bankman-Fried do it. Now he is in jail, and others have stepped forward.

They have a PR campaign. The Lakers don't play at ''enforce tax laws arena.'' They don't play at an arena dedicated to law enforcement. They play at Crypto.com Arena.

In spite of all that money and power, three-quarters of Democrats voted ''no'' on this bill when it was before our committee. There are those who say they want clarity. We have clarity. The SEC has jurisdiction. What they really want is a patina of regulation, as little regulation as possible to claim to be regulated.

Now, this bill would be bad enough if we were dealing with the original statute. I know a lot of my colleagues have had meetings in their offices, and they were told about this bill weeks ago or months ago. Some are leaning toward voting for it because they don't know that they dropped a new title in the bill just a few weeks ago.

What does that new title do? Does it prohibit secret wallets, self-custody wallets? No. Does it outlaw the mixers whose sole purpose is to mix up law enforcement? No. What does this new title do? It defines an investment contract in a new way, designed to make this bill not just applicable to crypto, but it says our regular stocks and bonds can be put on blockchain and have no regulation from the SEC. It is a dagger at the hundred-trillion-dollar capital markets we have that finance our whole economy. It doesn't just say you are moving from the SEC's tough regulation to the CFTC's weak regulation. It allows crypto to get no regulation by defining themselves as an investment contract.

This is a bill that will gut regulation of crypto and may gut regulation of all our capital markets, but it goes beyond that. Its ultimate purpose is to move forward with this cryptocurrency project.

Right now, crypto is not a currency. There are very few purchases of goods with crypto. You can't buy a sandwich, but the very few times, as Mr. CASTEN pointed out, that crypto is used as a means of exchange, it is used by the worst criminals in the world. If crypto does become a currency, then we will not be able to enforce our other laws.

Now, we have to understand every time a billionaire cheats on his taxes, a member of the Freedom Caucus earns his wings. The patriotic anarchists come forward and say we want a strong America and we want to destroy the power of the American Government. You can't have it both ways.

This is a bill that in the short term means no regulation of crypto; not just lighter regulation under the CFTC but no regulation under their new title. It is a bill that could gut all securities regulation for the stocks and bonds that power the American economy.

In the longer term, it creates a competitor to the U.S. dollar which has one advantage right in the name: hidden money. Hide your money from the IRS, from our sanctions enforcers, from everyone involved in the U.S. Government.

Finally, crypto declares that it wants to partially displace the U.S. dollar as a reserve currency.

The Acting CHAIR (Mr. CURTIS). The time of the gentleman has expired.

Ms. WATERS. Mr. Chair, I yield an additional 30 seconds to the gentleman from California.

Mr. SHERMAN. Mr. Chair, you have to understand how important it is.

We, frankly, are not fiscally responsible in this House. We don't collect nearly as much in taxes as we spend in benefits. We are able to do that without too much harm because of the role of the U.S. dollar as a reserve currency. We have fiscal policies that would make Argentina blush, but we are able to do it. The crypto bros see the incredible amount of money and power the U.S. Government has by being the world's reserve currency and they say no. They want to appropriate that for themselves.

Mr. MCHENRY. Mr. Chair, may I inquire how much time I have remaining.

The Acting CHAIR. The gentleman from North Carolina has 19½ minutes remaining.

The gentlewoman from California has 7½ minutes remaining.

Mr. MCHENRY. Mr. Chair, I yield 1½ minutes to the gentleman from North Carolina (Mr. NICKEL), my colleague and friend who has been a great leader on digital assets and pragmatic policy here in the House.

Mr. NICKEL. Mr. Chair, I rise in support of the Financial Innovation and Technology for the 21st Century Act, or FIT21, which I am proud to cosponsor.

This legislation is a product of hundreds and hundreds of hours of bipartisan collaboration, and I was proud to work with Chair MCHENRY, Digital Assets Subcommittee Chair HILL, and members of the House Financial Services Committee to get this bill on the floor.

This is a big deal. We are currently relying on 90-year-old securities laws written before the internet even existed. Congress has never voted on a regulatory structure for crypto.

Roughly 20 percent of Americans have invested, traded, or used crypto. It is not going anywhere. Whether you love crypto or you hate it, you should support regulation, because the status quo just isn't working. We can't wait for the next FTX to take action.

It is clear there are regulatory gaps between the SEC and the CFTC. Right now, the United States is the global leader in financial services and technology. If we still want to hold this position in 50 years, then we need to pass FIT21.

Support for U.S. leadership in digital assets shouldn't be a partisan issue. I urge my colleagues on both sides of the aisle to support this legislation.

Mr. Chair, I include in the RECORD a letter of support from the Chamber of Progress outlining how FIT21 lays out strong rules of the road, consumer protections, and supports innovation.

[From Chamber of Progress]

HR 4763: FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT (FIT21): STRONG RULES, CONSUMER PROTECTIONS, AND MORE OVERSIGHT OVER DIGITAL ASSETS

We need strong, clear federal rules and oversight over the digital assets industry that embrace innovation while protecting consumers and the integrity of markets.

HR 4763, the Financial Innovation and Technology for the 21st Century Act (FIT21), is the first bill regulating the digital assets industry that has received bipartisan approval from both the House Financial Services and House Agriculture Committees. It is scheduled for a floor vote this week.

HOUSE DEMOCRATS SUPPORTED THIS LEGISLATION

A cross section of Members spanning the Democratic Caucus have recognized that this bill provides an effective and needed regulatory framework for digital assets. The legislation:

Passed the House Financial Services Committee on July 26 with six Democratic votes: Reps. Himes, Gottheimer, Torres, Horsford, Nickel, Pettersen.

Passed the House Agriculture Committee by voice vote on July 27.

WHAT HOUSE DEMS ARE SAYING ABOUT HR 4763

Rep. Ritchie Torres (D–NY): ''For me, the lack of protection for retail investors underscores the fierce urgency around passing a

market structure bill to protect the average American consumer.''

Rep. Jim Himes (D–CT): ''I'm a deep skeptic of this industry, but we deserve better than the status quo.''

Rep, Wiley Nickel (D–NC): ''I firmly believe in the SEC's mission to protect investors, but for this to be effective, Congress needs to pass legislation with a clear regulatory framework.''

Rep. Yadira Caraveo (D–CO): ''This is not a perfect bill. But I believe that it is a good step in the right direction.''

BILL EXPANDS THE FEDERAL GOVERNMENT'S ROLE IN REGULATING DIGITAL ASSETS

Current securities laws and regulations do not account for the complexities of digital assets. This legislation expands the authority of the CFTC and SEC, giving them joint oversight over all digital assets, allowing them to issue joint rulemakings, and ensuring market safety and investor protection. HR 4763 also gives the SEC clear authority over certain digital assets that do not meet requirements to be regulated by the CFTC. This allows the SEC to allocate their limited resources to regulating solely those digital assets that fall within its jurisdiction. Additionally, the CFTC will receive an increase in funding to adequately fulfill their oversight responsibilities.

HR 4763 also requires the GAO to conduct studies on the development of emerging technology in digital assets, like non-fungible tokens (NFTs), and directs the CFTC and SEC to study the impact of digital assets on markets and investors through codified FinTech programs and Joint Advisory Committees.

PROTECTS CONSUMERS FROM THE NEXT FTX

Given that roughly 20 percent of Americans have invested, traded or used cryptocurrency, the digital asset industry will continue to attract American investors for years to come. HR 4763 provides much-needed consumer protection by filling the regulatory gaps between the SEC and CFTC, creating accountability for digital asset companies through registration and disclosures, requiring companies to establish policies to mitigate potential conflicts of interest, and giving regulators increased power over bad actors.

Communities of color are investing in digital assets at a higher rate than most Americans. According to Pew Research Center polls in 2021 and 2022, some 20 percent of Black, Hispanic and Asian U.S. adults have bought, traded or used cryptocurrency, compared with 13 percent of white adults. These communities are at increased risk of losing their investments if similar events like FTX, Terra/Luna and others continue to happen without regulatory safeguards for Americans.

PROTECTS AMERICA'S NATIONAL SECURITY & ENSURES AMERICAN OVERSIGHT OVER CRYPTO

By enhancing oversight of digital assets through the CFTC and SEC, HR 4763 ensures all digital assets will be subjected to transparency and compliance metrics that would deter illicit financing, money laundering and other financial crimes. The ability for regulators to issue clear rules for the digital asset industry will prevent threats to our financial system and keep digital asset companies from relocating abroad to countries with fewer rules.

There are good national security reasons to keep the industry under the Federal government's watchful eye. For example, after Vladimir Putin ordered an invasion of Ukraine, the U.S. government released economic sanctions against Russia that included instructions for American digital asset exchanges to block Russian users from handling currency through their services.

While U.S.-based digital asset exchanges abided by our sanctions, international exchanges like Binance refused, continuing to serve Russian users and creating a potential loophole for Russian actors to finance war operations through their markets. Throwing away our jurisdiction over an emerging global financial industry, no matter its flaws, would jeopardize America's influence on the world stage.

□ 1530

Ms. WATERS. Mr. Chair, I yield 4 minutes to the gentleman from Illinois (Mr. FOSTER), who is the ranking member of the Subcommittee on Financial Institutions and Monetary Policy.

Mr. FOSTER. Mr. Chair, I thank Chair WATERS for yielding.

Mr. Chair, I rise in opposition to this bill.

I am encouraged by the dialogue and collaboration that has taken place between the House Financial Services Committee and the House Ag Committee on this bill. I believe in the potential of distributive ledger technology. I am, in fact, the co-chair of the Congressional Blockchain Caucus and perhaps the only Member of Congress who has actually programmed a blockchain client.

However, I cannot support this bill in its current form. To that end, my office submitted three constructive clarifying amendments, none of which were made in order by the Rules Committee.

This legislation contains several fatal flaws.

First, this legislation largely shifts oversight of the digital assets industry away from the Securities and Exchange Commission which has a long track record of successfully protecting retail investors from abuse in the financial markets toward the CFTC which has traditionally overseen markets with significantly less retail participation.

Secondly, it would create a safe harbor for wannabe pirates through a so-called intent to register that shields crypto firms from SEC investor protection rules before the agencies even have time to write the rules.

Thirdly, the bill was not crafted through regular order. This version of the bill contains a new and dangerous title that was never considered by the Financial Services Committee, title II, which would create a new class of investment in contract assets which has the potential to undermine decades of legal precedent governing the securities laws, and it would create opportunities for regulatory arbitrage.

Instead, it was airdropped in during closed-door negotiations and before it was materialized for a final vote today. That is not regular order.

Finally, this bill also fails to address fundamental challenges of digital assets related to uncontrolled anonymity of self-hosted digital wallets that I believe must be addressed for the digital asset industry to accede to a healthy and sustainable future over the long term.

For example, to be regulated as a commodity under this bill, no person or group can have owned more than 20 percent of the assets at any point over the preceding 12 months.

Mr. Chair, how can this possibly be guaranteed when unknown fractions of ownership are held in anonymous self-hosted wallets?

This bill requires the SEC to issue beneficial ownership disclosure rules, however, the SEC has little or no means of compelling individuals or firms in other countries to comply with such a requirement.

This beneficial ownership test could be skewed by noncompliant foreign owners, by individuals spreading their holdings across multiple wallets, or by dead or lost crypto that artificially inflates the amount of the asset that is currently judged to be in circulation.

The list goes on.

This legislation actually ties the hands of the top financial crimes watchdog, the FinCEN, by limiting their ability to respond to issues related to self-custody of digital wallets which they will tell you is the main issue that they struggle with every day in trying to prevent financial crimes.

Given the widespread use of digital assets by bad actors, we should strengthen the authorities of FinCEN and not weaken them.

My colleagues and I, as I said, offered several constructive amendments to this bill to clarify and address these issues, and the Rules Committee, controlled by the majority, unfortunately, chose to exclude every one of them from today's debate.

Given the content of this bill and its failure to address these issues, I cannot support this bill, and I encourage my colleagues to vote ''no.''

Mr. MCHENRY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. EMMER), who is a great leader for digital assets, cryptocurrency, and innovation.

Mr. EMMER. Mr. Chair, today we have an opportunity to determine whether the next iteration of the internet will be designed by Americans or if it will, instead, reflect the values of some other nation. FIT21 gives us that opportunity and unlocks a larger conversation beyond innovation.

This bill is about national security. It is about consumer protection. It is about global competitiveness. It is about shaping what the future global digital economy looks like and how it functions.

Currently, all online transactions are intermediated, but as we move deeper into the digital age, digital assets are key to decentralizing the internet so Americans can transact directly with each other, no intermediary needed.

Without crypto, we don't have this ability, and I think giving Americans the choice to do business through an intermediary or directly with each other is important. Having that choice will fundamentally alter the digital economy, unlocking new opportunities for Americans and individuals across the world in ways we haven't even begun to contemplate.

However, this Congress can no longer stand by as regulators squander this opportunity right within our grasp. This administration has demonstrated they simply are not willing to allow the digital asset industry to innovate in the United States. For every legal inconsistency or regulatory hurdle they produce, instead of coherent and informed guidance, they drive American digital asset users into less safe jurisdictions.

Mr. Chair, this is why FIT21 is significant. It sets clear and consistent rules for American innovators. Among the many important provisions in this bill is my Securities Clarity Act, bipartisan language tailored specifically to digital assets that provides the legal flexibility for a digital asset project to transition from centralization to decentralization.

This transition is critical to the future of the peer-to-peer digital economy. I thank the chairmen and my friends on the other side of the aisle for working with me to incorporate this section into the bill today. Their work on this extensive framework will allow Americans to, once again, lead the way.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, may I inquire as to the time remaining on both sides.

The Acting CHAIR (Mr. VAN DREW). The gentleman from North Carolina has 16 minutes remaining. The gentlewoman from California has 4 minutes remaining.

Mr. MCHENRY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado (Ms. CARAVEO), who has been a fantastic leader on the Agriculture Committee on digital assets.

Ms. CARAVEO. Mr. Chair, I thank Mr. MCHENRY for yielding.

Mr. Chair, I rise today in support of H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, because the time has come for us to establish a comprehensive regulatory system for digital assets.

About 70 percent of digital assets are currently unregulated. That leaves a large number of retail investors unprotected in a volatile market where many people have already lost their life savings.

There is clearly a gap in oversight over our digital asset cash markets, and I believe the status quo is unacceptable. Despite previous volatility, a significant number of Americans continue to own and invest in digital assets in an unprotected manner.

As Congress falls behind other nations in the race to establish a clear regulatory framework, we run the risk of industry players taking their services and customers abroad, including to foreign jurisdictions with insufficient regulations.

Since we began this process over a year ago, I made it a point to work across the aisle with Chairs THOMPSON and JOHNSON to improve this bill as much as possible. I am happy to report that the bill retains many of the provisions that I fought for, with one of the most important pieces being a funding mechanism for the CFTC. Increased funding will be vital for the CFTC as they take on further oversight activities and engage in a rulemaking process.

I thank my colleagues, both Democrats and Republicans, who have helped strengthen the consumer protections in this bill, including strengthening disclosure requirements, market integrity, and transparency. Further protections include stricter regulatory requirements for emerging financial technologies, prohibiting commingling of customer funds with firm funds, and establishing a process of temporary oversight before rulemaking is complete.

I am excited about the innovation these technologies have to offer, which is why I believe they deserve a comprehensive regulatory environment, but making sure customers and retail investors are protected as they navigate this space remains a top priority. I believe we have made significant improvements in that direction.

I am looking forward to continuing to move this bill forward and taking a first real step toward regulation of a market that more of our constituents are engaging in every day.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, the gentlewoman from California has indeed been a great advocate for consumer protection.

Mr. Chair, I yield 1 minute to the gentleman from New Jersey (Mr. GOTTHEIMER).

Mr. GOTTHEIMER. Mr. Chairman, I rise in support of the bipartisan Financial Innovation and Technology for the 21st Century Act. This well-reasoned and thoughtful bipartisan legislation is the result of rigorous research and bipartisan negotiation by the Financial Services Committee, which I proudly helped lead with Representatives MCHENRY and HILL.

I thank them both and all of my colleagues on both sides of the aisle who have worked so hard to make sure that consumers in our country are protected.

Cryptocurrency is here, and it has a tremendous economic potential for our country. My State, New Jersey, ranks second nationwide in crypto ownership by proportion, and the key is now in making sure we protect Americans who own it and ensure our country can realize the economic and jobs potential it has to offer.

For that to happen, we need rules of the road to guide entrepreneurs and businesses, to embrace innovators, and to protect consumers.

This bill offers protections that are fit for the 21st century. FIT21 takes commonsense steps to safeguard consumers in their investments and strengthen market oversight.

The legislation includes key transparency and accountability measures.

The Acting CHAIR. The time of the gentleman has expired.

Mr. MCHENRY. Mr. Chair, I yield an additional 30 seconds to the gentleman from New Jersey.

Mr. GOTTHEIMER. At the same time, FIT21 eliminates regulatory redundancies so the SEC and CFTC work together to protect investors and crack down on nefarious crypto users.

Finally, this legislation spurs American-led innovation, encouraging entrepreneurs and businesses to invest here instead of going abroad to other nations with no consumer protections.

Mr. Chair, I encourage my colleagues to vote for this important innovative and bipartisan legislation. It is fit to become law if we work together.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from New York (Mr. MOLINARO), who is a leader on the Agriculture Committee.

Mr. MOLINARO. Mr. Chairman, for far too long, the U.S. digital asset ecosystem has been plagued by regulatory uncertainty. Consumers, yes, have fallen victim to scams, hacks, market manipulation, and bankruptcies after intermediaries misused customer funds and were unable to meet their obligations.

Thanks to the leadership of Chairmen McHenry and Thompson, Representatives DUSTY JOHNSON and FRENCH HILL, we finally have a framework, thanks to the work of many before us today that will set a regulatory foundation to protect consumers and innovators alike all the while ensuring future American leadership in this space.

This bipartisan bill does, in fact, provide consumer protections in a functional, regulatory framework that will ensure the digital asset ecosystem is safe for investors.

This bill accomplishes this by delivering the transparency consumers expect and need to make informed decisions and prevent brokers from engaging in manipulative practices that harm American investors.

This regulatory certainty will also drive financial inclusion by promoting technology that can foster economic growth in underserved communities and expand opportunities for economic participation.

Mr. Chair, I encourage my colleagues to support the bill.

Ms. WATERS. Mr. Chair, I continue to reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1½ minutes to the gentleman from Ohio (Mr. DAVIDSON), who is the vice chair of the Individual Assets and Financial Technology Subcommittee and the OG, as they say, in the crypto space.

Mr. DAVIDSON. Mr. Chair, I rise in strong support of this long overdue legislation. It builds on the framework that my colleagues and I have worked on for at least 6 years beginning with the Token Taxonomy Act in 2018.

Its core is a bright-line test to define what digital assets or securities are regulated by the SEC and which are commodities under the jurisdiction of the CFTC.

Innovators and investors will no longer risk their freedom and their fortunes by simply launching a company and raising capital. The law will be clear, and regulation by selective enforcement must end.

Additionally, and perhaps most notably, this bill also provides first-ever Federal level protection for self-custody of digital assets. This protection, which is very intentional, mirrors my Keep Your Coins Act, and it is a giant step toward restoring the right to privacy and private property protecting permissionless transactions using digital assets.

In an account-based financial system where Americans must rely on intermediaries, self-custody provides the only protection against third parties controlling the individual's transactions.

Thirdly, self-custody provides the first line of consumer protection where individuals can eliminate third-party liabilities who hold their assets.

For too long we have pushed innovation and investment in digital asset projects overseas as Congress has constantly failed to bring the clarity that we need. We finally have the chance to end this trend and solidify ourselves as the leaders in this industry.

Mr. Chair, I urge the Senate to quickly take up this bipartisan legislation and send it to the President's desk as soon as possible. Please vote ''yes.''

□ 1545

Ms. WATERS. Mr. Chair, I include in the RECORD the following statements:

The Statement of Administration Policy from the Biden administration opposing this bill;

The statement from SEC Chair Gensler raising serious concerns about this bill;

A letter from the Treasury Department to me, dated July 20, 2023, expressing serious concerns about this bill;

A letter from the North American Securities Administrators Association opposing this bill; and

A letter from 48 stakeholders opposing this bill.

STATEMENT OF ADMINISTRATION POLICY

H.R. 4763—FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT—REP. THOMPSON, R–PA, AND 11 COSPONSORS

The Administration opposes passage of H.R. 4763, which would affect the regulatory structure for digital assets in the United States. The Administration is eager to work with Congress to ensure a comprehensive and balanced regulatory framework for digital assets, building on existing authorities, which will promote the responsible development of digital assets and payment innovation and help reinforce United States leadership in the global financial system. H.R. 4763 in its current form lacks sufficient protections for consumers and investors who engage in certain digital asset transactions. The Administration looks forward to continued collaboration with Congress on developing legislation for digital assets that includes adequate guardrails for consumers and investors while creating the conditions needed for innovation, and further time will be needed for such collaboration.

MAY 22, 2024.

STATEMENT ON THE FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT

(By Gary Gensler, Chair, Securities and Exchange Commission)

INTRODUCTION

For 90 years, the federal securities laws have played a crucial role in protecting the public. These critical protections were created in the wake of the Great Depression after many Americans suffered the consequences of inadequately regulated capital markets. We saw sky-high unemployment, bread lines, and shantytowns springing up due to mass foreclosures.

Back then, the rules didn't exist. That's why President Roosevelt and Congress created the SEC and the laws it administers.

At their core is the critical concept of registering securities that will be offered to the public and registering the intermediaries that facilitate the exchange of those securities. For securities, registration means that issuers provide robust disclosures and are liable if their material statements are untruthful. For intermediaries, registration brings with it rulebooks that prevent fraud and manipulation, safeguards against conflicts of interest, proper disclosures, segregation of customer assets, oversight by a self-regulatory organization, and routine inspection by the SEC.

Today, these rules do exist.

Many market participants in the crypto industry, however, have shown their unwillingness to comply with applicable laws and regulations for more than a decade, variously arguing that the laws do not apply to them or that a new set of rules should be created and retroactively applied to them to excuse their past conduct. Widespread noncompliance has resulted in widespread fraud, bankruptcies, failures, and misconduct. As a result of criminal charges and convictions, some of the best-known leaders in the crypto industry are now in prison, awaiting sentencing, or subject to extradition back to the United States.

The SEC, during both Republican and Democratic Administrations, has allocated enforcement resources to holding crypto market participants accountable. Courts have time and again agreed with the SEC, ruling that the securities laws apply when crypto assets or crypto-related investment schemes are offered or sold as investment contracts.

THE FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT

The Financial Innovation and Technology for the 21st Century Act (''FIT21'') would create new regulatory gaps and undermine decades of precedent regarding the oversight of investment contracts, putting investors and capital markets at immeasurable risk.

First, the bill would remove investment contracts that are recorded on a blockchain from the statutory definition of securities and the time-tested protections of much of the federal securities laws.

Further, by removing this set of investment contracts from the statutory list of securities, the bill implies what courts have repeatedly ruled—but what crypto market participants have attempted to deny—that many crypto assets are being offered and sold as securities under existing law.

Second, the bill allows issuers of crypto investment contracts to self-certify that their products are a ''decentralized'' system and then be deemed a special class of ''digital commodities'' and thus not subject to SEC oversight. Whether something is a ''digital commodity'' would be subject to self-certification by ''any person'' that files a certification. The SEC would only have 60 days to review and challenge the certification that a product is a digital commodity. Those that the SEC successfully challenges would be reclassified as restricted digital assets and subject to the bill's lighter-touch SEC oversight regime that excludes many core protections. There are more than 16,000 crypto assets that currently exist. Given limits on staff resources, and no new resources provided by the bill, it is implausible that the SEC could review and challenge more than a fraction of those assets. The result could be that the vast majority of the market might avoid even limited SEC oversight envisioned by the bill for crypto asset securities.

Third, the bin's regulatory structure abandons the Supreme Court's long-standing Howey test that considers the economic realities of an investment to determine whether it is subject to the securities laws. Instead, the bill makes that determination based on labels and the accounting ledger used to record transactions. It is akin to determining the level of investor protection based on whether a transaction is recorded in a notebook or a software database. But it's the economic realities that should determine whether an asset is subject to the federal securities laws, not the type of record-keeping ledger. The bill's result would be weaker investor protection than currently exists for those assets that meet the Howey test.

Fourth, for those crypto investment contracts that would still fall under the SEC's remit the bill seeks to replace Roosevelt's investor protection framework with fewer protections than investors are afforded in every other type of investment. Doing so increases risk to the American public.

Fifth, the bill specifically excludes crypto asset trading systems from the definition of an exchange and thus removes, for investors on crypto asset trading platforms, the protections that benefit investors on registered exchanges. These crypto trading platforms would be able to legally comingle their functions in a way that fosters conflicts of interest, may allow trading against their customers, and reduces custody protections for their customers.

Sixth, the legislation creates an exemption from regulation under this Act for any entity or organization that falls under a broadly defined category called ''Decentralized Finance.'' Any number of firms would qualify for the exemption, regardless of potential conflicts of interest. This would include firms that intermediate crypto securities transactions.

Finally, the bill could be read to functionally eliminate the current Regulation A and Regulation D offering restrictions for crypto securities by creating a new exempt offering framework. Non-accredited investors would be allowed to purchase crypto assets worth up to 10 percent of their net worth or annual income before the issuer would be required to provide any disclosure. That's a lot of risk for ordinary investors to take on without disclosure.

RISKS TO THE BROADER CAPITAL MARKETS

The self-certification process contemplated by the bill risks investor protection not just in the crypto space; it could undermine the broader $100 trillion capital markets by providing a path for those trying to escape robust disclosures, prohibitions preventing the loss and theft of customer funds, enforcement by the SEC, and private rights of action for investors in the federal courts. It

could encourage non-compliant entities to try to choose what regulatory regimes they wish to be subjected to—not based on economic realities, but potentially based on a label.

What if perpetrators of pump and dump schemes and penny stock pushers contend that they're outside of the securities laws by labeling themselves as crypto investment contracts or self-certifying that they are decentralized systems? The SEC would only have 60 days to contest their self-certification.

CONCLUSION

History has shown for 90 years that robust securities regulation both creates trust in markets and fosters innovation. There are countless examples of American companies across many industries that have made world-changing innovations while also registering their securities. It is through the securities laws that we get full, fair, and truthful disclosure that arms investors with the information they need to make investment decisions and enables regulators to guard against the types of fraud we've seen in the crypto field.

The crypto industry's record of failures, frauds, and bankruptcies is not because we don't have rules or because the rules are unclear. It's because many players in the crypto industry don't play by the rules. We should make the policy choice to protect the investing public over facilitating business models of noncompliant firms.

DEPARTMENT OF THE TREASURY,
Washington, DC, July 20, 2023.

Hon. MAXINE WATERS,
Ranking Member, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE WATERS: Thank you for your June 23, 2023, letter requesting feedback on a legislative proposal to revise the market structure for digital assets.

As you know, in response to President Biden's March 9, 2022, Executive Order 14067 on Ensuring Responsible Development of Digital Assets, the U.S. Department of the Treasury (''Treasury'') prepared reports covering a range of topics related to digital assets, including current use cases of digital assets and their effects on consumers, investors, and businesses. In addition, the Financial Stability Oversight Council (''FSOC'') published a report on the potential financial stability risks posed by digital assets. Events that have occurred since publishing these reports—including the failures of large crypto firms, runs on stablecoins, and losses to investors and consumers—have confirmed and reinforced many of the risks and concerns identified in the reports.

These events have also reinforced the reports' recommendations for how to address these risks. First, the existing market regulatory framework is designed to address many of the risks posed by digital assets. For example, the protections and principles of the existing framework—including governance and risk management standards, and protections against commingling of customer assets—are directly responsive to the failures of large crypto platforms. Accordingly, where existing requirements apply, they must be enforced rigorously so that the same protections and principles that apply in markets for other financial assets apply in markets for digital assets.

At the same time, the FSOC report also identified discrete gaps in existing regulatory authority and recommended that Congress expand regulators' authorities to address these gaps. First, the FSOC recommended that Congress provide authority over the spot market for non-security digital assets. Today, these markets are subject to limited direct federal regulation and, as a result, are not subject to the same protections that are designed to ensure orderly trading, prevent conflicts of interest, and protect investors. Second, the FSOC recommended that Congress ensure that regulators have visibility into the activities of affiliates and subsidiaries of federally regulated intermediaries. Today, digital asset platforms may have affiliates or subsidiaries operating under different regulatory frameworks, and no single regulator may have visibility into the risks across the entire business. Finally, and as we have discussed previously, FSOC recommended establishing a regulatory framework for stablecoins.

In developing these recommendations and when considering legislative proposals, we are guided by our and the FSOC's prior work on digital assets. More specifically,

Existing authorities should be preserved. As discussed above, the existing market regulatory framework is designed to address many of the risks of digital assets. Exceptions and limitations to the existing framework—whether on a provisional or ongoing basis—would leave investors without critical protections and undermine market integrity. For example, provisional or temporary exemptions should not exclude core protections that are critical to an effective market regulatory regime, such as requirements that ensure orderly trading and to protect against conflicts of interest. Immunizing issuers and platforms from enforcement of prior violations prevents redress of harms done to investors and undermines market integrity. On an ongoing basis, limiting market regulators ability and discretion to act would undermine their ability to provide clarity to market participants.

Same risk, same activity, same regulatory outcome. Activities that bear the same risks should be subject to the same regulatory outcome. To that end, when creating new regulatory categories—e.g., new pathways to access capital markets, or distinguishing a type of trading platforms—policymakers must consider carefully how existing products or services may be affected, either disadvantaged relative to the new category or migrating to take advantage of more favorable treatment. Technological differences may be relevant to regulatory treatment, but only insofar as these distinctions inform the conduct of the activity and how risks manifest. The process for accessing capital markets, along with the conduct of secondary market activity within those markets, should reflect the underlying risks, not the technology used. Fraud, misstatements, and other misconduct in digital asset markets do not suggest that the underlying technology is associated with a reduction in or change to the underlying risks for investors. Moreover, regulatory distinctions based on technology alone are prone to arbitrage or obsolescence, in part because they do not always appropriately reflect the underlying risks. Finally, regulatory arbitrage also may have a wide range of financial stability and other risks if activities that bear the same risks are subject to different rules or if firms can operate in a manner that prevents regulators from assessing the totality of the organization's risks. Today, the operations and organizational structures of digital asset trading platforms may result in having different regulatory regimes for different affiliates or subsidiaries, such that no single regulator has a view into operations of the whole. By adding new regulatory distinctions without appropriately addressing the underlying risks of the activity or conduct, the proposal could amplify these risks.

Robust regulation of spot markets. Investors in non-security digital asset spot markets, which includes many retail investors, should have the same basic protections as are present in other trading markets. Accordingly, and consistent with the principles above, regulatory authority should cover a range of subjects, including conflicts of interest, abusive trading practices, margin, trade reporting, governance, capital, recordkeeping, governance, custody, and settlement. Regulatory authority should be accompanied by resources sufficient to ensure that implementation is effective.

We appreciate your leadership on these issues and share your concerns that many digital assets present significant risks to consumers, investors, and businesses, and have the potential to pose significant risks to the broader financial system. We also appreciate your engagement with Treasury on these issues, and we look forward to working with you and your staff in the future. If you have any further questions, please do not hesitate to contact the Office of Legislative Affairs.

Sincerely,

JONATHAN DAVIDSON.

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
May 21, 2024.

Re Vote NO on H.R. 4763, the Financial Innovation and Technology Act for the 21st Century Act, As Amended

Hon. MIKE JOHNSON,
Speaker, House of Representatives, Washington, DC.
Hon. HAKEEM JEFFRIES,
Democratic Leader, House of Representatives, Washington, DC.

DEAR SPEAKER JOHNSON AND DEMOCRATIC LEADER JEFFRIES: On behalf of the North American Securities Administrators Association, Inc. (''NASAA''), I write to express strong opposition to H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, as amended (''H.R. 4763''). In short, H.R. 4763 would create a bespoke, light-touch regime under federal securities and commodities laws to benefit market participants that elect to use blockchain and other distributed ledger technologies (''DLTs'') to raise capital, manage risk, and trade products. As explained below, over time, this bill could upend decades of industry, judicial, legislative, and regulatory work to build capital markets that are the gold standard. Near-term, the bill would nullify or otherwise severely complicate the ability of securities regulators to fulfill their missions.

To begin, H.R. 4763 would supplant longstanding and critical components of securities laws through the introduction of new defined terms into our federal market frameworks for products such as ''digital assets,'' ''investment contract assets,'' and ''digital commodities.'' Indeed, the point of entry to access this regime would be the definition of a ''digital asset.'' The bill would define such products as any fungible digital representation of value that (i) can be exclusively possessed and transferred, person to person, without necessary reliance on an intermediary, (ii) is recorded on a cryptographically secured public distributed ledger, and (iii) is not a product enumerated in H.R. 4763, which in short is a list of selected products treated as securities and commodities under federal law. With respect to ''digital assets'' that run on a DLT that is certified as ''decentralized,'' meaning no one person or entity had ''unilateral authority'' during the lookback period to control the operation of or access to the system, H.R. 4763 would treat them as ''digital commodities.'' This designation would place them and associated intermediaries under the Commodity Futures Trading Commission (''CFTC''). By contrast, for those ''digital assets'' that run

on a DLT that is not ''decentralized'' enough to qualify as a ''digital commodity,'' H.R. 4763 would treat them as ''digital assets,'' ''restricted digital assets'' or ''securities,'' depending on the facts. This designation would place or keep them and associated intermediaries under the Securities and Exchange Commission (''SEC''). Alarmingly, H.R. 4763 would define ''investment contract assets'' by carrying over the ''digital assets'' definition and then essentially carving the product out of federal securities laws, thereby creating a new gap, specifically the investment contracts assets gap with no federal market regulator in charge.

Staying on the bill's impact on the SEC's regulation of ''digital assets,'' the legislation would establish a new minimally transparent market for transactions ''involving the offer or sale of units of a digital asset'' that meet specified criteria. In short, H.R. 4763 would create an exemptive pathway for raising capital under the Securities Act of 1933 (''1933 Act''). Issuers relying on the exemption could raise as much as $75 million within a 12-month period with certain limits on sales to non-accredited investors.

Importantly, while H.R. 4763 would prevent state governments from requiring issuers to register their digital asset offerings with the states, the legislation would preserve the ability of states to investigate and if appropriate bring enforcement actions for fraud and require notice filings and associated fees. Anti-fraud authority and notice filings are important tools that mirror existing state authority for certain other federal ''covered securities.'' However, they are insufficient regulatory tools when it comes to authority meant to stop potential harm before it is inflicted on retail investors. Unfortunately, fraud tied to the offer and sale of digital asset securities has been and continues to be a top investor threat.

Further, H.R. 4763 would introduce several new defined terms under federal securities law for intermediaries associated with ''digital assets'' such as a new category called a ''digital asset broker.'' Creating such bespoke new categories, particularly when they would or could be redundant of existing categories such as broker-dealer agents, would add complexity and costs to our federal market frameworks, with no net-benefit for investors. Indeed, years after the adoption of SEC Regulation Best Interest and Form CRS, many investors still struggle to distinguish between broker-dealer agents and investment adviser representatives. Injecting new, largely redundant digital asset intermediaries would only create more confusion and more conflicts for retail investors.

Undoubtedly, the deregulatory nature of this bill would prompt so-called traditional market participants to explore the use of DLTs if only to access a regime that has less transparency and less robust standards than the present one. We have seen time-and-again that market behaviors shift to more opaque areas of the markets, a move observable most recently in the now widespread use of the SEC Regulation D, Rule 506(b) exemption in lieu of public offerings. In addition to further reducing transparency in our markets, such a shift would create new competition concerns, particularly for small market participants who generally cannot afford to use the latest technology.

In sum, we believe this legislation began as a well-intentioned effort to fill what was described initially as a potential regulatory gap for so-called virtual currencies. Fast forward to today, the legislation that has emerged in the form of H.R. 4763 introduces anti-competitive, overly complicated, costly, and unwarranted changes to the laws that have protected investors and promoted robust capital markets for decades.

Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA's Director of Policy and Government Affairs, and Policy Counsel.

Respectfully,

JOSEPH BRADY,
NASAA Executive Director.

May 20, 2024.

Hon. MIKE JOHNSON,
Speaker of the House, House of Representatives, Washington, DC.
Hon. HAKEEM JEFFRIES,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER JOHNSON AND MINORITY LEADER JEFFRIES, We, the undersigned organizations and individuals, write to you today to express our opposition to H.R. 4763, the Financial Innovation and Technology for the 21st Century Act (The ''FIT'' Act). We urge you and Members of Congress to vote against this bill when it comes to floor this week. Many signatories of this letter also wrote to the House Financial Services and Agriculture Committees last year expressing their opposition to this bill when it was marked up in Committee. We see little in the new version of this bill (despite format and cosmetic changes) to assuage our concerns.

Consumers have lost trillions due to the 2022–2023 crypto collapse, in addition to the billions lost directly to widespread scams, fraud and theft found throughout the industry. Public opinion has largely soured on these speculative investments. Venture capital funding, which pumped crypto hype for years, often for their own firms' benefit, plummeted during the crash, migrating to the next shiny object of discussion—AI. Most of the industry's wounds are self-inflicted, and are a result of either failure to adhere to the most basic financial management principles, rampant fraud, or both. Even now, after the prosecutions of Sam Bankman-Fried, Changpeng Zhao, and other seminal crypto players, many industry players large and small are still facing civil and criminal enforcement actions at the state, national and international level, as well as class-action lawsuits from defrauded customers. After 15 years, crypto still struggles to demonstrate viable use cases outside of speculative investment. While other tech has proven its usefulness many times over, crypto's big moment is always just over the horizon. The industry has superficially recovered this year, in part due to controversial approval of spot BTC ETPs by the Securities Exchange Commission. Yet, the scams, hacks, theft, instability, reckless promotional activities, and regulatory evasion that were present during the last crypto bull market remain endemic in the industry today.

In the midst of this new bubble, a concentrated lobbying effort by the crypto industry, backed primarily by wealthy venture capital investors seeking short-term returns on risky investments, has moved lawmakers to advance this proposal with potentially radical implications that would, in the name of ''crypto innovation'' and so-called ''regulatory clarity,'' complicate and weaken consumer and investor protections for both traditional and crypto investors. It would also broadly reshape financial regulatory agencies' jurisdictions and weaken regulatory oversight of financial products and services writ large. All this could result in real harm to consumers and investors, whether they invest in crypto or not.

We have numerous concerns about the bill; we discuss a set of crucial problems below.

A potential backdoor path to undermine the Howey Test. For decades, the Howey Test—a legal framework outlined by a Supreme Court ruling that is used to determine whether certain transactions qualify as investment contracts, and thus must adhere to robust investor safeguards—has a been a vetted and reliable formula used by the courts and regulators to determine whether certain investment activities, assets and actors should subject to investor protection standards under securities law. The crypto industry's efforts to contest the notion that crypto assets aren't securities under Howey have had a rocky trajectory—a few wins, many more losses and settlements in court. As described further below, much of this bill seeks to circumvent these standards, in part by creating a fast-track, rubber stamp process to designate crypto assets as ''commodities,'' thus narrowing application of securities regulation to those assets and related actors.

But, leaving nothing to chance, Title II of the FIT Act also declares that, if enacted, all ''investment contracts assets''—which are defined in the bill as digital assets—are not securities, full stop. This would likely not only undermine application of the Howey Test to crypto assets and activities writ large (even when evidently appropriate) but would also invite non-crypto actors to use this new terminology to evade coverage of the Howey Test for their investment products and activities as well. Instead of applying the principles of ''same activities, same risks, same rules'' which helps create consistent regulatory standards, this bill seeks to re-write large swathes of securities law to create special exceptions and lighter regulations for crypto. And it does so in ways that are likely to undermine consistent regulation and investor protection more broadly. That means even investors who never touch crypto may be harmed by this bill if enacted.

A blueprint for unregistered stock offerings. This bill creates a blueprint for crypto asset issuers to effectively issue ''unregistered stock,'' by enacting a static decentralized system definition that would allow crypto asset issuers and traders to qualify as decentralized when certain conditions are met, and therefore be exempt from most meaningful securities regulatory oversight. This approach effectively codifies existing crypto business models that are all too often used to exploit retail investors for the benefit of a smaller group of initial investors.

A roadmap for traditional financial firms to use ''decentralized networks'' to evade more rigorous oversight. Not only could the decentralization framework named above allow crypto firms to largely continue with dangerous business practices as usual; it could also enable traditional financial firms to evade more robust regulatory oversight by claiming their products and platforms meet this decentralization rubric (e.g. ''slap a blockchain on it''), and thus are exempt from conventional regulatory requirements for securities issuers and actors. This would create huge potential risks for consumers, investors, and markets due to less rigorous oversight than they would otherwise see with traditional regulatory approaches.

A rubber-stamp certification scheme for crypto ''commodities.'' The bill's self-certification process for crypto industry actors makes it very easy for anyone to declare they fall under CFTC jurisdiction (as crypto commodity issuers, brokers, etc.) The SEC is given nominal authority to intervene in these certifications, but the bill sets a 60-day time limit for such interventions, requires the agency to do extensive legal analysis, and allows the CFTC to intervene and applicants to file appeals. This process and unreasonable timeline stacks the deck against the appropriate securities regulation of crypto assets that should fall under the SEC's jurisdiction, and all but guarantees many asset issuers and traders will flood the system seeking registration under the CFTC. This

also flies in the face of arguments that this bill is intended to address a targeted gap in crypto spot market regulation, when it's clear the scope of assets and actors that can and would likely seek registration with the CFTC is far greater.

A vague mandate for CFTC that lacks clarity or sufficient investor and consumer protections. The bill grants the CFTC new regulatory authority over crypto commodities and crypto commodity traders, but the language regarding consumer and investor protection provisions in the bill is vague, narrowly cast, or left up to rulemakings, and not fully commensurate with investor protection provisions found in the securities regulatory framework. If and when the agency sought to further define these elements—especially if they were to do so in a robust way—they would likely face significant litigation from crypto and non-crypto entities alike, as the bill's proposals are not fully supported by or consistent with its current statutory mandate, which is largely focused on anti-fraud and market manipulation measures meant to address activity by large, sophisticated trading firms, not retail crypto investors buying crypto from their phone on an app.

The legal wrangling that would likely ensue could take years, if not decades, to resolve—leaving crypto investors without adequate regulatory protections in the interim. Lastly, it's possible the regulatory authority given to the CFTC under this bill could undermine the authority of agencies such as the CFPB to regulate and oversee crypto consumer financial products and services as well. All told, instead of the so-called ''regulatory clarity'' the crypto industry claims it needs to be compliant with basic investor protection safeguards, this bill is more likely to introduce regulatory chaos for crypto and non-crypto actors alike.

Weaker regulatory requirements for many crypto securities. The bill's regulatory provisions for those crypto assets that are deemed 'securities' allow for major exemptions for crypto asset issuers whose sales are under $75 million a year—a threshold that would exclude thousands of tokens currently on the market. This exemption would allow crypto securities issuers to issue what amount to private offerings to the broader investor public, without adequate regulatory oversight. Numerous crypto scams and pump and dump schemes have fleeced crypto consumers with sales volumes of far less.

An expansive temporary safe harbor that tacitly rewards non-compliance. Finally, this bill, via a ''notice of intent to file'' provision, creates an expansive safe harbor for crypto platforms and crypto asset issuers, whereby firms can offer nominal information about their business regulators and ''provisionally'' register with the SEC or CFTC while these agencies enact more formal rules. By giving such safe harbor (which given rulemaking timelines, could potentially last for years) crypto firms currently out of compliance with existing financial regulatory laws would be sheltered from current or future legal action, and would be free to continue with business as usual. We fear this would give such firms a patina of legitimacy which could draw unwary consumers back to crypto, exposing them to more risk and harm.

A lack of action to protect the right to private action for consumers and investors. The recent collapse or bankruptcy of multiple crypto firms—Terraform Labs, 3AC, Voyager Digital, Celsius Network, BlockFI, Genesis Global Capital, Gemini Trust, FTX, and many others—has illustrated how important it is to preserve investor rights that provide to access US courts, help hold bad actors accountable and enable investors to recover their losses. Yet, this bill fails to create such protections within this framework, does nothing to preserve existing investor rights and does not include a savings clause to retain these rights under state law as well. The bill also fails to address the widespread use by crypto firms of forced arbitration clauses and other onerous limitations on consumers' and investors' rights.

All told, we believe this bill as written introduces a policy ''cure'' that would be far worse than the disease and create significant harm within and far beyond the crypto industry. Regulators already have extensive existing powers to regulate this industry, the same way other financial products and services are regulated. Those regulatory gaps that may exist require a targeted, narrow, and measured approach, but this bill is sweeping and broad in scope, and should it become law it would profoundly undermine the SEC's ability to support orderly markets and protect investors from harm.

Instead of pursuing this ill-advised proposal, the best immediate step Congress could take to protect consumers who choose to participate in crypto markets would be to support regulators' ongoing efforts to enforce existing regulatory standards that apply to crypto actors, assets and activities—the very basic elements of securities, banking and consumer finance regulation which provide the foundation for consumer and investor protections in the financial regulatory realm.

Thank you.

Signed,

ORGANIZATIONS

American Federation of State, County and Municipal Employees (AFSCME); American Association for Justice; American Economic Liberties Project; AFL–CIO; Americans for Financial Reform; Center for American Progress; Center for Economic Integrity: Center for Responsible Lending; Clean Energy Action; Communication Workers of America; Consumer Federation of America; Consumer Federation of California; Consumer Reports; DC Consumer Rights Coalition; Demand Progress; Democracy for America Advocacy Fund; Economic Action Maryland; Empower Our Future.

Food and Water Watch; Groundwork Data; ISAIAH (MN); Institute for Agriculture and Trade Policy; Maine People's Alliance; National Community Reinvestment Coalition; National Consumer Law Center, on behalf of its low-income clients; P Street; Public Citizen; RAISE Texas; Revolving Door Project; Rise Economy; US PIRG; Take On Wall Street; Texas Appleseed; THIS! Is What We Did; Virginia Poverty Law Center; Woodstock Institute; 20/20 Vision; 350Hawaii.

INDIVIDUALS (TITLES AND INSTITUTIONS PROVIDED FOR IDENTIFICATION PURPOSES ONLY AND DO NOT CONSTITUTE INSTITUTIONAL ENDORSEMENTS)

Anat Admati, George G.C. Parker Professor of Finance and Economics, Graduate School of Business, Stanford University

Hilary J. Allen, Professor of Law, Associate Dean for Scholarship, American University Washington College of Law

Raúl Carrillo, Academic Fellow, Columbia Law School

Brian Flick, Ohio State Chair, National Association of Consumer Advocates

Richard W. Painter, S. Walter Richey Professor of Corporate Law, University of Minnesota Law School

Todd Phillips, Assistant Professor of Legal Studies, Robinson College of Business, Georgia State University

Lee Reiners, Lecturing Fellow, Duke Financial Economics Center and Duke Law

Jennifer Taub, Professor of Law, Wayne State University Law School (Fall 2024)

Urska Velikonja, Associate Dean For Academic Affairs, Professor of Law and Anne Fleming Research Professor, Georgetown Law School

Arthur E. Wilmarth, Jr., Professor Emeritus of Law, George Washington University Law School

Ms. WATERS. Mr. Chair, I also include an excerpt from Coinbase's Form S–1 filing acknowledging the risk that Coinbase could be found to be illegally acting outside of securities laws, excerpts from the SEC's complaint against Coinbase alleging that Coinbase was illegally acting outside of securities laws; and a summary of, and key excerpt from, the decision in the case of SEC v. Coinbase, finding that Coinbase was indeed acting illegally by failing to comply with existing laws.

SEC V. COINBASE

EXCERPT FROM COINBASE S–1 FILING ON ''RISK FACTORS''

As indicated in the above complaint, in its Form S–1 filing with the SEC Coinbase acknowledged the risks that the crypto assets it makes available on its platform could be deemed securities, and therefore Coinbase could be found to be engaging in unregistered brokerage, exchange, and/or clearing-agency activity:

''A particular crypto asset's status as a ''security'' in any relevant jurisdiction is subject to a high degree of uncertainty and if we are unable to properly characterize a crypto asset, we may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect our business, operating results, and financial condition. The SEC and its staff have taken the position that certain crypto assets fall within the definition of a ''security'' under the U.S. federal securities laws. The legal test for determining whether any given crypto asset is a security is a highly complex, fact-driven analysis that evolves over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular crypto asset as a security. Furthermore, the SEC's views in this area have evolved over time and it is difficult to predict the direction or timing of any continuing evolution. It is also possible that a change in the governing administration or the appointment of new SEC commissioners could substantially impact the views of the SEC and its staff . . . With respect to all other crypto assets, there is currently no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions we may draw based on our risk-based assessment regarding the likelihood that a particular crypto asset could be deemed a ''security'' under applicable laws.

The classification of a crypto asset as a security under applicable law has wide-ranging implications for the regulatory obligations that flow from the offer, sale, trading, and clearing of such assets. Persons that effect transactions in crypto assets that are securities in the United States may be subject to registration with the SEC as a ''broker'' or ''dealer.'' Platforms that bring together purchasers and sellers to trade crypto assets that are securities in the United States are generally subject to registration as national securities exchanges, or must qualify for an exemption, such as by being operated by a registered broker-dealer as an alternative trading system, or ATS, in compliance with rules for ATSs. Persons facilitating clearing and settlement of securities may be subject to registration with the SEC as a clearing agency.

SUMMARY AND EXCERPT FROM OPINION OF THE JUDGE FROM THE US DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, DENYING COINBASE'S MOTION TO DISMISS IN THE CASE OF SEC V. COINBASE

In March 2024, U.S. District Court Judge Katherine Polk Failla of the Southern District of New York made a preliminary ruling in the Coinbase case, holding that because at least some crypto trades on the Coinbase platform met the longstanding definition of an investment contract, the SEC can move ahead with claims that Coinbase improperly operated as a securities exchange, broker and clearing agency. She also said the SEC adequately alleged that Coinbase sold unregistered securities through its staking program. In an 84-page opinion, the judge asserted, among other things, that ''the 'crypto' nomenclature may be of recent vintage, but the challenged transactions fall comfortably within the framework that courts have used to identify securities for nearly eighty years.''

EXCERPTS FROM THE SEC'S COMPLAINT FILED AGAINST COINBASE IN JUNE 2023

''In September 2019, Coinbase released a framework for analyzing crypto assets that assigned to the crypto asset a score ranging from 1 to 5, with a score of 1 indicating that an ''asset has few or no characteristics consistent with treatment as an investment contract,'' and a score of 5 meaning that an ''asset has many characteristics strongly consistent with treatment as a security.'' Meanwhile, between 2019 and 2020, Coinbase more than doubled the number of crypto assets available for trading on its platform, and it more than doubled that number again in 2021. During this period, Coinbase made available on its platform crypto assets with high ''risk'' scores under the CRC framework it had adopted. In other words, to realize exponential growth of the Coinbase Platform and boost its own trading profits, Coinbase made the strategic business decision to add crypto assets to the Coinbase Platform even where it recognized the crypto assets had the characteristics of securities.''

Coinbase generates most of its revenue from transaction fees collected on crypto asset trades made through the Coinbase Platform, Prime, and Wallet. Fox example, in 2021, Coinbase generated $6.8 billion in ''transaction revenue,'' out of a total net revenue of $7.4 billion. Likewise, in 2022, Coinbase generated over $2.2 billion in transaction revenue out of a total net revenue of $3.1 billion.

''Coinbase also worked closely with issuers of crypto assets who sought to have their crypto assets listed on Coinbase. Coinbase's ''Listings Team'' engaged in a dialogue with issuers focused on identifying potential ''roadblocks'' under Howey. For example, on one occasion, Coinbase identified ''problematic statements'' by an issuer that described its crypto asset ''with language traditionally associated with securities,'' ''implying that the asset is an investment or way to earn profit,'' ''emphasizing the profitability of a project and/or the historic or potential appreciation of the value of the assets,'' and ''using terms referring to the assets that are commonly associated with securities such as 'dividend,' 'interest,' 'investment' or 'investors.'" As ''possible mitigation,'' Coinbase suggested that the issuer ''remove any existing problematic statements, and refrain from making problematic statements in the future.'' Coinbase was thus aware of the risk that it could be making available for trading on the Coinbase Platform crypto assets that were being offered and sold as securities. Indeed, Coinbase touted to the investing public its familiarity with the relevant legal analysis governing the offer and sale of securities.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Kansas (Mr. MANN).

Mr. MANN. Mr. Chair, my home State of Kansas is a leader when it comes to agriculture innovation. A lesson that I have learned from Kansans is that we must be ready to respond to new technological developments as they come to life. Digital asset markets are no exception.

As these markets have grown, they have lacked congressional guidance over who has regulatory and enforcement authority over them. Currently, participants are at the mercy of regulators who continue to assert jurisdiction and extend their authority through enforcement actions, all without legislation and direction from Congress.

Mr. Chair, I urge my colleagues to support this bill to establish a framework consistent with existing financial market requirements while acknowledging the uniqueness of digital assets. We can and should give consumers, developers, and institutions a clear set of rules that provide certainty as they explore this new, innovative technology.

Digital assets and related blockchain technology have the potential to lead us to the next generation of internet technology. Everyone here should want America to be a place where this flourishes. That is what FIT21 does. It allows America to build on this potential. If we do not act now, we cede American leadership, talent, and innovation.

Mr. Chair, I urge my colleagues to vote ''yes'' on FIT21.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Nebraska (Mr. FLOOD), a great legislator in the innovation space.

Mr. FLOOD. Mr. Chair, I would like to focus on one particular aspect of this bill. It is exactly responsive to the problems in the digital assets market that we have seen over the last couple of years.

In the aftermath of the collapse of FTX in 2022, we need to ensure that there are investor protection rules that prevent anything from happening like that again in the United States.

Under the regulatory structure created by this bill, FTX would not have been able to register. FTX would not have been able to comingle customer funds that hurt so many of their investors.

Some of my friends on the other side of the aisle have spoken about protecting investors. The great irony is that they are opposing a bill that would do just that. If you believe in investor protection, if you believe we need to respond to the disaster of FTX, then we need to pass a bill that would prevent the next FTX.

The status quo will not work. It did not work in 2022, and it will not work today.

Mr. Chair, I urge my colleagues to support this bill.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Tennessee (Mr. ROSE), a great leader on the Agriculture and Financial Services Committees.

Mr. ROSE. Mr. Chair, I rise in support of H.R. 4763, the Financial Innovation and Technology for the 21st Century Act, or the FIT21.

As a member of the House Financial Services and Agriculture Committees, I am proud to support this bill. This product is a joint effort between both committees. I commend both Chairman MCHENRY and Chairman THOMPSON for working on this bipartisan legislation.

This bill confronts the litigation-heavy approach toward digital assets of the Securities and Exchange Commission led by rogue regulator Gary Gensler. Chair Gensler has blown past the SEC's statutory mandate and instead forced investors and companies to operate in the dark, thus risking the United States' standing as a world leader in digital innovation.

The Financial Innovation and Technology for the 21st Century Act will allow the U.S. to reclaim our place as a world leader in innovation and provides clear rules of the road for cryptocurrencies.

Mr. Chair, I urge Members to join me in voting ''yes.''

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, may I inquire how much time is remaining.

The Acting CHAIR. The gentleman from North Carolina has 7 minutes remaining. The gentlewoman from California 4 has minutes remaining.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Oklahoma (Mr. LUCAS), a leader on the Agriculture Committee, a former chair of the Agriculture Committee, a great leader on the Financial Services Committee, and also the chair of the Science Committee, before I forget.

Mr. LUCAS. Mr. Chair, the United States has no meaningful Federal regulation of the digital asset markets. The attempts by regulators to apply existing laws are arbitrary and unclear.

The fact is, the status quo does not work. Without a clear Federal framework, we fail to provide adequate consumer protections and forfeit our international competitiveness. This hurts U.S. consumers, investors, and the entire economy.

This is why this bill is so important. The legislation establishes a market structure framework that accounts for the unique characteristics of digital assets, adhering to the core principles of the Commodity Exchange Act.

U.S. consumers are actively participating in the digital asset market, and we should ensure they are protected from fraud and scams. This bill does that.

Mr. Chair, I thank Chairman MCHENRY and Chairman THOMPSON for

all of their work on this legislation, and I urge my colleagues to support the bill.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Michigan (Mr. HUIZENGA), the chair of the Oversight and Investigations Subcommittee of the House Financial Services Committee.

Mr. HUIZENGA. Mr. Chair, since the first cryptocurrency network was created nearly 15 years ago, the rules governing the digital asset ecosystem have remained unclear.

As I learned while serving as chairman of the Capital Markets Subcommittee, regulators have been using opaque guidelines and regulation by enforcement. Meanwhile, Congress has been working on a bipartisan path forward.

Digital assets have the potential to revolutionize payment systems in the United States by allowing financial systems to become more efficient and more accessible to consumers.

By passing a comprehensive market structure framework, responsible actors will now have greater certainty and consumers will have greater protection from bad actors.

Mr. Chair, our markets are the envy of the world. We must not cede any ground. American innovation is a critical element of job creation and economic opportunity here in the United States. Congress must look to preserve this competitive advantage and not let it leave our shores. FIT21 is a historic first step.

Mr. Chair, I urge all of my colleagues to support this legislation.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, does the gentlewoman have any additional speakers?

Ms. WATERS. Mr. Chair, if the gentleman has no more speakers, I am prepared to close.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentlewoman from California (Mrs. KIM).

Mrs. KIM of California. Mr. Chair, millions of Americans from all backgrounds see digital assets as one of the many options to take wealth creation into their own hands. Unfortunately, the U.S. is falling behind compared to other countries, and we have yet to establish a viable regulatory framework for digital assets.

H.R. 4763 establishes a much-needed digital asset market structure framework that provides clear rules for digital asset firms while providing robust consumer protections. Thus, I believe this bill is very fit for the 21st century.

FIT21 would enable innovation to flourish and the United States to lead the world in the development of digital assets. The EU, the U.K., Hong Kong—and the list goes on—have established or are in the process of establishing a regulatory framework.

The development of technologies and new financial services tools should be taking place here, not elsewhere. Mr. Chair, I urge a ''yes'' vote on H.R. 4763.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Wisconsin (Mr. STEIL), the chair of the House Administration Committee and a great member of the Financial Services Committee on innovation policy.

Mr. STEIL. Mr. Chair, I rise in support of the Financial Innovation and Technology for the 21st Century Act.

Blockchain and digital assets are transforming finance and reshaping, in particular, the way the internet works, but responsible innovators are being held back by stubborn Washington bureaucrats. It is pushing jobs and opportunities overseas.

For the first time in generations, the U.S. is at risk of missing out on leading the next wave of technology. FIT21 provides clear rules for digital assets and related businesses. It protects consumers and strengthens transparency and accountability. It establishes the United States as a technology leader.

Mr. Chair, I urge my colleagues to support the bill and bring jobs, opportunities, and innovation in digital assets to the United States.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield 1 minute to the gentleman from Utah (Mr. CURTIS).

Mr. CURTIS. Mr. Chair, I rise in favor of the Financial Innovation and Technology for the 21st Century Act, which establishes a much-needed regulatory framework for digital assets.

Currently, the lack of clear direction from Congress, combined with broad definitions of securities and commodities, has allowed the SEC to insert itself into the regulation of cryptocurrency. This has created uncertainty and hindered innovation.

Meanwhile, other countries like Singapore, UAE, and even China have capitalized on our unclear regulatory environment. They have developed their own framework, positioning themselves as hubs for the digital asset ecosystem.

I believe the United States, and particularly Utah's Silicon Slopes, which boasts a growing and thriving blockchain industry, should be the global center for digital assets.

This bill creates an appropriate framework for cryptocurrency regulation that fosters innovation and ensures U.S. leadership in blockchain technology while also protecting against bad actors like FTX.

The Financial Innovation and Technology for the 21st Century Act realigns the SEC with its appropriate regulatory role and designates the Commodity Futures Trading Commission as the primary regulator of cryptocurrency as a commodity. It also clarifies the SEC's role in regulating digital assets.

Ms. WATERS. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, as we have heard today, the entities that stand to benefit from this bill are not ordinary investors trying to build wealth but rather the crypto firms that have chosen not to register with the SEC or otherwise comply with the securities laws.

They have already made billions of dollars unlawfully issuing or facilitating the buying and selling of crypto securities, and Republicans are now proposing to reward these illegal activities by making these activities legal. This is truly preposterous.

Mr. LYNCH, when he spoke, said this was one of the worst pieces of legislation he has experienced during his entire career. I understood why when I examined this bill and I saw that the Republicans created this new definition. This new definition is known as the investment contract assets.

We have talked about this, but even in the Rules Committee, while they were talking about how this bill was going to protect consumers, they did not debate us about this investment contract asset because they know that it created a void. It created a no-man's-land. This was created basically so that the crypto companies could be in a space without regulation, but it goes further than that.

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It also covers traditional securities so they can be in a space without regulations.

It is not enough to say this is a bad bill. This is not only a bad bill, this is a bill where the crypto companies decided they didn't like the SEC, they do not want to be regulated, and they were going to come to the Congress of the United States. They were going to use their power, they were going to use their influence to change the rules of the game, and they were going to now go to where the commodities are regulated, and they are going to take the securities over there.

I explained to you that the CFTC is a small agency. I explained to you that they don't have a lot of money. I explained to you how much smaller they are than the SEC.

The SEC are the experts. They have been developing regulations for this country for 90 years. The SEC is 90 years old, and it is respected all over the world. We are the envy of the world because we have an SEC.

When I talk about this void that has been created, there is no way that the Members of this Congress can allow that to happen, to allow this no-man's-land to exist where the same crypto companies are now refusing to register, who are unlawful, that you are going to exonerate and then you are going to further give them the opportunity to operate without regulation.

This is unbelievable. How can this happen in the Congress of the United States in the House of Representatives where we are supposed to represent the people?

We have an SEC that is a cop on the block. We have an SEC that is expert

in securities. The SEC goes into the courts, and they fight tough battles. These battles are long. These battles are hard because they are fought by the crypto companies. They don't give up because at least they have people who can begin to work on it. We try to give the SEC more money to do their work, but they are denied additional appropriations by the other side of the aisle.

The Acting CHAIR (Mr. FULCHER). The time of the gentlewoman has expired.

Mr. MCHENRY. Mr. Chair, may I inquire as to how much time I have remaining.

The Acting CHAIR. The gentleman from North Carolina has 2 minutes remaining.

Mr. MCHENRY. Mr. Chair, I yield myself the balance of my time.

Let me speak to this. The void is the lack of a definition of what is a digital asset in Federal law. We have none. This bill establishes it. We have no consumer protections for crypto today. This bill establishes it both at the CFTC with a robust oversight of this industry and the SEC with real clarity. That is what this bill does is provide clarity for investors and consumers and innovators.

We are falling behind Europe. This bill catches us up so that we do not lose out on innovation policy to the Europeans, to the folks in the U.K., to Singapore, to Japan, to Hong Kong that all have regimes similar to what we are doing in this bill.

This is an important bill. It is bipartisan work. Hundreds of hours have been put into developing this bill with Members and staff.

I thank the great partnership I have had with FRENCH HILL of the Financial Services Committee and Chairman GT THOMPSON on the Ag Committee and DUSTY JOHNSON on the Ag Committee. I also thank the great staff on the House Financial Services Committee, Allison Behuniak, who has shepherded this bill to this point and Paul Balzano on the Ag Committee. They have worked in great partnership and friendship and worked through major issues. I thank them for this important legislative product.

We can promote American innovation, consumer protection, and leadership with a clear regulatory framework for digital assets. The next generation of internet technology is being written. It should be written by American innovators here in the United States. We can allow that innovation to pass us by, or we can seize the opportunity and pass this bill to provide real clarity for innovation policy here in the United States.

Regulatory clarity and consumer protection, that is FIT21.

Let's vote ''yes'' on this bill and establish bipartisan support for crypto in America. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

In lieu of the amendments in the nature of a substitute recommended by the Committees on Agriculture and Financial Services, printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 118–33, modified by the amendment printed in part A of House Report 118–516, shall be considered as adopted. The bill, as amended, shall be considered as the original bill for purpose of further amendment under the 5-minute rule and shall be considered as read.

The text of the bill, as amended, is as follows:

H.R. 4763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Financial Innovation and Technology for the 21st Century Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—DEFINITIONS; RULEMAKING; NOTICE OF INTENT TO REGISTER

SEC. 101. DEFINITIONS UNDER THE SECURITIES ACT OF 1933.

Section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)) is amended by adding at the end the following:

''(20) AFFILIATED PERSON.—

''(A) IN GENERAL.—The term 'affiliated person' means a person (including a related person) that—

''(i) with respect to a digital asset issuer—

''(I) directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such digital asset issuer; or

''(II) was described under clause (i) at any point in the previous 3-month period; or

''(ii) with respect to any digital asset—

''(I) beneficially owns 5 percent or more of the units of such digital asset that are then outstanding; or

''(II) was described under clause (i) at any point in the previous 3-month period.

''(B) BENEFICIAL OWNERSHIP DISCLOSURE.—The Commission shall issue rules to require a person that beneficially owns 5 percent or more of the units of a digital asset that are then outstanding to file with the Commission a report at such time as the Commission determines appropriate.

''(21) BLOCKCHAIN.—The term 'blockchain' means any technology—

''(A) where data is—

''(i) shared across a network to create a public ledger of verified transactions or information among network participants;

''(ii) linked using cryptography to maintain the integrity of the public ledger and to execute other functions; and

''(iii) distributed among network participants in an automated fashion to concurrently update network participants on the state of the public ledger and any other functions; and

''(B) composed of source code that is publicly available.

''(22) BLOCKCHAIN PROTOCOL.—The term 'blockchain protocol' means any executable software deployed to a blockchain composed of source code that is publicly available and accessible, including a smart contract or any network of smart contracts.

''(23) BLOCKCHAIN SYSTEM.—The term 'blockchain system' means any blockchain or blockchain protocol.

''(24) DECENTRALIZED GOVERNANCE SYSTEM.—

''(A) IN GENERAL.—The term 'decentralized governance system' means, with respect to a blockchain system, any rules-based system permitting persons using the blockchain system or the digital assets related to such blockchain system to form consensus or reach agreement in the development, provision, publication, management, or administration of such blockchain system.

''(B) RELATIONSHIP OF PERSONS TO DECENTRALIZED GOVERNANCE SYSTEMS.—Persons acting through a decentralized governance system shall be treated as separate persons unless such persons are under common control.

''(C) EXCLUSION.—The term 'decentralized governance system' does not include a system in which—

''(i) a person or group of persons under common control have the ability to—

''(I) unilaterally alter the rules of consensus or agreement for the blockchain system; or

''(II) determine the final outcome of decisions related to the development, provision, publication, management, or administration of such blockchain system;

''(ii) a person or group of persons is directly engaging in an activity that requires registration with the Commission or the Commodity Futures Trading Commission other than—

''(I) developing, providing, publishing, managing, or administering a blockchain system; or

''(II) an activity with respect to which the organization is exempt from such registration; or

''(iii) a person or group of persons seeking to knowingly evade the requirements imposed on a digital asset issuer, a related person, an affiliated person, or any other person registered (or required to be registered) under the securities laws, the Financial Innovation and Technology for the 21st Century Act, or the Commodity Exchange Act.

''(25) DECENTRALIZED SYSTEM.—With respect to a blockchain system to which a digital asset relates, the term 'decentralized system' means the following conditions are met:

''(A) During the previous 12-month period, no person—

''(i) had the unilateral authority, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, to control or materially alter the functionality or operation of the blockchain system; or

''(ii) had the unilateral authority to restrict or prohibit any person who is not a digital asset issuer, related person, or an affiliated person from—

''(I) using, earning, or transmitting the digital asset;

''(II) deploying software that uses or integrates with the blockchain system;

''(III) participating in a decentralized governance system with respect to the blockchain system; or

''(IV) operating a node, validator, or other form of computational infrastructure with respect to the blockchain system.

''(B) During the previous 12-month period—

''(i) no digital asset issuer or affiliated person beneficially owned, in the aggregate, 20 percent or more of the total amount of units of such digital asset that—

''(I) can be created, issued, or distributed in such blockchain system; and

''(II) were freely transferrable or otherwise used or available to be used for the purposes of such blockchain system;

''(ii) no digital asset issuer or affiliated person had the unilateral authority to direct the voting, in the aggregate, of 20 percent or more of the outstanding voting power of such digital asset or related decentralized governance system; or

''(iii) the digital asset did not include voting power with respect to any decentralized governance system of the blockchain system.

''(C) During the previous 3-month period, the digital asset issuer, any affiliated person, or any related person has not implemented or contributed any intellectual property to the source code of the blockchain system that materially alters the functionality or operation of the blockchain system, unless such implementation or contribution to the source code—

''(i) addressed vulnerabilities, errors, regular maintenance, cybersecurity risks, or other technical changes to the blockchain system; or

''(ii) were adopted through the consensus or agreement of a decentralized governance system.

''(D) During the previous 3-month period, neither any digital asset issuer nor any affiliated person described under paragraph (20)(A) has marketed to the public the digital assets as an investment.

''(E) During the previous 12-month period, all issuances of units of such digital asset through the programmatic functioning of the blockchain system were end user distributions. For purposes of the previous sentence, any units of such digital asset that are made available over time and were created in the initial block of the blockchain system shall be considered issued at the point in time of creation.

''(26) DIGITAL ASSET.—

''(A) IN GENERAL.—The term 'digital asset' means any fungible digital representation of value that can be exclusively possessed and transferred, person to person, without necessary reliance on an intermediary, and is recorded on a cryptographically secured public distributed ledger.

''(B) EXCLUSIONS.—The term 'digital asset' does not include—

''(i) any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof); or

''(ii) any asset which, based on its terms and other characteristics, is, represents, or is functionally equivalent to an agreement, contract, or transaction that is—

''(I) a contract of sale of a commodity (as defined under section 1a of the Commodity Exchange Act) for future delivery or an option thereon;

''(II) a security futures product;

''(III) a swap;

''(IV) an agreement, contract, or transaction described in section 2(c)(2)(C)(i) or 2(c)(2)(D)(i) of the Commodity Exchange Act;

''(V) a commodity option authorized under section 4c of the Commodity Exchange Act; or

''(VI) a leverage transaction authorized under section 19 of the Commodity Exchange Act.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to create a presumption that a digital asset is a representation of any type of security not excluded from the definition of digital asset.

''(D) RELATIONSHIP TO A BLOCKCHAIN SYSTEM.—A digital asset is considered to relate to a blockchain system if the digital asset is intrinsically linked to the blockchain system, including—

''(i) where the digital asset's value is reasonably expected to be generated by the programmatic functioning of the blockchain system;

''(ii) where the digital asset has voting rights with respect to the decentralized governance system of the blockchain system; or

''(iii) where the digital asset is issued through the programmatic functioning of the blockchain system.

''(E) TREATMENT OF CERTAIN DIGITAL ASSETS SOLD PURSUANT TO AN INVESTMENT CONTRACT.—A digital asset offered or sold or intended to be offered or sold pursuant to an investment contract is not and does not become a security as a result of being sold or otherwise transferred pursuant to that investment contract.

''(27) DIGITAL ASSET ISSUER.—

''(A) IN GENERAL.—With respect to a digital asset, the term 'digital asset issuer' means any person that, in exchange for any consideration—

''(i) issues or causes to be issued a unit of such digital asset to a person; or

''(ii) offers or sells a right to a future issuance of a unit of such digital asset to a person.

''(B) EXCLUSION.—The term 'digital asset issuer' does not include any person solely because such person deploys source code that creates or issues units of a digital asset that are only distributed in end user distributions.

''(C) PROHIBITION ON EVASION.—It shall be unlawful for any person to knowingly evade classification as a 'digital asset issuer' and facilitate an arrangement for the primary purpose of effecting a sale, distribution, or other issuance of a digital asset.

''(28) DIGITAL ASSET MATURITY DATE.—The term 'digital asset maturity date' means, with respect to any digital asset, the first date on which 20 percent or more of the total units of such digital asset that are then outstanding as of such date are—

''(A) digital commodities; or

''(B) digital assets that have been registered with the Commission.

''(29) DIGITAL COMMODITY.—The term 'digital commodity' has the meaning given that term under section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

''(30) END USER DISTRIBUTION.—

''(A) IN GENERAL.—The term 'end user distribution' means an issuance of a unit of a digital asset that—

''(i) does not involve an exchange of more than a nominal value of cash, property, or other assets; and

''(ii) is distributed in a broad, equitable, and non-discretionary manner based on conditions capable of being satisfied by any participant in the blockchain system, including, as incentive-based rewards—

''(I) to users of the digital asset or any blockchain system to which the digital asset relates;

''(II) for activities directly related to the operation of the blockchain system, such as mining, validating, staking, or other activity directly tied to the operation of the blockchain system; or

''(III) to the existing holders of another digital asset, in proportion to the total units of such other digital asset as are held by each person.

''(B) PROHIBITION ON EVASION.—It shall be unlawful for any person to facilitate an end user distribution to knowingly evade classification as a digital asset issuer, related person, or an affiliated person, or the requirements related to a digital asset issuance.

''(31) FUNCTIONAL SYSTEM.—With respect to a blockchain system to which a digital asset relates, the term 'functional system' means the

network allows network participants to use such digital asset for—

''(A) the transmission and storage of value on the blockchain system;

''(B) the participation in services provided by or an application running on the blockchain system; or

''(C) the participation in the decentralized governance system of the blockchain system.

''(32) PERMITTED PAYMENT STABLECOIN.—

''(A) IN GENERAL.—The term 'permitted payment stablecoin' means a digital asset—

''(i) that is or is designed to be used as a means of payment or settlement;

''(ii) the issuer of which—

''(I) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value; or

''(II) represents will maintain or creates the reasonable expectation that it will maintain a stable value relative to the value of a fixed amount of monetary value;

''(iii) the issuer of which is subject to regulation by a Federal or State regulator with authority over entities that issue payment stablecoins; and

''(iv) that is not—

''(I) a national currency; or

''(II) a security issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)).

''(B) MONETARY VALUE DEFINED.—For purposes of subparagraph (A), the term 'monetary value' means a national currency, deposit (as defined under section 3 of the Federal Deposit Insurance Act), or an equivalent instrument that is denominated in a national currency.

''(33) RELATED PERSON.—With respect to a digital asset issuer, the term 'related person' means—

''(A) a founder, promoter, employee, consultant, advisor, or person serving in a similar capacity;

''(B) any person that is or was in the previous 6-month period an executive officer, director, trustee, general partner, advisory board member, or person serving in a similar capacity;

''(C) any equity holder or other security holder; or

''(D) any other person that received a unit of digital asset from such digital asset issuer through—

''(i) an exempt offering, other than an offering made in reliance on section 4(a)(8); or

''(ii) a distribution that is not an end user distribution described under section 42(d)(1) of the Securities Exchange Act of 1934.

''(34) RESTRICTED DIGITAL ASSET.—

''(A) IN GENERAL.—The term 'restricted digital asset' means—

''(i) prior to the first date on which each blockchain system to which a digital asset relates is a functional system and certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934, any unit of the digital asset held by a person, other than the digital asset issuer, a related person, or an affiliated person, that was—

''(I) issued to such person through a distribution, other than an end user distribution described under section 42(d)(1) of the Securities Exchange Act of 1934; or

''(II) acquired by such person in a transaction that was not executed on a digital commodity exchange;

''(ii) during any period when any blockchain system to which a digital asset relates is not a functional system or not certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934, any digital asset held by a related person or an affiliated person; and

''(iii) any unit of a digital asset held by the digital asset issuer.

''(B) EXCLUSION.—The term 'restricted digital asset' does not include a permitted payment stablecoin.

''(35) SECURITIES LAWS.—The term 'securities laws' has the meaning given that term under section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

''(36) SOURCE CODE.—With respect to a blockchain system, the term 'source code' means a listing of commands to be compiled or assembled into an executable computer program.''.

SEC. 102. DEFINITIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934.

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(8) by redesignating the second paragraph (80) (relating to funding portals) as paragraph (81); and

(9) by adding at the end the following:

''(82) BANK SECRECY ACT.—The term 'Bank Secrecy Act' means—

''(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

''(B) chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.); and

''(C) subchapter II of chapter 53 of title 31, United States Code.

''(83) DIGITAL ASSET BROKER.—The term 'digital asset broker'—

''(A) means any person engaged in the business of effecting transactions in restricted digital assets for the account of others; and

''(B) does not include—

''(i) a blockchain protocol or a person or group of persons solely because of their development of a blockchain protocol; or

''(ii) a bank engaging in certain banking activities with respect to a restricted digital asset in the same manner as a bank is excluded from the definition of a broker under paragraph (4).

''(84) DIGITAL ASSET CUSTODIAN.—The term 'digital asset custodian' means an entity in the business of providing custodial or safekeeping services for restricted digital assets for others.

''(85) DIGITAL ASSET DEALER.—The term 'digital asset dealer'—

''(A) means any person engaged in the business of buying and selling restricted digital assets for such person's own account through a broker or otherwise; and

''(B) does not include—

''(i) a person that buys or sells restricted digital assets for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business;

''(ii) a blockchain protocol or a person or group of persons solely because of their development of a blockchain protocol; or

''(iii) a bank engaging in certain banking activities with respect to a restricted digital asset in the same manner as a bank is excluded from the definition of a dealer under paragraph (5).

''(86) DIGITAL ASSET TRADING SYSTEM.—The term 'digital asset trading system'—

''(A) means any organization, association, person, or group of persons, whether incorporated or unincorporated, that constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of restricted digital assets or for otherwise performing with respect to restricted digital assets the functions commonly performed by a stock exchange within the meaning of section 240.3b–16 of title 17, Code of Federal Regulations, as in effect on the date of enactment of this paragraph; and

''(B) does not include a blockchain protocol or a person or group of persons solely because of their development of a blockchain protocol.

''(87) NOTICE-REGISTERED DIGITAL ASSET CLEARING AGENCY.—The term 'notice-registered digital asset clearing agency' means a clearing agency that has registered with the Commission pursuant to section 17A(b)(9).

''(88) ADDITIONAL DIGITAL ASSET-RELATED TERMS.—

''(A) SECURITIES ACT OF 1933.—The terms 'affiliated person', 'blockchain system', 'decentralized governance system', 'decentralized system', 'digital asset', 'digital asset issuer', 'digital asset maturity date', 'end user distribution', 'functional system', 'permitted payment stablecoin', 'related person', 'restricted digital asset', and 'source code' have the meaning given those terms, respectively, under section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).

''(B) COMMODITY EXCHANGE ACT.—The terms 'digital commodity', 'digital commodity broker', 'digital commodity dealer', and 'digital commodity exchange' have the meaning given those terms, respectively, under section 1a of the Commodity Exchange Act (7 U.S.C. 1a).''.

SEC. 103. DEFINITIONS UNDER THE COMMODITY EXCHANGE ACT.

Section 1a of the Commodity Exchange Act (7 U.S.C. 1a) is amended—

(1) in paragraph (10)(A)—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following:

''(iii) digital commodity;'';

(2) in paragraph (11)—

(A) in subparagraph (A)(i)—

(i) by redesignating subclauses (III) and (IV) as subclauses (IV) and (V), respectively; and

(ii) by inserting after subclause (II) the following:

''(III) digital commodity;''; and

(B) by redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following:

''(B) EXCLUSION.—The term 'commodity pool operator' does not include—

''(i) a decentralized governance system; or

''(ii) any excluded activity, as described in section 4v.'';

(3) in paragraph (12)(A)(i)—

(A) in subclause (II), by adding at the end a semicolon;

(B) by redesignating subclauses (III) and (IV) as subclauses (IV) and (V), respectively; and

(C) by inserting after subclause (II) the following:

''(III) a digital commodity;'';

(4) in paragraph (40)—

(A) by striking ''and'' at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(C) by adding at the end the following:

''(G) a digital commodity exchange registered under section 5i.''; and

(5) by adding at the end the following:

''(52) ASSOCIATED PERSON OF A DIGITAL COMMODITY BROKER.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'associated person of a digital commodity broker' means a person who is associated with a digital commodity broker as a partner, officer, employee, or agent (or any person occupying a similar status or performing similar functions) in any capacity that involves—

''(i) the solicitation or acceptance of an order for the purchase or sale of a digital commodity; or

''(ii) the supervision of any person engaged in the solicitation or acceptance of an order for the purchase or sale of a digital commodity.

''(B) EXCLUSION.—The term 'associated person of a digital commodity broker' does not include any person associated with a digital commodity broker the functions of which are solely clerical or ministerial.

''(53) ASSOCIATED PERSON OF A DIGITAL COMMODITY DEALER.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'associated person of a digital commodity dealer' means a person who is associated with a digital commodity dealer as a partner, officer, employee, or agent (or any person occupying a similar status or performing similar functions) in any capacity that involves—

''(i) the solicitation or acceptance of an order for the purchase or sale of a digital commodity; or

''(ii) the supervision of any person engaged in the solicitation or acceptance of an order for the purchase or sale of a digital commodity.

''(B) EXCLUSION.—The term 'associated person of a digital commodity dealer' does not include any person associated with a digital commodity dealer the functions of which are solely clerical or ministerial.

''(54) BANK SECRECY ACT.—The term 'Bank Secrecy Act' means—

''(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

''(B) chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.); and

''(C) subchapter II of chapter 53 of title 31, United States Code.

''(55) DIGITAL COMMODITY.—

''(A) IN GENERAL.—The term 'digital commodity' means—

''(i) any unit of a digital asset held by a person, other than the digital asset issuer, a related person, or an affiliated person, before the first date on which each blockchain system to which the digital asset relates is a functional system and certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934, that was—

''(I) issued to the person through an end user distribution described under section 42(d)(1) of the Securities Exchange Act of 1934; or

''(II) acquired by such person in a transaction that was executed on a digital commodity exchange;

''(ii) any unit of a digital asset held by a person, other than the digital asset issuer, a related person, or an affiliated person, after the first date on which each blockchain system to which the digital asset relates is a functional system and certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934; and

''(iii) any unit of a digital asset held by a related person or an affiliated person during any period when any blockchain system to which the digital asset relates is a functional system and certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934.

''(B) EXCLUSION.—The term 'digital commodity' does not include a permitted payment stablecoin.

''(C) TREATMENT OF ADJUDICATED NON-SECURITIES.—If, before enactment of this paragraph, a Federal court in a Securities and Exchange Commission enforcement action determines that a digital asset transaction is not an offer or sale of a security, any unit of a digital asset transferred pursuant to the transaction shall be considered a digital commodity, unless the determination is overturned.

''(56) DIGITAL COMMODITY BROKER.—

''(A) IN GENERAL.—The term 'digital commodity broker' means any person who, in a digital commodity cash or spot market, is—

''(i) engaged in soliciting or accepting orders for the purchase or sale of a unit of a digital commodity from a person that is not an eligible contract participant;

''(ii) engaged in soliciting or accepting orders for the purchase or sale of a unit of a digital commodity from a person on or subject to the rules of a registered entity; or

''(iii) registered with the Commission as a digital commodity broker.

''(B) EXCEPTIONS.—The term 'digital commodity broker' does not include a person solely because the person—

''(i) enters into a digital commodity transaction the primary purpose of which is to make, send, receive, or facilitate payments, whether involving a payment service provider or on a peer-to-peer basis;

''(ii) validates a digital commodity transaction, operates a node, or engages in similar activity to participate in facilitating, operating, or securing a blockchain system; or

''(iii) is a bank (as defined under section 3(a) of the Securities Exchange Act of 1934) engaging in certain banking activities with respect to a digital commodity in the same manner as a bank is excluded from the definition of a broker under section 3(a)(4) of the Securities Exchange Act of 1934.

''(57) DIGITAL COMMODITY CUSTODIAN.—The term 'digital commodity custodian' means an entity in the business of holding, maintaining, or safeguarding digital commodities for others.

''(58) DIGITAL COMMODITY DEALER.—

''(A) IN GENERAL.—The term 'digital commodity dealer' means any person who—

''(i) in digital commodity cash or spot markets—

''(I) holds itself out as a dealer in a digital commodity;

''(II) makes a market in a digital commodity;

''(III) has an identifiable business of dealing in a digital commodity as principal for its own account; or

''(IV) engages in any activity causing the person to be commonly known in the trade as a dealer or market maker in a digital commodity;

''(ii) has an identifiable business of entering into any agreement, contract, or transaction described in subsection (c)(2)(D)(i) involving a digital commodity; or

''(iii) is registered with the Commission as a digital commodity dealer.

''(B) EXCEPTION.—The term 'digital commodity dealer' does not include a person solely because the person—

''(i) enters into a digital commodity transaction with an eligible contract participant;

''(ii) enters into a digital commodity transaction on or through a registered digital commodity exchange;

''(iii) enters into a digital commodity transaction for the person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business;

''(iv) enters into a digital commodity transaction the primary purpose of which is to make, send, receive, or facilitate payments, whether involving a payment service provider or on a peer-to-peer basis;

''(v) validates a digital commodity transaction, operates a node, or engages in similar activity to participate in facilitating, operating, or securing a blockchain system; or

''(vi) is a bank (as defined under section 3(a) of the Securities Exchange Act of 1934) engaging in certain banking activities with respect to a digital commodity in the same manner as a bank is excluded from the definition of a dealer under section 3(a)(5) of the Securities Exchange Act of 1934.

''(59) DIGITAL COMMODITY EXCHANGE.—The term 'digital commodity exchange' means a trading facility that offers or seeks to offer a cash or spot market in at least 1 digital commodity.

''(60) DIGITAL ASSET-RELATED DEFINITIONS.—

''(A) SECURITIES ACT OF 1933.—The terms 'affiliated person', 'blockchain system', 'decentralized governance system', 'decentralized system', 'digital asset', 'digital asset issuer', 'end user distribution', 'functional system', 'permitted payment stablecoin', 'related person', and 'restricted digital asset' have the meaning given the terms, respectively, under section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).

''(B) SECURITIES EXCHANGE ACT OF 1934.—The terms 'digital asset broker' and 'digital asset dealer' have the meaning given those terms, respectively, under section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

''(61) MIXED DIGITAL ASSET TRANSACTION.—The term 'mixed digital asset transaction' means an agreement, contract, or transaction involving a digital commodity and—

''(A) a security; or

''(B) a restricted digital asset.''.

SEC. 104. DEFINITIONS UNDER THIS ACT.

In this Act:

(1) DEFINITIONS UNDER THE COMMODITY EXCHANGE ACT.—The terms ''digital commodity'', ''digital commodity broker'', ''digital commodity dealer'', ''digital commodity exchange'', and ''mixed digital asset transaction'' have the meaning given those terms, respectively, under section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(2) DEFINITIONS UNDER THE SECURITIES ACT OF 1933.—The terms ''affiliated person'', ''blockchain'', ''blockchain system'', ''blockchain protocol'', ''decentralized system'', ''digital asset'', ''digital asset issuer'', ''digital asset maturity date'', ''digital asset trading system'', ''end user distribution'', ''functional system'', ''permitted payment stablecoin'', ''restricted digital asset'', ''securities laws'', and ''source code'' have the meaning given those terms, respectively, under section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).

(3) DEFINITIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934.—The terms ''Bank Secrecy Act'', ''digital asset broker'', ''digital asset dealer'', ''digital asset trading system'', and ''self-regulatory organization'' have the meaning given those terms, respectively, under section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

SEC. 105. RULEMAKINGS.

(a) DEFINITIONS.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly issue rules to further define the following terms:

(1) The terms ''affiliated person'', ''blockchain'', ''blockchain system'', ''blockchain protocol'', ''decentralized system'', ''decentralized governance system'', ''digital asset'', ''digital asset issuer'', ''digital asset maturity date'', ''end user distribution'', ''functional system'', ''related person'', ''restricted digital asset'', and ''source code'', as defined under section 2(a) of the Securities Act of 1933.

(2) The term ''digital commodity'', as defined under section 1a of the Commodity Exchange Act.

(b) JOINT RULEMAKING FOR EXCHANGES AND INTERMEDIARIES.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly issue rules to exempt persons dually registered with the Commodity Futures Trading Commission and the Securities and Exchange Commission from duplicative, conflicting, or unduly burdensome provisions of this Act, the securities laws, and the Commodity Exchange Act and the rules thereunder, to the extent such exemption would foster the development of fair and orderly markets in digital assets, be necessary or appropriate in the public interest, and be consistent with the protection of investors.

(c) JOINT RULEMAKING FOR MIXED DIGITAL ASSET TRANSACTIONS.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly issue rules applicable to mixed digital asset transactions under this Act and the amendments made by this Act, including by further defining such term.

(d) PROTECTION OF SELF-CUSTODY.—

(1) IN GENERAL.—The Financial Crimes Enforcement Network may not issue any rule or order that would prohibit a U.S. individual from—

(A) maintaining a hardware wallet, software wallet, or other means to facilitate such individual's own custody of digital assets; or

(B) conducting transactions with and self-custody of digital assets for any lawful purpose.

(2) RULE OF CONSTRUCTION.—Paragraph (1) may not be construed to limit the ability of Financial Crimes Enforcement Network to carry out any enforcement action.

(e) JOINT RULEMAKING, PROCEDURES, OR GUIDANCE FOR DELISTING.—Not later than 30 days after the date of the enactment of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly issue rules, procedures, or guidance (as determined appropriate by the Commissions) regarding the process to delist an asset for trading under sections 106 and 107 of this Act if the Commissions determine that the listing is inconsistent with the Commodity Exchange Act, the securities laws (including regulations under those laws), or this Act.

(f) JOINT RULEMAKING FOR CAPITAL REQUIREMENTS.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly issue rules to require a person with multiple registrations with the Commodity Futures Trading Commission, the Securities and Exchange Commission, or both such agencies to maintain sufficient capital to comply with the stricter of any applicable capital requirements to which such person is subject to by reason of such registrations.

SEC. 106. NOTICE OF INTENT TO REGISTER FOR DIGITAL COMMODITY EXCHANGES, BROKERS, AND DEALERS.

(a) IN GENERAL.—

(1) NOTICE OF INTENT TO REGISTER.—Any person may file a notice of intent to register with the Commodity Futures Trading Commission (in this subsection referred to as the ''Commission'') as a—

(A) digital commodity exchange, for a person intending to register as a digital commodity exchange under section 5i of the Commodity Exchange Act;

(B) digital commodity broker, for a person intending to register as a digital commodity broker under section 4u of such Act; or

(C) digital commodity dealer, for a person intending to register as a digital commodity dealer under section 4u of such Act.

(2) CONDITIONS.—A person filing a notice of intent to register under paragraph (1) shall be in compliance with this section if the person—

(A) submits to the Commission and continues to materially update a statement of the nature of the registrations the filer intends to pursue;

(B) submits to the Commission and continues to materially update the information required by subsections (b) and (c);

(C) complies with subsection (d);

(D) is a member of a futures association registered under section 17 of the Commodity Exchange Act, and complies with the rules of the association, including the rules of the association pertaining to customer disclosures and protection of customer assets; and

(E) pays all fees and penalties imposed on the person under section 510 of this Act.

(b) DISCLOSURE OF GENERAL INFORMATION.—A person filing a notice of intent to register under subsection (a) shall disclose to the Commission the following:

(1) Information concerning the management of the person, including information describing—

(A) the ownership and management of the person;

(B) the financial condition of the person;

(C) affiliated entities;

(D) potential conflicts of interest;

(E) the address of the person, including—

(i) the place of incorporation;

(ii) principal place of business; and

(iii) an address for service of process; and

(F) a list of the States in which the person has operations.

(2) Information concerning the operations of the person, including—

(A) a general description of the person's business and the terms of service for United States customers;

(B) a description of the person's account approval process;

(C) any rulebook or other customer order fulfilment rules;

(D) risk management procedures;

(E) a description of the product listing process; and

(F) anti-money laundering policies and procedures.

(c) LISTING INFORMATION.—A person filing a notice of intent to register under subsection (a) shall provide to the Commission and the Securities and Exchange Commission a detailed description of—

(1) the specific characteristics of each digital asset listed or offered by the person, including information regarding the digital asset's market activity, distribution, and functional use; and

(2) the product listing determination made by the person for each asset listed or offered for trading by the person.

(d) REQUIREMENTS.—A person filing a notice of intent to register under subsection (a) shall comply with the following requirements:

(1) STATUTORY DISQUALIFICATIONS.—Except to the extent otherwise specifically provided by Commission or registered futures association rule, regulation, or order, the person shall not permit an individual who is subject to a statutory disqualification under paragraph (2) or (3) of section 8a of the Commodity Exchange Act to effect or be involved in effecting transactions on behalf of the person, if the person knew, or in the exercise of reasonable care should have known, of the statutory disqualification.

(2) BOOKS AND RECORDS.—The person shall keep their books and records open to inspection and examination by the Commission and by any registered futures association of which the person is a member.

(3) CUSTOMER DISCLOSURES.—The person shall disclose to customers—

(A) information about the material risks and characteristics of the assets listed for trading on the person;

(B) information about the material risks and characteristics of the transactions facilitated by the person;

(C) information about the location and manner in which the digital assets of the customer will be and are custodied;

(D) information concerning the policies and procedures of the person that are related to the protection of the data of customers of the person; and

(E) in their disclosure documents, offering documents, and promotional material—

(i) in a prominent manner, that they are not registered with or regulated by the Commission; and

(ii) the contact information for the whistleblower, complaint, and reparation programs of the Commission.

(4) CUSTOMER ASSETS.—

(A) IN GENERAL.—The person shall—

(i) hold customer money, assets, and property in a manner to minimize the risk of loss to the customer or unreasonable delay in customer access to money, assets, and property of the customer;

(ii) treat and deal with all money, assets, and property, including any rights associated with any such money, assets, or property, of any customer received as belonging to the customer;

(iii) calculate the total digital asset obligations of the person, and at all times hold money, assets, or property equal to or in excess of the total digital asset obligations; and

(iv) not commingle such money, assets and property held to meet the total commodity obligation with the funds of the person or use the money, assets, or property to margin, secure, or guarantee any trade or contract, or to secure or extend the credit, of any customer or person other than the one for whom the same are held, except that—

(I) the money, assets, and property of any customer may be commingled with that of any other customer, if separately accounted for; and

(II) the share of the money, assets, and property, as in the normal course of business are necessary to margin, guarantee, secure, transfer, adjust, or settle a contract of sale of a commodity asset, may be withdrawn and applied to do so, including the payment of commissions, brokerage, interest, taxes, storage, and other charges lawfully accruing in connection with the contract of sale of a digital commodity.

(B) ADDITIONAL RESOURCES.—

(i) IN GENERAL.—This section shall not prevent or be construed to prevent the person from adding to the customer money, assets, and property required to be segregated under subparagraph (A), additional amounts of money, assets, or property from the account of the person as the person determines necessary to hold money, assets, or property equal to or in excess of the total digital asset obligations of the person.

(ii) TREATMENT AS CUSTOMER FUNDS.—Any money, assets, or property deposited pursuant to clause (i) shall be considered customer property within the meaning of this subsection.

(e) COMPLIANCE.—

(1) IN GENERAL.—A person who has filed a notice of intent to register under this section and is in compliance with this section shall be exempt from Securities and Exchange Commission rules and regulations pertaining to registering as a national securities exchange, broker, dealer, or clearing agency, for activities related to a digital asset.

(2) NONCOMPLIANCE.—Paragraph (1) shall not apply if, after notice from the Commission and a reasonable opportunity to correct the deficiency, a person who has submitted a notice of intent to register is not in compliance with this section.

(3) ANTI-FRAUD AND ANTI-MANIPULATION.—Paragraph (1) shall not be construed to limit any anti-fraud, anti-manipulation, or false reporting enforcement authority of the Commission, the Securities and Exchange Commission, a registered futures association, or a national securities association.

(4) DELISTING.—Paragraph (1) shall not be construed to limit the authority of the Commission and the Securities and Exchange Commission to jointly require a person to delist an asset for trading if the Commission and the Securities and Exchange Commission determines that the listing is inconsistent with the Commodity Exchange Act, the securities laws (including regulations under those laws), or this Act.

(f) REGISTRATION.—

(1) IN GENERAL.—A person may not file a notice of intent to register with the Commission after the Commission has finalized its rules for the registration of digital commodity exchanges, digital commodity brokers, or digital commodity dealers, as appropriate.

(2) TRANSITION TO REGISTRATION.—Subsection (e)(1) shall not apply to a person who has submitted a notice of intent to register if—

(A) the Commission—

(i) determines that the person has failed to comply with the requirements of this section; or

(ii) denies the application of the person to register; or

(B) the digital commodity exchange, digital commodity broker, or digital commodity dealer that filed a notice of intent to register failed to apply for registration as such with the Commission within 180 days after the effective date of the final rules of the Commission for the registration of digital commodity exchanges, digital commodity brokers, or digital commodity dealers, as appropriate.

(g) RULEMAKING.—

(1) IN GENERAL.—Within 180 days after the date of the enactment of this Act, a registered futures association shall adopt and enforce rules applicable to persons required by subsection (a)(3) to be members of the association.

(2) FEES.—The rules adopted under paragraph (1) may provide for dues in accordance with section 17(b)(6) of the Commodity Exchange Act.

(3) EFFECT.—A registered futures association shall submit to the Commission any rule adopted under paragraph (1), which shall take effect pursuant to the requirements of section 17(j) of the Commodity Exchange Act.

(h) LIABILITY OF THE FILER.—It shall be unlawful for any person to provide false information in support of a filing under this section if the person knew or reasonably should have known that the information was false.

(i) WHISTLEBLOWER ENFORCEMENT.—For purposes of section 23 of the Commodity Exchange Act, the term ''this Act'' includes this section.

SEC. 107. NOTICE OF INTENT TO REGISTER FOR DIGITAL ASSET BROKERS, DEALERS, AND TRADING SYSTEMS.

(a) IN GENERAL.—

(1) NOTICE OF INTENT TO REGISTER.—Any person may file a notice of intent to register with

the Securities and Exchange Commission (in this section referred to as the ''Commission'') as—

(A) a digital asset trading system, for a person intending to register as a digital asset trading system under section 6(m) of the Securities Exchange Act of 1934;

(B) a digital asset broker, for a person intending to register as a digital asset broker under section 15H of the Securities Exchange Act of 1934; or

(C) a digital asset dealer, for a person intending to register as a digital asset dealer under section 15H of the Securities Exchange Act of 1934.

(2) CONDITIONS.—A person filing a notice of intent to register under paragraph (1) shall be in compliance with this section if the person—

(A) submits to the Commission and continues to materially update a statement of the nature of the registrations the filer intends to pursue;

(B) submits to the Commission and continues to materially update the information required by subsections (b) and (c);

(C) complies with the requirements of subsection (d); and

(D) is a member of a national securities association registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) and complies with the rules of the association, including the rules of the association pertaining to customer disclosures and protection of customer assets.

(b) DISCLOSURE OF GENERAL INFORMATION.—A person filing a notice of intent to register under subsection (a) shall disclose to the Commission the following:

(1) Information concerning the management of the person, including information describing—

(A) the ownership and management of the person;

(B) the financial condition of the person;

(C) affiliated entities;

(D) potential conflicts of interest;

(E) the address of the person, including—

(i) the place of incorporation;

(ii) the principal place of business; and

(iii) an address for service of process; and

(F) a list of the States in which the person has operations.

(2) Information concerning the operations of the person, including—

(A) a general description of the person's business and the terms of service for United States customers;

(B) a description of the person's account approval process;

(C) any rulebook or other customer order fulfilment rules;

(D) risk management procedures;

(E) a description of the product listing process; and

(F) anti-money laundering policies and procedures.

(c) LISTING INFORMATION.—A person filing a notice of intent to register under subsection (a) shall provide to the Commission and the Commodity Futures Trading Commission a detailed description of—

(1) the specific characteristics of each digital asset listed or offered for trading by the person, including information regarding the digital asset's market activity, distribution, and functional use; and

(2) the product listing determination made by the person for each asset listed or offered for trading by the person.

(d) REQUIREMENTS.—A person filing a notice of intent to register under subsection (a) shall comply with the following requirements:

(1) STATUTORY DISQUALIFICATION.—Except to the extent otherwise specifically provided by Commission or a national securities association rule, regulation, or order, the person may not permit an individual who is subject to a statutory disqualification (as defined under section 3(a) of the Securities Exchange Act of 1934) to effect or be involved in effecting transactions on behalf of the person if the person knows, or in the exercise of reasonable discretion should know, the individual is subject to a statutory disqualification.

(2) BOOKS AND RECORDS.—The person shall keep their books and records open to inspection and examination by the Commission and any national securities association of which they are a member.

(3) CUSTOMER DISCLOSURES.—The person shall disclose to customers—

(A) information about the material risks and characteristics of the assets listed for trading on the person;

(B) information about the material risks and characteristics of the transactions facilitated by the person;

(C) information about the location and manner in which the digital assets of the customer will be and are custodied;

(D) information concerning the person's policies and procedures related to the protection of customers' data; and

(E) in their disclosure documents, offering documents, and promotional material—

(i) in a prominent manner, that they are not registered with or regulated by the Commission; and

(ii) the contact information for the whistleblower, complaint, and reparation programs of the Commission.

(4) CUSTOMER ASSETS.—

(A) IN GENERAL.—The person shall—

(i) hold customer money, assets, and property in a manner to minimize the risk of loss to the customer or unreasonable delay in customer access to money, assets, and property of the customer;

(ii) treat and deal with all money, assets, and property, including any rights associated with any such money, assets, or property, of any customer received as belonging to the customer;

(iii) segregate all money, assets, and property received from any customer of the person from the funds of the person, except that—

(I) the money, assets, and property of any customer may be commingled with that of any other customer, if separately accounted for; and

(II) the share of the money, assets, and property, as in the normal course of business are necessary to margin, guarantee, secure, transfer, adjust, or settle a contract of sale of a digital asset, may be withdrawn and applied to do so, including the payment of commissions, brokerage, interest, taxes, storage, and other charges lawfully accruing in connection with the contract of sale of a digital asset.

(B) ADDITIONAL RESOURCES.—

(i) IN GENERAL.—This section shall not prevent or be construed to prevent the person from adding to the customer money, assets, and property required to be segregated under subparagraph (A) additional amounts of money, assets, or property from the account of the person as the person determines necessary to hold money, assets, or property equal to or in excess of the total digital asset obligation of the person.

(ii) TREATMENT AS CUSTOMER FUNDS.—Any money, assets, or property deposited pursuant to clause (i) shall be considered customer property within the meaning of this subsection.

(e) COMPLIANCE.—

(1) IN GENERAL.—A person who has filed a notice of intent to register under this section and is in compliance with this section shall be exempt from Commission rules and regulations pertaining to registering as a national securities exchange, broker, dealer, or clearing agency, for activities related to a digital asset.

(2) NONCOMPLIANCE.—Paragraph (1) shall not apply if, after notice from the Commission and a reasonable opportunity to correct the deficiency, a person who has submitted a notice of intent to register is not in compliance with this section.

(3) ANTI-FRAUD AND ANTI-MANIPULATION.—Paragraph (1) shall not be construed to limit any fraud, anti-manipulation, or false reporting enforcement authority of the Commission, the Commodity Futures Trading Commission, a registered futures association, or a national securities association.

(4) DELISTING.—Paragraph (1) shall not be construed to limit the authority of the Commission and the Commodity Futures Trading Commission to jointly require a person to delist an asset for trading if the Commission and the Commodity Futures Trading Commission determines that the listing is inconsistent with the Commodity Exchange Act, the securities laws (including regulations under those laws), or this Act.

(f) REGISTRATION.—

(1) IN GENERAL.—A person may not file a notice of intent to register with the Commission after the Commission has finalized its rules for the registration of digital asset brokers, digital asset dealers, digital asset trading systems, and notice-registered clearing agencies, as appropriate.

(2) TRANSITION TO REGISTRATION.—Subsection (e)(1) shall not apply to a person who has submitted a notice of intent to register if—

(A) the Commission—

(i) determines that the person has failed to comply with the requirements of this section; or

(ii) denies the application of the person to register; or

(B) the digital asset broker, digital asset dealer, or digital asset trading system that filed a notice of intent to register failed to apply for registration as such with the Commission within 180 days after the effective date of the Commission's final rules for the registration of digital asset brokers, digital asset dealers, and digital asset trading systems, as appropriate.

(g) LIABILITY OF THE FILER.—It shall be unlawful for any person to provide false information in support of a filing under this section if the person knew or reasonably should have known that the information was false.

(h) NATIONAL SECURITIES ASSOCIATION.—

(1) IN GENERAL.—A national securities association may adopt and enforce rules written specifically for persons filing a notice of intent to register under subsection (a), including rules that prescribe reasonable fees and charges to defray the costs of the national securities association related to overseeing such persons.

(2) APPROVAL BY THE COMMISSION.—With respect to a provisional rule described under paragraph (1) filed with the Commission, the Commission shall—

(A) not later than 90 days following the date of such filing, approve the rule if the Commission determines that the rule effectuates the purposes of this section; and

(B) make such approval on a summary basis pursuant to section 19(b)(3)(B) of the Securities Exchange Act of 1934.

(i) WHISTLEBLOWER ENFORCEMENT.—For purposes of section 21F of the Securities Exchange Act of 1934 (15 U.S.C. 78u-6), the term ''securities laws'' includes this section.

SEC. 108. COMMODITY EXCHANGE ACT SAVINGS PROVISIONS.

(a) IN GENERAL.—Nothing in this Act shall affect or apply to, or be interpreted to affect or apply to—

(1) any agreement, contract, or transaction that is subject to the Commodity Exchange Act as—

(A) a contract of sale of a commodity for future delivery or an option on such a contract;

(B) a swap;

(C) a security futures product;

(D) an option authorized under section 4c of such Act;

(E) an agreement, contract, or transaction described in section 2(c)(2)(C)(i) of such Act; or

(F) a leverage transaction authorized under section 19 of such Act; or

(2) the activities of any person with respect to any such agreement, contract, or transaction.

(b) PROHIBITIONS ON SPOT DIGITAL COMMODITY ENTITIES.—Nothing in this Act authorizes, or shall be interpreted to authorize, a digital commodity exchange, digital commodity

broker, or digital commodity dealer to engage in any activities involving any transaction, contract, or agreement described in subsection (a)(1), solely by virtue of being registered or filing notice of intent to register as a digital commodity exchange, digital commodity broker, or digital commodity dealer.

(c) DEFINITIONS.—In this section, each term shall have the meaning provided in the Commodity Exchange Act or the regulations prescribed under such Act.

SEC. 109. ADMINISTRATIVE REQUIREMENTS.

(a) SECURITIES AND EXCHANGE ACT OF 1934.—Section 21A of the Securities and Exchange Act of 1934 (15 U.S.C. 78u-1) is amended by adding at the end the following:

''(j) DUTY OF MEMBERS AND FEDERAL EMPLOYEES RELATED TO DIGITAL ASSETS.—

''(1) IN GENERAL.—Solely for purposes of the insider trading prohibitions arising under this Act, including section 10 and Rule 10b–5 thereunder, each individual who is a Member of Congress, an employee of Congress, or an employee or agent of any department or agency of the Federal Government owes a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States with respect to material, nonpublic information related to a restricted digital asset that is derived from such individual's position as a Member of Congress, employee of Congress, or as an employee or agent of a department or agency of the Federal Government or gained from the performance of such individual's official responsibilities.

''(2) DEFINITIONS.—In this subsection, the terms 'Member of Congress' and 'employee of Congress' have the meaning given those terms, respectively, under subsection (g)(2).''.

(b) COMMODITY EXCHANGE ACT.—Section 4c(a) of the Commodity Exchange Act (7 U.S.C. 6c(a)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking ''or'' at the end;

(B) in subparagraph (C), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(D) a contract of sale of a digital commodity.'';

(2) in paragraph (4)—

(A) in subparagraph (A)—

(i) in clause (ii), by striking ''or'' at the end;

(ii) in clause (iii), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(iv) a contract of sale of a digital commodity.'';

(B) in subparagraph (B)—

(i) in clause (ii), by striking ''or'' at the end;

(ii) in clause (iii), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(iv) a contract of sale of a digital commodity.''; and

(C) in subparagraph (C)—

(i) in clause (ii), by striking ''or'' at the end;

(ii) by striking ''(iii) a swap, provided however,'' and inserting the following:

''(iii) a swap; or

''(iv) a contract of sale of a digital commodity, provided, however,''; and

(iii) by striking ''clauses (i), (ii), or (iii)'' and insert ''any of clauses (i) through (iv)''.

SEC. 110. INTERNATIONAL HARMONIZATION.

In order to promote effective and consistent global regulation of digital assets, the Commodity Futures Trading Commission and the Securities and Exchange Commission, as appropriate—

(1) shall consult and coordinate with foreign regulatory authorities on the establishment of consistent international standards with respect to the regulation of digital assets, restricted digital assets, and digital commodities; and

(2) may agree to such information-sharing arrangements as may be deemed to be necessary or appropriate in the public interest or for the protection of investors, customers, and users of digital assets.

SEC. 111. IMPLEMENTATION.

(a) GLOBAL RULEMAKING TIMEFRAME.—Unless otherwise provided in this Act or an amendment made by this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission, or both, shall individually, and jointly where required, promulgate rules and regulations required of each Commission under this Act or an amendment made by this Act not later than 360 days after the date of enactment of this Act.

(b) RULES AND REGISTRATION BEFORE FINAL EFFECTIVE DATES.—

(1) IN GENERAL.—In order to prepare for the implementation of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission may, before any effective date provided in this Act—

(A) promulgate rules, regulations, or orders permitted or required by this Act;

(B) conduct studies and prepare reports and recommendations required by this Act;

(C) register persons under this Act; and

(D) exempt persons, agreements, contracts, or transactions from provisions of this Act, under the terms contained in this Act.

(2) LIMITATION ON EFFECTIVENESS.—An action by the Commodity Futures Trading Commission or the Securities and Exchange Commission under paragraph (1) shall not become effective before the effective date otherwise applicable to the action under this Act.

TITLE II—CLARITY FOR ASSETS OFFERED AS PART OF AN INVESTMENT CONTRACT

SEC. 201. SHORT TITLE.

This title may be referred to as the ''Securities Clarity Act of 2024''.

SEC. 202. TREATMENT OF INVESTMENT CONTRACT ASSETS.

(a) SECURITIES ACT OF 1933.—Section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)), as amended by section 101, is further amended—

(1) in paragraph (1), by adding at the end the following: ''The term 'security' does not include an investment contract asset.''; and

(2) by adding at the end the following:

''(37) The term 'investment contract asset' means a fungible digital representation of value—

''(A) that can be exclusively possessed and transferred, person to person, without necessary reliance on an intermediary, and is recorded on a cryptographically secured public distributed ledger;

''(B) sold or otherwise transferred, or intended to be sold or otherwise transferred, pursuant to an investment contract; and

''(C) that is not otherwise a security pursuant to the first sentence of paragraph (1).''.

(b) INVESTMENT ADVISERS ACT OF 1940.—Section 202(a)(18) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(18)) is amended by adding at the end the following: ''The term 'security' does not include an investment contract asset (as such term is defined under section 2(a) of the Securities Act of 1933).''.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 2(a)(36) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(36)) is amended by adding at the end the following: ''The term 'security' does not include an investment contract asset (as such term is defined under section 2(a) of the Securities Act of 1933).''.

(d) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)) is amended by adding at the end the following: ''The term 'security' does not include an investment contract asset (as such term is defined under section 2(a) of the Securities Act of 1933).''.

(e) SECURITIES INVESTOR PROTECTION ACT OF 1970.—Section 16(14) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78lll(14)) is amended by adding at the end the following: ''The term 'security' does not include an investment contract asset (as such term is defined under section 2(a) of the Securities Act of 1933).''.

TITLE III—OFFERS AND SALES OF DIGITAL ASSETS

SEC. 301. EXEMPTED TRANSACTIONS IN DIGITAL ASSETS.

(a) IN GENERAL.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(1) in section 4(a), by adding at the end the following:

''(8) transactions involving the offer or sale of units of a digital asset by a digital asset issuer, if—

''(A) the aggregate amount of units of the digital asset sold by the digital asset issuer in reliance on the exemption provided under this paragraph, during the 12-month period preceding the date of such transaction, including the amount sold in such transaction, is not more than $75,000,000 (as such amount is annually adjusted by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor);

''(B) with respect to a transaction involving the purchase of units of a digital asset by a person who is not an accredited investor, the aggregate amount of all units of digital assets purchased by such person during the 12-month period preceding the date of such transaction, including the unit of a digital asset purchased in such transaction, does not exceed the greater of—

''(i) 10 percent of the person's annual income or joint income with that person's spouse or spousal equivalent; or

''(ii) 10 percent of the person's net worth or joint net worth with the person's spouse or spousal equivalent;

''(C) after the completion of the transaction, the purchaser does not own more than 10 percent of the total amount of the units of the digital asset sold in reliance on the exemption under this paragraph;

''(D) the transaction does not involve the offer or sale of any digital asset not offered as part of an investment contract;

''(E) the transaction does not involve the offer or sale of a unit of a digital asset by a digital asset issuer that—

''(i) is not organized under the laws of a State, a territory of the United States, or the District of Columbia;

''(ii) is a development stage company that either—

''(I) has no specific business plan or purpose; or

''(II) has indicated that the business plan of the company is to merge with or acquire an unidentified company;

''(iii) is an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3), or is excluded from the definition of investment company by section 3(b) or section 3(c) of that Act (15 U.S.C. 80a–3(b) or 80a–3(c));

''(iv) is issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights;

''(v) is, or has been, subject to any order of the Commission entered pursuant to section 12(j) of the Securities Exchange Act of 1934 during the 5-year period before the filing of the offering statement; or

''(vi) is disqualified pursuant to section 230.262 of title 17, Code of Federal Regulations; and

''(F) the issuer meets the requirements of section 4B(a).''; and

(2) by inserting after section 4A the following:

''SEC. 4B. REQUIREMENTS WITH RESPECT TO CERTAIN DIGITAL ASSET TRANSACTIONS.

''(a) REQUIREMENTS FOR DIGITAL ASSET ISSUERS.—

''(1) INFORMATION REQUIRED IN STATEMENT.—A digital asset issuer offering or selling a unit of digital asset in reliance on section 4(a)(8) shall file with the Commission a statement containing the following information:

''(A) The name, legal status (including the jurisdiction in which the issuer is organized and the date of organization), and website of the digital asset issuer.

''(B) The address and telephone number of the issuer or a legal representative of the issuer.

''(C) A certification that the digital asset issuer meets the relevant requirements described under section 4(a)(8).

''(D) An overview of the material aspects of the offering.

''(E) A description of the purpose and intended use of the offering proceeds.

''(F) A description of the plan of distribution of any unit of a digital asset that is to be offered.

''(G) A description of the material risks surrounding ownership of a unit of a digital asset.

''(H) A description of the material aspects of the digital asset issuer's business.

''(I) A description of exempt offerings conducted within the past three years by the digital asset issuer.

''(J) A description of the digital asset issuer and the current number of employees of the digital asset issuer.

''(K) A description of any material transactions or relationships between the digital asset issuer and affiliated persons.

''(L) A description of exempt offerings conducted within the past three years.

''(2) INFORMATION REQUIRED FOR PURCHASERS.—A digital asset issuer that has filed a statement under paragraph (1) to offer and sell a unit of a digital asset in reliance on section 4(a)(8) shall disclose the information described under section 43 of the Securities Exchange Act of 1934 on a freely accessible public website.

''(3) ONGOING DISCLOSURE REQUIREMENTS.—A digital asset issuer that has filed a statement under paragraph (1) to offer and sell a unit of a digital asset in reliance on section 4(a)(8) shall file the following with the Commission:

''(A) ANNUAL REPORTS.—An annual report that includes any material changes to the information described under paragraph (2) for the current fiscal year and for any fiscal year thereafter, unless the issuer is no longer obligated to file such annual report pursuant to paragraph (4).

''(B) SEMIANNUAL REPORTS.—Along with each annual report required under subparagraph (A), and separately six months thereafter, a report containing—

''(i) an updated description of the current state and timeline for the development of the blockchain system to which the digital asset relates, showing how and when the blockchain system intends or intended to be considered a functional system and a decentralized system;

''(ii) the amount of money raised by the digital asset issuer in reliance on section 4(a)(8), how much of that money has been spent, and the general categories and amounts on which that money has been spent; and

''(iii) any material changes to the information in the most recent annual report.

''(C) CURRENT REPORTS.—A current report shall be filed with the Commission reflecting any material changes to the information previously reported to the Commission by the digital asset issuer.

''(4) TERMINATION OF REPORTING REQUIREMENTS.—

''(A) IN GENERAL.—The ongoing reporting requirements under paragraph (3) shall not apply to a digital asset issuer 180 days after the end of the covered fiscal year.

''(B) COVERED FISCAL YEAR DEFINED.—In this paragraph, the term 'covered fiscal year' means the first fiscal year of an issuer in which the blockchain system to which the digital asset relates is a functional system and certified to be a decentralized system under section 44 of the Securities Exchange Act of 1934.

''(b) REQUIREMENTS FOR INTERMEDIARIES.—

''(1) IN GENERAL.—A person acting as an intermediary in a transaction involving the offer or sale of a unit of a digital asset in reliance on section 4(a)(8) shall—

''(A) register with the Commission as a digital asset broker; and

''(B) be a member of a national securities association registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3).

''(2) PURCHASER QUALIFICATION.—

''(A) IN GENERAL.—Each time, before accepting any commitment (including any additional commitment from the same person), an intermediary or digital asset issuer shall have a reasonable basis for believing that the purchaser satisfies the requirements of section 4(a)(8).

''(B) RELIANCE ON PURCHASER'S REPRESENTATIONS.—For purposes of subparagraph (A), an intermediary or digital asset issuer may rely on a purchaser's representations concerning the purchaser's annual income and net worth and the amount of the purchaser's other investments made, unless the intermediary or digital asset issuer has reason to question the reliability of the representation.

''(C) RELIANCE ON ISSUER.—For purposes of determining whether a transaction meets the requirements described under subparagraph (A) through (C) of section 4(a)(8), an intermediary may rely on the efforts of a digital asset issuer.

''(c) ADDITIONAL PROVISIONS.—

''(1) ACCEPTANCE OF WRITTEN OFFERS; SALES.—After an issuer files a statement under paragraph (1) to offer and sell a digital asset in reliance on section 4(a)(8)—

''(A) written offers of the digital asset may be made; and

''(B) the issuer may sell the digital assets in reliance on section 4(a)(8), if such sales meet all other requirements.

''(2) SOLICITATION OF INTEREST.—

''(A) IN GENERAL.—At any time before the filing of a statement under paragraph (1), a digital asset issuer may communicate orally or in writing to determine whether there is any interest in a contemplated offering. Such communications are deemed to be an offer of a unit of a digital asset for sale for purposes of the antifraud provisions of the Federal securities laws. No solicitation or acceptance of money or other consideration, nor of any commitment, binding or otherwise, from any person is permitted until the statement is filed.

''(B) CONDITIONS.—In any communication described under subparagraph (A), the digital asset issuer shall—

''(i) state that no money or other consideration is being solicited, and if sent in response, will not be accepted;

''(ii) state that no offer to buy a unit of a digital asset can be accepted and no part of the purchase price can be received until the statement is filed and then only through an intermediary; and

''(iii) state that a person's indication of interest involves no obligation or commitment of any kind.

''(C) INDICATIONS OF INTEREST.—Any written communication described under subparagraph (A) may include a means by which a person may indicate to the digital asset issuer that such person is interested in a potential offering. A digital asset issuer may require a name, address, telephone number, or email address in any response form included with a communication described under subparagraph (A).

''(3) DISQUALIFICATION PROVISIONS.—The Commission shall issue rules to apply the disqualification provisions under section 230.262 of title 17, Code of Federal Regulations, to the exemption provided under section 4(a)(8).''.

(b) ADDITIONAL EXEMPTIONS.—

(1) CERTAIN REGISTRATION REQUIREMENTS.—Section 12(g)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(6)) is amended by striking ''under section 4(6)'' and inserting ''under section 4(a)(6) or 4(a)(8)''.

(2) EXEMPTION FROM STATE REGULATION.—Section 18(b)(4) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)) is amended—

(A) in section (B), by striking ''section 4(4)'' and inserting ''section 4(a)(4)'';

(B) in section (C), by striking ''section 4(6)'' and inserting ''section 4(a)(6)'';

(C) in subparagraph (F)—

(i) by striking ''section 4(2)'' each place such term appears and inserting ''section 4(a)(2)'';

(ii) by striking ''or'' at the end;

(D) in subparagraph (G), by striking the period and inserting ''; or''; and

(E) by adding at the end the following:

''(H) section 4(a)(8).''.

SEC. 302. REQUIREMENTS FOR OFFERS AND SALES OF CERTAIN DIGITAL ASSETS.

(a) IN GENERAL.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding at the end the following:

''SEC. 42. REQUIREMENTS FOR OFFERS AND SALES OF CERTAIN DIGITAL ASSETS.

''(a) OFFERS AND SALES OF CERTAIN RESTRICTED DIGITAL ASSETS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, subject to paragraph (2), a restricted digital asset may be offered and sold on a digital asset trading system by any person other than a digital asset issuer if, at the time of such offer or sale, any blockchain system to which the restricted digital asset relates is a functional system and the information described in section 43 has been certified and made publicly available for any blockchain system to which the restricted digital asset relates.

''(2) ADDITIONAL RULES FOR RELATED PERSONS AND AFFILIATED PERSONS.—Except as provided under subsection (c), a restricted digital asset owned by a related person or an affiliated person may only be offered or sold after 12 months after the later of—

''(A) the date on which such restricted digital asset was acquired; or

''(B) the digital asset maturity date.

''(b) OFFERS AND SALES OF CERTAIN DIGITAL COMMODITIES.—

''(1) IN GENERAL.—Subject to paragraph (2), a digital commodity may be offered and sold by any person.

''(2) RULES FOR RELATED AND AFFILIATED PERSONS.—Except as provided under subsection (c), a digital commodity may only be offered or sold by a related person or an affiliated person if—

''(A) the holder of the digital commodity originally acquired the digital asset while it was a restricted digital asset not less than 12 months after the later of—

''(i) the date on which such restricted digital asset was acquired; or

''(ii) the digital asset maturity date;

''(B) any blockchain system to which the digital commodity relates is certified to be a decentralized system under section 44; and

''(C) the digital commodity is offered or sold on or subject to the rules of a digital commodity exchange registered under section 5i of the Commodity Exchange Act.

''(3) NOT AN INVESTMENT CONTRACT.—For purposes of the securities laws, an offer or sale of a digital commodity that does not violate paragraph (2) shall not be a transaction in an investment contract.

''(c) SALES RESTRICTIONS FOR AFFILIATED PERSONS.—A digital asset may be offered and sold by an affiliated person under subsection (a) or (b) if—

''(1) the aggregate amount of such digital assets sold in any 3-month period by the affiliated person is not greater than one percent of the digital assets then outstanding; or

''(2) the affiliated person promptly, following the placement of an order to sell one percent or more of the digital assets then outstanding during any 3-month period, reports the sale to—

''(A) the Commodity Futures Trading Commission, in the case of an order to sell a digital

commodity on or subject to the rules of a digital commodity exchange; or

''(B) the Securities and Exchange Commission, in the case of a sell order for a restricted digital asset placed with a digital asset trading system.

''(d) TREATMENT OF CERTAIN END USER DISTRIBUTIONS UNDER THE SECURITIES LAWS.—

''(1) IN GENERAL.—With respect to a digital asset, an end user distribution is described under this paragraph if—

''(A) each blockchain system to which such digital asset relates is a functional system; and

''(B) with respect to the digital asset and each blockchain system to which such digital asset relates, the information described in section 43 has been certified and made publicly available.

''(2) NOT AN INVESTMENT CONTRACT.—For purposes of the securities laws, an end user distribution described under paragraph (1) shall not be a transaction in an investment contract.

''(3) EXEMPTION.—Section 5 of the Securities Act of 1933 (15 U.S.C. 77e) shall not apply to an end user distribution described under paragraph (1) or a transaction in a unit of digital asset issued in such a distribution.''.

(b) RULE OF CONSTRUCTION.—Nothing in this Act or the amendments made by this Act may be construed to restrict the use of a digital asset, except as expressly provided in connection with—

(1) the offer or sale of a restricted digital asset or digital commodity; or

(2) an intermediary's custody of a restricted digital asset or digital commodity.

SEC. 303. ENHANCED DISCLOSURE REQUIREMENTS.

Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended by section 302, is further amended by adding at the end the following:

''SEC. 43. ENHANCED DISCLOSURE REQUIREMENTS WITH RESPECT TO DIGITAL ASSETS.

''(a) DISCLOSURE INFORMATION.—With respect to a digital asset and any blockchain system to which the digital asset relates, the information described under this section is as follows:

''(1) SOURCE CODE.—The source code for any blockchain system to which the digital asset relates.

''(2) TRANSACTION HISTORY.—A description of the steps necessary to independently access, search, and verify the transaction history of any blockchain system to which the digital asset relates.

''(3) DIGITAL ASSET ECONOMICS.—A description of the purpose of any blockchain system to which the digital asset relates and the operation of any such blockchain system, including—

''(A) information explaining the launch and supply process, including the number of digital assets to be issued in an initial allocation, the total number of digital assets to be created, the release schedule for the digital assets, and the total number of digital assets then outstanding;

''(B) information on any applicable consensus mechanism or process for validating transactions, method of generating or mining digital assets, and any process for burning or destroying digital assets on the blockchain system;

''(C) an explanation of governance mechanisms for implementing changes to the blockchain system or forming consensus among holders of such digital assets; and

''(D) sufficient information for a third party to create a tool for verifying the transaction history of the digital asset.

''(4) PLAN OF DEVELOPMENT.—The current state and timeline for the development of any blockchain system to which the digital asset relates, showing how and when the blockchain system intends or intended to be considered a functional system and decentralized system.

''(5) DEVELOPMENT DISCLOSURES.—A list of all persons who are related persons or affiliated persons who have been issued a unit of a digital asset by a digital asset issuer or have a right to a unit of a digital asset from a digital asset issuer.

''(6) RISK FACTOR DISCLOSURES.—A description of the material risks surrounding ownership of a unit of a digital asset.

''(b) CERTIFICATION.—

''(1) IN GENERAL.—With respect to a digital asset and any blockchain system to which the digital asset relates, the information described under this section has been certified if the digital asset issuer, an affiliated person, a decentralized governance system, or a digital commodity exchange certifies on a quarterly basis to the Commodity Futures Trading Commission and the Securities and Exchange Commission that the information is true and correct.

''(2) PRIOR DISCLOSURES.—Information described under this section which was made available to the public prior to the date of enactment of this section may be certified as true and correct on the date such information was published in final form.

''(3) RULEMAKING.—The Commission and the Commodity Futures Trading Commission may jointly issue rules regarding the certification process described under paragraph (1).''.

SEC. 304. CERTIFICATION OF CERTAIN DIGITAL ASSETS.

Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended by section 303, is further amended by adding at the end the following:

''SEC. 44. CERTIFICATION OF CERTAIN DIGITAL ASSETS.

''(a) CERTIFICATION.—Any person may certify to the Securities and Exchange Commission that the blockchain system to which a digital asset relates is a decentralized system.

''(b) FILING REQUIREMENTS.—A certification described under subsection (a) shall be filed with the Commission, and include—

''(1) information regarding the person making the certification;

''(2) a description of the blockchain system and the digital asset which relates to such blockchain system, including—

''(A) the operation of the blockchain system;

''(B) the functionality of the related digital asset;

''(C) any decentralized governance system which relates to the blockchain system; and

''(D) the process to develop consensus or agreement within such decentralized governance system;

''(3) a description of the development of the blockchain system and the digital asset which relates to the blockchain system, including—

''(A) a history of the development of the blockchain system and the digital asset which relates to such blockchain system;

''(B) a description of the issuance process for the digital asset which relates to the blockchain system;

''(C) information identifying the digital asset issuer of the digital asset which relates to the blockchain system; and

''(D) a list of any affiliated person related to the digital asset issuer;

''(4) an analysis of the factors on which such person based the certification that the blockchain system is a decentralized system, including—

''(A) an explanation of the protections and prohibitions available during the previous 12 months against any one person being able to—

''(i) control or materially alter the blockchain system;

''(ii) exclude any other person from using or participating on the blockchain system; and

''(iii) exclude any other person from participating in a decentralized governance system;

''(B) information regarding the beneficial ownership of the digital asset which relates to such blockchain system and the distribution of voting power in any decentralized governance system during the previous 12 months;

''(C) information regarding the history of upgrades to the source code for such blockchain system during the previous 3 months, including—

''(i) a description of any consensus or agreement process utilized to process or approve changes to the source code;

''(ii) a list of any material changes to the source code, the purpose and effect of the changes, and the contributor of the changes, if known; and

''(iii) any changes to the source code made by the digital asset issuer, a related person, or an affiliated person;

''(D) information regarding any activities conducted to market the digital asset which relates to the blockchain system during the previous 3 months by the digital asset issuer or an affiliated person of the digital asset issuer; and

''(E) information regarding any issuance of a unit of the digital asset which relates to such blockchain system during the previous 12 months; and

''(5) with respect to a blockchain system for which a certification has previously been rebutted under this section or withdrawn under section 5i(m) of the Commodity Exchange Act, specific information relating to the analysis provided in subsection (f)(2) in connection with such rebuttal or such section 5i(m)(1)(C) in connection with such withdrawal.

''(c) REBUTTABLE PRESUMPTION.—The Commission may rebut a certification described under subsection (a) with respect to a blockchain system if the Commission, within 60 days of receiving such certification, determines that the blockchain system is not a decentralized system.

''(d) CERTIFICATION REVIEW.—

''(1) IN GENERAL.—Any blockchain system that relates to a digital asset for which a certification has been made under subsection (a) shall be considered a decentralized system 60 days after the date on which the Commission receives a certification under subsection (a), unless the Commission notifies the person who made the certification within such time that the Commission is staying the certification due to—

''(A) an inadequate explanation by the person making the certification; or

''(B) any novel or complex issues which require additional time to consider.

''(2) PUBLIC NOTICE.—The Commission shall make the following available to the public and provide a copy to the Commodity Futures Trading Commission:

''(A) Each certification received under subsection (a).

''(B) Each stay of the Commission under this section, and the reasons therefore.

''(C) Any response from a person making a certification under subsection (a) to a stay of the certification by the Commission.

''(3) CONSOLIDATION.—The Commission may consolidate and treat as one submission multiple certifications made under subsection (a) for the same blockchain system which relates to a digital asset which are received during the review period provided under this subsection.

''(e) STAY OF CERTIFICATION.—

''(1) IN GENERAL.—A notification by the Commission pursuant to subsection (d)(1) shall stay the certification once for up to an additional 120 days from the date of the notification.

''(2) PUBLIC COMMENT PERIOD.—Before the end of the 60-day period described under subsection (d)(1), the Commission may begin a public comment period of at least 30 days in conjunction with a stay under this section.

''(f) DISPOSITION OF CERTIFICATION.—

''(1) IN GENERAL.—A certification made under subsection (a) shall—

''(A) become effective—

''(i) upon the publication of a notification from the Commission to the person who made the certification that the Commission does not object to the certification; or

''(ii) at the expiration of the certification review period; and

''(B) not become effective upon the publication of a notification from the Commission to the person who made the certification that the Commission has rebutted the certification.

''(2) DETAILED ANALYSIS INCLUDED WITH REBUTTAL.—The Commission shall include, with each publication of a notification of rebuttal described under paragraph (1)(B), a detailed analysis of the factors on which the decision was based.

''(g) RECERTIFICATION.—With respect to a blockchain system for which a certification has been rebutted under this section, no person may make a certification under subsection (a) with respect to such blockchain system during the 90-day period beginning on the date of such rebuttal.

''(h) APPEAL OF REBUTTAL.—

''(1) IN GENERAL.—If a certification is rebutted under this section, the person making such certification may appeal the decision to the United States Court of Appeals for the District of Columbia, not later than 60 days after the notice of rebuttal is made.

''(2) REVIEW.—In an appeal under paragraph (1), the court shall have de novo review of the determination to rebut the certification.''.

SEC. 305. EFFECTIVE DATE.

Unless otherwise provided in this title, this title and the amendments made by this title shall take effect 360 days after the date of enactment of this Act, except that, to the extent a provision of this title requires a rulemaking, the provision shall take effect on the later of—

(1) 360 days after the date of enactment of this Act; or

(2) 60 days after the publication in the Federal Register of the final rule implementing the provision.

TITLE IV—REGISTRATION FOR DIGITAL ASSET INTERMEDIARIES AT THE SECURITIES AND EXCHANGE COMMISSION

SEC. 401. TREATMENT OF DIGITAL COMMODITIES AND OTHER DIGITAL ASSETS.

(a) SECURITIES ACT OF 1933.—Section 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is amended by adding at the end the following: ''The term does not include a digital commodity or permitted payment stablecoin.''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) in paragraph (1), by adding at the end the following: ''The term 'exchange' does not include a digital asset trading system or a blockchain protocol offering digital assets, or any person or group of persons solely because of their development of such a blockchain protocol.'';

(2) in paragraph (2), by adding at the end the following: ''A digital asset trading system is not a 'facility' of an exchange.'';

(3) in paragraph (4)(A), by inserting '', other than restricted digital assets,'' after ''securities'';

(4) in paragraph (5)(A), by inserting ''restricted digital assets or'' after ''not including'';

(5) in paragraph (26) by inserting ''(other than a notice-registered digital asset clearing agency)'' after ''or registered clearing agency'';

(6) in paragraph (28) by inserting ''(other than a notice-registered digital asset clearing agency)'' after ''registered clearing agency''; and

(7) in paragraph (10), by adding at the end the following: ''The term does not include a digital commodity or permitted payment stablecoin.''.

(c) INVESTMENT ADVISERS ACT OF 1940.—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended—

(1) in paragraph (18), by adding at the end the following: ''The term does not include a digital commodity or permitted payment stablecoin.'';

(2) by redesignating the second paragraph (29) (relating to commodity pools) as paragraph (31);

(3) by adding at the end, the following:

''(32) DIGITAL ASSET-RELATED TERMS.—The terms 'digital commodity' and 'permitted payment stablecoin' have the meaning given those terms, respectively, under section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).''.

(d) INVESTMENT COMPANY ACT OF 1940.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2) is amended—

(1) in paragraph (36), by adding at the end the following: ''The term does not include a digital commodity or permitted payment stablecoin.''; and

(2) by adding at the end, the following:

''(55) DIGITAL ASSET-RELATED TERMS.—The terms 'digital commodity' and 'permitted payment stablecoin' have the meaning given those terms, respectively, under section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a)).''.

SEC. 402. AUTHORITY OVER PERMITTED PAYMENT STABLECOINS AND RESTRICTED DIGITAL ASSETS.

(a) IN GENERAL.—Section 10 of the Securities Exchange Act of 1934 (15 U.S.C. 78j) is amended—

(1) by moving subsection (c) so as to appear after subsection (b);

(2) by designating the undesignated matter at the end of that section as subsection (d); and

(3) by adding at the end the following:

''(e)(1) Rules promulgated under subsection (b) that prohibit fraud, manipulation, or insider trading (but not rules imposing or specifying reporting or recordkeeping requirements, procedures, or standards as prophylactic measures against fraud, manipulation, or insider trading), and judicial precedents decided under subsection (b) and rules promulgated thereunder that prohibit fraud, manipulation, or insider trading, shall apply with respect to permitted payment stablecoin transactions and restricted digital assets transactions engaged in by a broker, dealer, digital asset broker, or digital asset dealer or through an alternative trading system or digital asset trading system to the same extent as they apply to securities transactions.

''(2) Judicial precedents decided under section 17(a) of the Securities Act of 1933 and sections 9, 15, 16, 20, and 21A of this title, and judicial precedents decided under applicable rules promulgated under such sections, shall apply to permitted payment stablecoins and restricted digital assets with respect to those circumstances in which the permitted payment stablecoins or restricted digital assets are brokered, traded, or custodied by a broker, dealer, digital asset broker, digital asset dealer, or through an alternative trading system or digital asset trading system to the same extent as they apply to securities.

''(3) Nothing in this subsection may be construed to provide the Commission authority to make any rule, regulation, or requirement or impose any obligation or limitation on a permitted payment stablecoin issuer or a digital asset issuer regarding any aspect of the operations of a permitted payment stablecoin issuer, a digital asset issuer, a permitted payment stablecoin, or a restricted digital asset.''.

(b) TREATMENT OF PERMITTED PAYMENT STABLECOINS.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended by section 404, is amended by inserting after section 6B the following

''SEC. 6C. TREATMENT OF TRANSACTIONS IN PERMITTED PAYMENT STABLECOINS.

''(a) AUTHORITY TO BROKER, TRADE, AND CUSTODY PERMITTED PAYMENT STABLECOINS.—Permitted payment stablecoins may be brokered, traded, or custodied by a broker, dealer, digital asset broker, or digital asset dealer or through an alternative trading system or digital asset trading system.

''(b) COMMISSION JURISDICTION.—The Commission shall only have jurisdiction over a transaction in a permitted payment stablecoin with respect to those circumstances in which a permitted payment stablecoin is brokered, traded, or custodied—

''(1) by a broker, dealer, digital asset broker, or digital asset dealer; or

''(2) through an alternative trading system or digital asset trading system.

''(c) LIMITATION.—Subsection (b) shall only apply to a transaction described in subsection (b) for the purposes of regulating the offer, execution, solicitation, or acceptance of a permitted payment stablecoin in those circumstances in which the permitted payment stablecoin is brokered, traded, or custodied—

''(1) by a broker, dealer, digital asset broker, or digital asset dealer; or

''(2) through an alternative trading system or digital asset trading system.''.

SEC. 403. REGISTRATION OF DIGITAL ASSET TRADING SYSTEMS.

Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended by adding at the end the following:

''(m) DIGITAL ASSET TRADING SYSTEM.—

''(1) IN GENERAL.—It shall be unlawful for any digital asset trading system to make use of the mails or any means or instrumentality of interstate commerce within or subject to the jurisdiction of the United States to effect any transaction in a restricted digital asset, unless such digital asset trading system is registered with the Commission.

''(2) APPLICATION.—A person desiring to register as a digital asset trading system shall submit to the Commission an application in such form and containing such information as the Commission may require for the purpose of making the determinations required for approval.

''(3) EXEMPTIONS.—A digital asset trading system that offers or seeks to offer at least one restricted digital asset shall not be required to register under this section (and paragraph (1) shall not apply to such digital asset trading system) if the trading system satisfies any exemption contained on a list of exemptions prepared by the Commission to be as close as practicable to those exemptions set forth in section 240.3b–16(b) of title 17, Code of Federal Regulations, applicable to the definition of an exchange.

''(4) ADDITIONAL REGISTRATIONS.—

''(A) WITH THE COMMISSION.—

''(i) IN GENERAL.—A registered digital asset trading system shall be permitted to maintain any other registration with the Commission relating to the other activities of the registered digital asset trading system, including as a—

''(I) national securities exchange;

''(II) broker;

''(III) dealer;

''(IV) alternative trading system, pursuant to part 242 of title 17, Code of Federal Regulations, as in effect on the date of enactment of this subsection;

''(V) digital asset broker; or

''(VI) digital asset dealer.

''(ii) RULEMAKING.—The Commission shall prescribe rules for an entity with multiple registrations described under clause (i) to exempt the entity from duplicative, conflicting, or unduly burdensome provisions of this Act and the rules under this Act, to the extent such an exemption would protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

''(B) WITH THE COMMODITY FUTURES TRADING COMMISSION.—A registered digital asset trading system shall be permitted to maintain a registration with the Commodity Futures Trading Commission as a digital commodity exchange to offer contracts of sale for digital commodities.''.

SEC. 404. REQUIREMENTS FOR DIGITAL ASSET TRADING SYSTEMS.

Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 6 the following:

''SEC. 6A. REQUIREMENTS FOR DIGITAL ASSET TRADING SYSTEMS.

''(a) HOLDING OF CUSTOMER ASSETS.—

''(1) QUALIFIED DIGITAL ASSET CUSTODIAN REQUIRED.—A digital asset trading system shall hold customer restricted digital assets with a qualified digital asset custodian described under section 6B.

''(2) CUSTODY PROHIBITED.—A digital asset trading system, in its capacity as such, may not hold custody of customer money, assets, or property.

''(3) CUSTODY IN OTHER CAPACITY.—Nothing in this Act may be construed to prohibit a person registered as a digital asset trading system from holding custody of customer money, assets, or property in any other permitted capacity, including as a digital asset broker, digital asset dealer, or qualified digital asset custodian in compliance with the requirements of this Act.

''(b) RULEMAKING.—The Commission shall prescribe rules for digital asset trading systems relating to the following:

''(1) NOTICE.—Notice to the Commission of the initial operation of a digital asset trading system or any material change to the operation of the digital asset trading system.

''(2) ORDER DISPLAY.—The thresholds at which a digital asset trading system is required to display the orders of the digital asset trading system, and the manner of such display.

''(3) FAIR ACCESS.—The thresholds at which a digital asset trading system is required to have policies regarding providing fair access to the digital asset trading system.

''(4) CAPACITY, INTEGRITY, AND SECURITY OF AUTOMATED SYSTEMS.—Policies and procedures reasonably designed to ensure the capacity, integrity, and security of the digital asset trading system, taking into account the particular nature of digital asset trading systems.

''(5) EXAMINATIONS, INSPECTIONS, AND INVESTIGATIONS.—The examination and inspection of the premises, systems, and records of the digital asset trading system by the Commission or by a self-regulatory organization of which such digital asset trading system is a member.

''(6) RECORDKEEPING.—The making, keeping current, and preservation of records related to trading activity on the digital asset trading system.

''(7) REPORTING.—The reporting of transactions in digital assets that occur through the digital asset trading system.

''(8) PROCEDURES.—The establishment of adequate written safeguards and written procedures to protect confidential trading information.

''(c) NAME REQUIREMENT.—A digital asset trading system may not use the word 'exchange' in the name of the digital asset trading system, unless the digital asset trading system—

''(1) is operated by a registered national securities exchange; and

''(2) is clearly indicated as being provided outside of the system's capacity as a national securities exchange.

''(d) TREATMENT UNDER THE BANK SECRECY ACT.—A digital asset trading system shall be treated as a financial institution for purposes of the Bank Secrecy Act.

''SEC. 6B. REQUIREMENTS FOR QUALIFIED DIGITAL ASSET CUSTODIANS.

''(a) IN GENERAL.—A digital asset custodian is a qualified digital asset custodian if the digital asset custodian complies with the requirements of this section.

''(b) SUPERVISION REQUIREMENT.—A digital asset custodian that is not subject to supervision and examination by an appropriate Federal banking agency, the National Credit Union Administration, the Commodity Futures Trading Commission, or the Securities and Exchange Commission shall be subject to adequate supervision and appropriate regulation by—

''(1) a State bank supervisor (within the meaning of section 3 of the Federal Deposit Insurance Act);

''(2) a State credit union supervisor, as defined under section 6003 of the Anti-Money Laundering Act of 2020; or

''(3) an appropriate foreign governmental authority in the home country of the digital asset custodian.

''(c) OTHER REQUIREMENTS.—

''(1) NOT OTHERWISE PROHIBITED.—The digital asset custodian has not been prohibited by a supervisor of the digital asset custodian from engaging in an activity with respect to the custody and safekeeping of digital assets.

''(2) INFORMATION SHARING.—

''(A) IN GENERAL.—A digital asset custodian shall share information with the Commission on request and comply with such requirements for periodic sharing of information regarding customer accounts that the digital asset custodian holds on behalf of an entity registered with the Commission as the Commission determines by rule are reasonably necessary to effectuate any of the provisions, or to accomplish any of the purposes, of this Act.

''(B) PROVISION OF INFORMATION.—Any entity that is subject to regulation and examination by an appropriate Federal banking agency may satisfy any information request described in subparagraph (A) by providing the Commission with a detailed listing, in writing, of the restricted digital assets of a customer within the custody or use of the entity.

''(d) ADEQUATE SUPERVISION AND APPROPRIATE REGULATION.—

''(1) IN GENERAL.—For purposes of subsection (b), the terms 'adequate supervision' and 'appropriate regulation' mean such minimum standards for supervision and regulation as are reasonably necessary to protect the digital assets of customers of an entity registered with the Commission, including standards relating to the licensing, examination, and supervisory processes that require the digital asset custodian to, at a minimum—

''(A) receive a review and evaluation of ownership, character and fitness, conflicts of interest, business model, financial statements, funding resources, and policies and procedures of the digital asset custodian;

''(B) hold capital sufficient for the financial integrity of the digital asset custodian;

''(C) protect customer assets;

''(D) establish and maintain books and records regarding the business of the digital asset custodian;

''(E) submit financial statements and audited financial statements to the applicable supervisor described in subsection (b);

''(F) provide disclosures to the applicable supervisor described in subsection (b) regarding actions, proceedings, and other items as determined by such supervisor;

''(G) maintain and enforce policies and procedures for compliance with applicable State and Federal laws, including those related to anti-money laundering and cybersecurity;

''(H) establish a business continuity plan to ensure functionality in cases of disruption; and

''(I) establish policies and procedures to resolve complaints.

''(2) RULEMAKING WITH RESPECT TO DEFINITIONS.—

''(A) IN GENERAL.—For purposes of this section, the Commission may, by rule, further define the terms 'adequate supervision' and 'appropriate regulation' as necessary in the public interest, as appropriate for the protection of investors, and consistent with the purposes of this Act.

''(B) CONDITIONAL TREATMENT OF CERTAIN CUSTODIANS BEFORE RULEMAKING.—Before the effective date of a rulemaking under subparagraph (A), a trust company is deemed subject to adequate supervision and appropriate regulation if—

''(i) the trust company is expressly permitted by a State bank supervisor to engage in the custody and safekeeping of digital assets;

''(ii) the State bank supervisor has established licensing, examination, and supervisory processes that require the trust company to, at a minimum, meet the conditions described in subparagraphs (A) through (I) of paragraph (1); and

''(iii) the trust company is in good standing with its State bank supervisor.

''(C) TRANSITION PERIOD FOR CERTAIN CUSTODIANS.—In implementing the rulemaking under subparagraph (A), the Commission shall provide a transition period of not less than two years for any trust company which is deemed subject to adequate supervision and appropriate regulation under subparagraph (B) on the effective date of the rulemaking.''.

SEC. 405. REGISTRATION OF DIGITAL ASSET BROKERS AND DIGITAL ASSET DEALERS.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 15G the following:

''SEC. 15H. REGISTRATION OF DIGITAL ASSET BROKERS AND DIGITAL ASSET DEALERS.

''(a) REGISTRATION.—

''(1) IN GENERAL.—It shall be unlawful for any digital asset broker or digital asset dealer (other than a natural person associated with a registered digital asset broker or registered digital asset dealer, and other than such a digital asset broker or digital asset dealer whose business is exclusively intrastate and who does not make use of a digital asset trading system) to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any restricted digital asset unless such digital asset broker or digital asset dealer is registered in accordance with this section.

''(2) APPLICATION.—A person desiring to register as a digital asset broker or digital asset dealer shall submit to the Commission an application in such form and containing such information as the Commission may require for the purpose of making the determinations required for approval.

''(b) NATIONAL SECURITIES ASSOCIATION MEMBERSHIP.—

''(1) IN GENERAL.—A digital asset broker or digital asset dealer may not register or maintain registration under this section unless such digital asset broker or digital asset dealer is a member of a national securities association registered under section 15A.

''(2) TREATMENT UNDER SECTION 15A.—

''(A) IN GENERAL.—For purposes of section 15A—

''(i) the term 'broker' includes a digital asset broker and the term 'registered broker' includes a registered digital asset broker;

''(ii) the term 'dealer' includes a digital asset dealer and the term 'registered dealer' includes a registered digital asset dealer; and

''(iii) the term 'security' includes a restricted digital asset.

''(B) CLARIFICATION.—Notwithstanding subparagraph (A), a national securities association shall, with respect to the restricted digital asset activities of a digital asset broker or a digital asset dealer, only examine for and enforce against such digital asset broker or digital asset dealer—

''(i) rules of such national securities association written specifically for digital asset brokers or digital asset dealers;

''(ii) the provisions of the Financial Innovation and Technology for the 21st Century Act and rules issued thereunder applicable to digital asset brokers and digital asset dealers; and

''(iii) the provisions of the securities laws and the rules thereunder applicable to digital asset brokers and digital asset dealers.

''(c) ADDITIONAL REGISTRATIONS WITH THE COMMISSION.—

''(1) IN GENERAL.—A registered digital asset broker or registered digital asset dealer shall be permitted to maintain any other registration with the Commission relating to the other activities of the registered digital asset broker or registered digital asset dealer, including as—

''(A) a national securities exchange;

''(B) a broker;

''(C) a dealer;

''(D) an alternative trading system, pursuant to part 242 of title 17, Code of Federal Regulations, as in effect on the date of enactment of this section; or

''(E) a digital asset trading system.

''(2) RULEMAKING.—The Commission shall prescribe rules for an entity with multiple registrations described under paragraph (1) to exempt the entity from duplicative, conflicting, or unduly burdensome provisions of this Act and the rules under this Act, to the extent such an exemption would protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

''(3) SELF-REGULATORY ORGANIZATIONS.—The Commission shall require any self-regulatory organization with a registered digital asset broker or registered digital asset dealer as a member to provide such rules as may be necessary to further compliance with this section, protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

''(d) ADDITIONAL REGISTRATIONS WITH THE COMMODITY FUTURES TRADING COMMISSION.—A registered digital asset broker or registered digital asset dealer shall be permitted to maintain a registration with the Commodity Futures Trading Commission as a digital commodity broker or digital commodity dealer, to list or trade contracts of sale for digital commodities.''.

SEC. 406. REQUIREMENTS OF DIGITAL ASSET BROKERS AND DIGITAL ASSET DEALERS.

(a) IN GENERAL.—Section 15H of the Securities Exchange Act of 1934, as added by section 405, is amended by adding at the end the following:

''(e) ANTI-FRAUD.—No digital asset broker or digital asset dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any restricted digital asset by means of any manipulative, deceptive, or other fraudulent device or contrivance.

''(f) HOLDING OF CUSTOMER ASSETS.—

''(1) IN GENERAL.—A digital asset broker or digital asset dealer shall hold customer money, assets, and property in a manner to minimize the risk of loss to the customer or unreasonable delay in the access to the money, assets, and property of the customer.

''(2) QUALIFIED DIGITAL ASSET CUSTODIAN REQUIRED.—A digital asset broker or digital asset dealer shall hold customer restricted digital assets described in paragraph (1) with a qualified digital asset custodian described under section 6B.

''(3) SEGREGATION OF FUNDS.—

''(A) IN GENERAL.—A digital asset broker or digital asset dealer shall treat and deal with all money, assets, and property held for a customer of the digital asset broker or digital asset dealer, or that accrues to a customer as a result of trading in restricted digital assets, as belonging to the customer.

''(B) COMMINGLING PROHIBITED.—Money, assets, and property of a customer described in subparagraph (A) shall be separately accounted for and shall not be commingled with the funds of the digital asset broker or digital asset dealer or be used to margin, secure, or guarantee any trades of any person other than the customer of the digital asset broker or digital asset dealer for whom the same are held.

''(4) EXCEPTIONS.—

''(A) USE OF FUNDS.—

''(i) IN GENERAL.—Notwithstanding paragraph (4), money, assets, and property of customers of a digital asset broker or digital asset dealer described in paragraph (4) may be maintained and deposited in the same account or accounts with any bank, trust company, or qualified digital asset custodian described under section 6B, if the money, assets, and property remain segregated from the money, assets, and property of the digital asset broker or digital asset dealer.

''(ii) WITHDRAWAL.—Notwithstanding paragraph (4), such share of the money, assets, and property described in paragraph (4) as in the normal course of business shall be necessary to transfer, adjust, or settle a restricted digital asset transaction pursuant to a customer's instruction (standing or otherwise) may be withdrawn and applied to such purposes, including the withdrawal and payment of commissions, brokerage, interest, taxes, storage, and other charges lawfully accruing in connection with a restricted digital asset transaction.

''(iii) COMMISSION ACTION.—In accordance with such terms and conditions as the Commission may prescribe by rule, regulation, or order, any money, assets, or property of a customer of a digital asset broker or digital asset dealer described in paragraph (4) may be commingled and deposited as provided in this section with any other money, assets, or property received by the digital asset broker or digital asset dealer and required by the Commission to be separately accounted for and treated and dealt with as belonging to the customer of the digital asset broker or digital asset dealer.

''(B) PARTICIPATION IN BLOCKCHAIN SERVICES.—

''(i) IN GENERAL.—A customer shall have the right to waive the restrictions in paragraph (4) for any unit of a digital asset to be used under clause (ii), by affirmatively electing, in writing to the digital asset broker or digital asset dealer, to waive the restrictions.

''(ii) USE OF FUNDS.—Customer digital assets removed from segregation under clause (i) may be pooled and used by the digital asset broker or digital asset dealer or its designee to provide a blockchain service for a blockchain system to which the unit of the digital asset removed from segregation under clause (i) relates.

''(iii) LIMITATIONS.—

''(I) IN GENERAL.—The Commission may, by rule, establish notice and disclosure requirements, and any other limitations and rules related to the waiving of any restrictions under this subparagraph that are reasonably necessary to protect customers.

''(II) CUSTOMER CHOICE.—A digital asset broker or digital asset dealer may not require a waiver from a customer described in clause (i) as a condition of doing business with the digital asset broker or digital asset dealer.

''(iv) BLOCKCHAIN SERVICE DEFINED.—In this subparagraph, the term 'blockchain service' means any activity relating to validating transactions on a blockchain system, providing security for a blockchain system, or other similar activity required for the ongoing operation of a blockchain system.

''(5) FURTHER LIMITATIONS.—No person shall treat or deal with a restricted digital asset held on behalf of any customer pursuant to paragraph (4) by utilizing any unit of such restricted digital asset to participate in a blockchain service (as defined in paragraph (5)(B)(iv)) or a decentralized governance system associated with the restricted digital asset or the blockchain system to which the restricted digital asset relates in any manner other than that which is expressly directed by the customer from which such unit of a restricted digital asset was received.

''(g) CAPITAL REQUIREMENTS.—

''(1) IN GENERAL.—Each registered digital asset broker and registered digital asset dealer shall meet such minimum capital requirements as the Commission may prescribe to ensure that the digital asset broker or digital asset dealer is able to—

''(A) conduct an orderly wind-down of the activities of the digital asset broker or digital asset dealer; and

''(B) fulfill the customer obligations of the digital asset broker or digital asset dealer.

''(2) CALCULATION.—For purposes of any Commission rule or order adopted under this section or any interpretation thereof regulating a digital asset broker or digital asset dealer's financial responsibility obligations and capital requirements, a registered digital asset broker or digital asset dealer that maintains control of customer digital assets in a manner that satisfies the rules issued by the Commission under subsection (f)(2) shall not be required to include the custodial obligation with respect to such digital assets as liabilities or such digital assets as assets of the digital asset broker or digital asset dealer.

''(h) REPORTING AND RECORDKEEPING.—Each registered digital asset broker and digital asset dealer—

''(1) shall make such reports as are required by the Commission by rule or regulation regarding the transactions, positions, and financial condition of the digital asset broker or digital asset dealer;

''(2) shall keep books and records in such form and manner and for such period as may be prescribed by the Commission by rule or regulation; and

''(3) shall keep the books and records open to inspection and examination by any representative of the Commission.

''(i) TREATMENT UNDER THE BANK SECRECY ACT.—A digital asset broker and a digital asset dealer shall be treated as a financial institution for purposes of the Bank Secrecy Act.''.

(b) DEFINITION OF CLEARING AGENCY.—Section 3(a)(23)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(23)(B)) is amended by inserting ''digital asset broker, digital asset dealer,'' after ''broker, dealer,'' each place such term appears.

SEC. 407. RULES RELATED TO CONFLICTS OF INTEREST.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 10D the following:

''SEC. 10E. CONFLICTS OF INTEREST RELATED TO DIGITAL ASSETS.

''Each registered digital asset trading system, registered digital asset broker, registered digital asset dealer, and notice-registered digital asset clearing agency shall establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such person's business, to mitigate any conflicts of interest and transactions or arrangements with affiliates.''.

SEC. 408. TREATMENT OF CERTAIN DIGITAL ASSETS IN CONNECTION WITH FEDERALLY REGULATED INTERMEDIARIES.

Section 18(b) of the Securities Act of 1933 (15 U.S.C. 77r(b)) is amended by adding at the end the following:

''(5) EXEMPTION FOR CERTAIN DIGITAL ASSETS IN CONNECTION WITH FEDERALLY REGULATED INTERMEDIARIES.—A restricted digital asset is treated as a covered security with respect to a transaction that is exempt from registration under this Act when it is—

''(A) brokered, traded, custodied, or cleared by a digital asset broker or digital asset dealer registered under section 15H of the Securities Exchange Act of 1934; or

''(B) traded through a digital asset trading system.''.

SEC. 409. EXCLUSION FOR DECENTRALIZED FINANCE ACTIVITIES.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended by section 405, is further amended by inserting after section 15H the following:

''SEC. 15I. DECENTRALIZED FINANCE ACTIVITIES NOT SUBJECT TO THIS ACT.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, a person shall not be subject to this Act and the regulations thereunder based on the person directly or indirectly engaging in any of the following activities, whether singly or in combination thereof, in relation to the operation of a blockchain system or in relation to decentralized finance (as defined in section 605(d) of the Financial Innovation and Technology for the 21st Century Act):

''(1) Compiling network transactions, operating or participating in a liquidity pool, relaying, searching, sequencing, validating, or acting in a similar capacity with respect to a digital asset.

''(2) Providing computational work, operating a node, or procuring, offering, or utilizing network bandwidth, or other similar incidental services with respect to a digital asset.

''(3) Providing a user-interface that enables a user to read and access data about a blockchain system, send messages, or otherwise interact with a blockchain system.

''(4) Developing, publishing, constituting, administering, maintaining, or otherwise distributing a blockchain system.

''(5) Developing, publishing, constituting, administering, maintaining, or otherwise distributing software or systems that create or deploy a hardware or software wallet or other system facilitating an individual user's own personal ability to keep, safeguard, or custody such user's digital assets or related private keys.

''(b) EXCEPTIONS.—Subsection (a) shall not be construed to apply to the anti-fraud and anti-manipulation authorities of the Commission.''.

SEC. 410. REGISTRATION AND REQUIREMENTS FOR NOTICE-REGISTERED DIGITAL ASSET CLEARING AGENCIES.

Section 17A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1(b)) is amended—

(1) in subsection (1), by inserting after the first sentence the following: ''The previous sentence shall not apply to a notice-registered digital asset clearing agency with respect to a restricted digital asset.''; and

(2) by adding at the end the following:

''(9) REGISTRATION AND REQUIREMENTS FOR NOTICE-REGISTERED DIGITAL ASSET CLEARING AGENCY.—

''(A) ELIGIBILITY.—A person may register with the Commission as a notice-registered digital asset clearing agency if the person—

''(i) is otherwise registered as a digital asset broker or digital asset dealer with the Commission and is engaging in a business involving restricted digital assets, in compliance with Commission rules pursuant to section 15H(f);

''(ii) is a bank; or

''(iii) is a clearing agency already registered with the Commission pursuant to this section.

''(B) REGISTRATION.—A person may register with the Commission as a notice-registered digital asset clearing agency by filing with the Commission a notice of the activities of the person or planned activities in such form as the Commission determines appropriate.

''(C) EFFECTIVENESS OF REGISTRATION.—

''(i) IN GENERAL.—The registration of a person filing a notice described under subparagraph (B) as a notice-registered digital asset clearing agency shall be effective upon publication by the Commission of such notice, which shall occur no later than 14 days after the date of such filing.

''(ii) INITIAL REGISTRATIONS.—

''(I) IN GENERAL.—A person registered as a notice-registered digital asset clearing agency before the date on which the Commission adopts rules under subparagraph (D) shall, after such rules are adopted, renew the person's registration pursuant to such rules.

''(II) EXCEPTION.—Notwithstanding subclause (I), a person registered as a notice-registered digital asset clearing agency before the end of the 2-year period beginning on the date of the enactment of this section shall have such registration remain in effect until the end of such 2-year period.

''(D) RULEMAKING.—The Commission may adopt rules, which may not take effect until at least 360 days following the date of enactment of this paragraph, with regard to the activities of notice-registered digital asset clearing agencies, taking into account the nature of restricted digital assets.''.

SEC. 411. TREATMENT OF CUSTODY ACTIVITIES BY BANKING INSTITUTIONS.

(a) TREATMENT OF CUSTODY ACTIVITIES.—The appropriate Federal banking agency (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), the National Credit Union Administration (in the case of a credit union), and the Securities and Exchange Commission may not require, or take supervisory action that would cause, a depository institution, national bank, Federal credit union, State credit union, or trust company, or any affiliate (as such term is defined under section 2 of the Bank Holding Company Act of 1956) thereof—

(1) to include assets held in custody or safekeeping, or the assets associated with a cryptographic key held in custody or safekeeping, as a liability on such institution's financial statement or balance sheet, except that cash held for a third party by such institution that is commingled with the general assets of such institution may be reflected as a liability on a financial statement or balance sheet;

(2) to hold additional regulatory capital against assets in custody or safekeeping, or the assets associated with a cryptographic key held in custody or safekeeping, except as necessary to mitigate against operational risks inherent with the custody or safekeeping services, as determined by—

(A) the appropriate Federal banking agency;

(B) the National Credit Union Administration (in the case of a credit union);

(C) a State bank supervisor (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)); or

(D) a State credit union supervisor (as defined under section 6003 of the Anti-Money Laundering Act of 2020);

(3) to recognize a liability for any obligations related to activities or services performed for digital assets with respect to which such institution does not have beneficial ownership if that liability would exceed the expense recognized in the income statement as a result of the corresponding obligation.

(b) DEFINITIONS.—In this section:

(1) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given that term under section 3 of the Federal Deposit Insurance Act.

(2) CREDIT UNION TERMS.—The terms ''Federal credit union'' and ''State credit union'' have the meaning given those terms, respectively, under section 101 of the Federal Credit Union Act.

SEC. 412. EFFECTIVE DATE; ADMINISTRATION.

Except as otherwise provided under this title, this title and the amendments made by this title shall take effect 360 days after the date of enactment of this Act, except that, to the extent a provision of this title requires a rulemaking, the provision shall take effect on the later of—

(1) 360 days after the date of enactment of this Act; or

(2) 60 days after the publication in the Federal Register of the final rule implementing the provision.

SEC. 413. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $15,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2034.

TITLE V—REGISTRATION FOR DIGITAL ASSET INTERMEDIARIES AT THE COMMODITY FUTURES TRADING COMMISSION

SEC. 501. COMMISSION JURISDICTION OVER DIGITAL COMMODITY TRANSACTIONS.

(a) SAVINGS CLAUSE.—Section 2(a)(1) of the Commodity Exchange Act (7 U.S.C. 2(a)(1)) is amended by adding at the end the following:

''(J) Except as expressly provided in this Act, nothing in the Financial Innovation and Technology for the 21st Century Act shall affect or apply to, or be interpreted to affect or apply to—

''(i) any agreement, contract, or transaction that is subject to this Act as—

''(I) a contract of sale of a commodity for future delivery or an option on such a contract;

''(II) a swap;

''(III) a security futures product;

''(IV) an option authorized under section 4c of this Act;

''(V) an agreement, contract, or transaction described in subparagraph (C)(i) or (D)(i) of subsection (c)(2) of this section; or

''(VI) a leverage transaction authorized under section 19 of this Act; or

''(ii) the activities of any person with respect to any such an agreement, contract, or transaction.''.

(b) LIMITATION ON AUTHORITY OVER PERMITTED PAYMENT STABLECOINS.—Section 2(c)(1) of the Commodity Exchange Act (7 U.S.C. 2(c)(1)) is amended—

(1) in subparagraph (F), by striking ''or'' at the end;

(2) in subparagraph (G), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(H) permitted payment stablecoins.''.

(c) COMMISSION JURISDICTION OVER DIGITAL ASSET TRANSACTIONS.—Section 2(c)(2) of the Commodity Exchange Act (7 U.S.C. 2(c)(2)) is amended—

(1) in subparagraph (D)—

(A) in clause (ii)—

(i) in subclause (I) by inserting ''(other than an agreement, contract, or transaction in a permitted payment stablecoin)'' after ''paragraph (1)'';

(ii) in subclause (III)—

(I) in the matter that precedes item (aa), by inserting ''of a commodity, other than a digital commodity or a permitted payment stablecoin,'' before ''that''; and

(II) in item (bb), by striking ''or'' at the end; and

(iii) by redesignating subclauses (IV) and (V) as subclauses (VI) and (VII) and inserting after subclause (III) the following:

''(IV) a contract of sale of a digital commodity or a permitted payment stablecoin that results in actual delivery, as the Commission shall by rule determine, within 2 days or such other period as the Commission may determine by rule or regulation based upon the typical commercial practice in cash or spot markets for the digital commodity involved;

''(V) a contract of sale of a digital commodity or a permitted payment stablecoin that—

''(aa) is executed with a registered digital commodity dealer—

''(AA) directly;

''(BB) through a registered digital commodity broker; or

''(CC) on or subject to the rules of a registered digital commodity exchange; and

''(bb) is not a contract of sale of—

''(AA) a digital commodity or a permitted payment stablecoin that references, represents an interest in, or is functionally equivalent to an agricultural commodity, an excluded commodity, or an exempt commodity, other than the digital commodity itself, as shall be further defined by the Commission; or

''(BB) a digital commodity or a permitted payment stablecoin to which the Commission determines, by rule or regulation, it is not in the public interest for this section to apply;''; and

(B) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following:

''(iv) The Commission shall adopt rules and regulations applicable to digital commodity dealers and digital commodity brokers in connection with the agreements, contracts or transactions in digital commodities or permitted payment stablecoins described in clause (ii)(V) of this subparagraph, which shall set forth minimum requirements related to disclosure, recordkeeping, margin and financing arrangements, capital, reporting, business conduct, documentation, and supervision of employees and agents. Except as prohibited in subparagraph (G)(iii), the Commission may also make, promulgate, and enforce such rules and regulations as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions of,

or to accomplish any of the purposes of, this Act in connection with agreements, contracts, or transactions described in such clause (ii)(V), which may include, without limitation, requirements regarding registration with the Commission and membership in a registered futures association.''; and

(2) by adding at the end the following:

''(F) COMMISSION JURISDICTION WITH RESPECT TO DIGITAL COMMODITY TRANSACTIONS.—

''(i) IN GENERAL.—Subject to sections 6d and 12(e), the Commission shall have exclusive jurisdiction with respect to any account, agreement, contract, or transaction involving a contract of sale of a digital commodity in interstate commerce, including in a digital commodity cash or spot market, that is offered, solicited, traded, facilitated, executed, cleared, reported, or otherwise dealt in—

''(I) on or subject to the rules of a registered entity or an entity that is required to be registered as a registered entity; or

''(II) by any other entity registered, or required to be registered, with the Commission.

''(ii) LIMITATIONS.—Clause (i) shall not apply with respect to custodial or depository activities for a digital commodity, or custodial or depository activities for any promise or right to a future digital commodity, of an entity regulated by an appropriate Federal banking agency or a State bank supervisor (within the meaning of section 3 of the Federal Deposit Insurance Act).

''(iii) MIXED DIGITAL ASSET TRANSACTIONS.—

''(I) IN GENERAL.—Clause (i) shall not apply to a mixed digital asset transaction.

''(II) REPORTS ON MIXED DIGITAL ASSET TRANSACTIONS.—A digital asset issuer, related person, affiliated person, or other person registered with the Securities and Exchange Commission that engages in a mixed digital asset transaction, shall, on request, open to inspection and examination by the Commodity Futures Trading Commission all books and records relating to the mixed digital asset transaction, subject to the confidentiality and disclosure requirements of section 8.

''(G) AGREEMENTS, CONTRACTS, AND TRANSACTIONS IN STABLECOINS.—

''(i) TREATMENT OF PERMITTED PAYMENT STABLECOINS ON COMMISSION-REGISTERED ENTITIES.—Subject to clauses (ii) and (iii), the Commission shall have jurisdiction over a cash or spot agreement, contract, or transaction in a permitted payment stablecoin that is offered, offered to enter into, entered into, executed, confirmed the execution of, solicited, or accepted—

''(I) on or subject to the rules of a registered entity; or

''(II) by any other entity registered with the Commission.

''(ii) PERMITTED PAYMENT STABLECOIN TRANSACTION RULES.—This Act shall apply to a transaction described in clause (i) only for the purpose of regulating the offer, execution, solicitation, or acceptance of a cash or spot permitted payment stablecoin transaction on a registered entity or by any other entity registered with the Commission, as if the permitted payment stablecoin were a digital commodity.

''(iii) NO AUTHORITY OVER PERMITTED PAYMENT STABLECOINS.—Notwithstanding clauses (i) and (ii), the Commission shall not make a rule or regulation, impose a requirement or obligation on a registered entity or other entity registered with the Commission, or impose a requirement or obligation on a permitted payment stablecoin issuer, regarding the operation of a permitted payment stablecoin issuer or a permitted payment stablecoin.''.

(d) CONFORMING AMENDMENT.—Section 2(a)(1)(A) of such Act (7 U.S.C. 2(a)(1)(A)) is amended in the 1st sentence by inserting ''subparagraphs (F) and (G) of subsection (c)(2) of this section or'' before ''section 19''.

SEC. 502. REQUIRING FUTURES COMMISSION MERCHANTS TO USE QUALIFIED DIGITAL COMMODITY CUSTODIANS.

Section 4d of the Commodity Exchange Act (7 U.S.C. 6d) is amended—

(1) in subsection (a)(2)—

(A) in the 1st proviso, by striking ''any bank or trust company'' and inserting ''any bank, trust company, or qualified digital commodity custodian''; and

(B) by inserting '': Provided further, That any such property that is a digital commodity shall be held in a qualified digital commodity custodian'' before the period at the end; and

(2) in subsection (f)(3)(A)(i), by striking ''any bank or trust company'' and inserting ''any bank, trust company, or qualified digital commodity custodian''.

SEC. 503. TRADING CERTIFICATION AND APPROVAL FOR DIGITAL COMMODITIES.

Section 5c of the Commodity Exchange Act (7 U.S.C. 7a–2) is amended—

(1) in subsection (a), by striking ''5(d) and 5b(c)(2)'' and inserting ''5(d), 5b(c)(2), and 5i(c)'';

(2) in subsection (b)—

(A) in each of paragraphs (1) and (2), by inserting ''digital commodity exchange,'' before ''derivatives''; and

(B) in paragraph (3), by inserting ''digital commodity exchange,'' before ''derivatives'' each place it appears;

(3) in subsection (c)—

(A) in paragraph (2), by inserting ''or participants'' before ''(in'';

(B) in paragraph (4)(B), by striking ''1a(10)'' and inserting ''1a(9)''; and

(C) in paragraph (5), by adding at the end the following:

''(D) SPECIAL RULES FOR DIGITAL COMMODITY CONTRACTS.—In certifying any new rule or rule amendment, or listing any new contract or instrument, in connection with a contract of sale of a commodity for future delivery, option, swap, or other agreement, contract, or transaction, that is based on or references a digital commodity, a registered entity shall make or rely on a certification under subsection (d) for the digital commodity.''; and

(4) by inserting after subsection (c) the following:

''(d) CERTIFICATIONS FOR DIGITAL COMMODITY TRADING.—

''(1) IN GENERAL.—Notwithstanding subsection (c), for the purposes of listing or offering a digital commodity for trading in a digital commodity cash or spot market, an eligible entity shall issue a written certification that the digital commodity meets the requirements of this Act (including the regulations prescribed under this Act).

''(2) CONTENTS OF THE CERTIFICATION.—

''(A) IN GENERAL.—In making a written certification under this paragraph, the eligible entity shall furnish to the Commission—

''(i) an analysis of how the digital commodity meets the requirements of section 5i(c)(3);

''(ii) information about the digital commodity regarding—

''(I) its purpose and use;

''(II) its unit creation or release process;

''(III) its consensus mechanism;

''(IV) its governance structure;

''(V) its participation and distribution; and

''(VI) its current and proposed functionality; and

''(iii) any other information, analysis, or documentation the Commission may, by rule, require.

''(B) RELIANCE ON PRIOR DISCLOSURES.—In making a certification under this subsection, an eligible entity may rely on the records and disclosures of any relevant person registered with the Securities and Exchange Commission or other State or Federal agency.

''(3) MODIFICATIONS.—

''(A) IN GENERAL.—An eligible entity shall modify a certification made under paragraph (1) to—

''(i) account for significant changes in any information provided to the Commission under paragraph (2)(A)(ii); or

''(ii) permit or restrict trading in units of a digital commodity held by a related person or an affiliated person.

''(B) RECERTIFICATION.—Modifications required by this subsection shall be subject to the same disapproval and review process as a new certification under paragraphs (4) and (5).

''(4) DISAPPROVAL.—

''(A) IN GENERAL.—The written certification described in paragraph (1) shall become effective unless the Commission finds that the digital asset does not meet the requirements of this Act or the rules and regulations thereunder.

''(B) ANALYSIS REQUIRED.—The Commission shall include, with any findings referred to in subparagraph (A), a detailed analysis of the factors on which the decision was based.

''(C) PUBLIC FINDINGS.—The Commission shall make public any disapproval decision, and any related findings and analysis, made under this paragraph.

''(5) REVIEW.—

''(A) IN GENERAL.—Unless the Commission makes a disapproval decision under paragraph (4), the written certification described in paragraph (1) shall become effective, pursuant to the certification by the eligible entity and notice of the certification to the public (in a manner determined by the Commission) on the date that is—

''(i) 20 business days after the date the Commission receives the certification (or such shorter period as determined by the Commission by rule or regulation), in the case of a digital commodity that has not been certified under this section or for which a certification is being modified under paragraph (3); or

''(ii) 2 business days after the date the Commission receives the certification (or such shorter period as determined by the Commission by rule or regulation) for any digital commodity that has been certified under this section.

''(B) EXTENSIONS.—The time for consideration under subparagraph (A) may be extended through notice to the eligible entity that there are novel or complex issues that require additional time to analyze, that the explanation by the submitting eligible entity is inadequate, or of a potential inconsistency with this Act—

''(i) once, for 30 business days, through written notice to the eligible entity by the Chairman; and

''(ii) once, for an additional 30 business days, through written notice to the digital commodity exchange from the Commission that includes a description of any deficiencies with the certification, including any—

''(I) novel or complex issues which require additional time to analyze;

''(II) missing information or inadequate explanations; or

''(III) potential inconsistencies with this Act.

''(6) CERTIFICATION REQUIRED.—Notwithstanding any other provision of this Act, a registered entity or other entity registered with the Commission shall not list for trading, accept for clearing, offer to enter into, enter into, execute, confirm the execution of, or conduct any office or business anywhere in the United States, its territories or possessions, for the purpose of soliciting, or accepting any order for, or otherwise dealing in, any transaction in, or in connection with, a digital commodity, unless a certification has been made under this section for the digital commodity.

''(7) PRIOR APPROVAL BEFORE REGISTRATION.—

''(A) IN GENERAL.—A person applying for registration with the Commission for the purposes of listing or offering a digital commodity for trading in a digital commodity cash or spot market may request that the Commission grant prior approval for the person to list or offer the digital commodity on being registered with the Commission.

''(B) REQUEST FOR PRIOR APPROVAL.—A person seeking prior approval under subparagraph (A) shall furnish the Commission with a written certification that the digital commodity meets

the requirements of this Act (including the regulations prescribed under this Act) and the information described in paragraph (2).

''(C) DEADLINE.—The Commission shall take final action on a request for prior approval not later than 90 business days after submission of the request, unless the person submitting the request agrees to an extension of the time limitation established under this subparagraph.

''(D) DISAPPROVAL.—

''(i) IN GENERAL.—The Commission shall approve a new contract or other instrument unless the Commission finds that the new contract or other instrument would violate this Act (including a regulations prescribed under this Act).

''(ii) ANALYSIS REQUIRED.—The Commission shall include, with any findings made under clause (i), a detailed analysis of the factors on which the decision is based.

''(iii) PUBLIC FINDINGS.—The Commission shall make public any disapproval decision, and any related findings and analysis, made under this paragraph.

''(8) ELIGIBLE ENTITY DEFINED.—In this subsection, the term 'eligible entity' means a registered entity or group of registered entities acting jointly.''.

SEC. 504. REGISTRATION OF DIGITAL COMMODITY EXCHANGES.

The Commodity Exchange Act (7 U.S.C. 1 et seq.) is amended by inserting after section 5h the following:

''SEC. 5i. REGISTRATION OF DIGITAL COMMODITY EXCHANGES.

''(a) IN GENERAL.—

''(1) REGISTRATION.—

''(A) IN GENERAL.—A trading facility that offers or seeks to offer a cash or spot market in at least 1 digital commodity shall register with the Commission as a digital commodity exchange.

''(B) APPLICATION.—A person desiring to register as a digital commodity exchange shall submit to the Commission an application in such form and containing such information as the Commission may require for the purpose of making the determinations required for approval.

''(C) EXEMPTIONS.—A trading facility that offers or seeks to offer a cash or spot market in at least 1 digital commodity shall not be required to register under this section if the trading facility—

''(i) permits no more than a de minimis amount of trading activity in a digital commodity; or

''(ii) serves only customers in a single State or territory.

''(2) ADDITIONAL REGISTRATIONS.—

''(A) WITH THE COMMISSION.—

''(i) IN GENERAL.—A registered digital commodity exchange may also register as—

''(I) a designated contract market; or

''(II) a swap execution facility.

''(ii) RULES.—For an entity with multiple registrations under clause (i), the Commission—

''(I) shall prescribe rules to exempt the entity from duplicative, conflicting, or unduly burdensome provisions of this Act and the rules under this Act, to the extent such an exemption would foster the development of fair and orderly cash or spot markets in digital commodities, be necessary or appropriate in the public interest, and be consistent with the protection of customers; and

''(II) may, after an analysis of the risks and benefits, prescribe rules to provide for portfolio margining, as may be necessary to protect market participants, promote fair and equitable trading in digital commodity markets, and promote responsible economic or financial innovation.

''(B) WITH THE SECURITIES AND EXCHANGE COMMISSION.—A registered digital commodity exchange may register with the Securities and Exchange Commission as a digital asset trading system to list or trade contracts of sale for restricted digital assets.

''(C) WITH A REGISTERED FUTURES ASSOCIATION.—

''(i) IN GENERAL.—A registered digital commodity exchange shall also be a member of a registered futures association and comply with rules related to such activity, if the registered digital commodity exchange accepts customer funds required to be segregated under subsection (d).

''(ii) RULEMAKING REQUIRED.—The Commission shall require any registered futures association with a digital commodity exchange as a member to provide such rules as may be necessary to further compliance with subsection (d), protect customers, and promote the public interest.

''(D) REGISTRATION REQUIRED.—A person required to be registered as a digital commodity exchange under this section shall register with the Commission as such regardless of whether the person is registered with another State or Federal regulator.

''(b) TRADING.—

''(1) PROHIBITION ON CERTAIN TRADING PRACTICES.—

''(A) Section 4b shall apply to any agreement, contract, or transaction in a digital commodity as if the agreement, contract, or transaction were a contract of sale of a commodity for future delivery.

''(B) Section 4c shall apply to any agreement, contract, or transaction in a digital commodity as if the agreement, contract, or transaction were a transaction involving the purchase or sale of a commodity for future delivery.

''(C) Section 4b-1 shall apply to any agreement, contract, or transaction in a digital commodity as if the agreement, contract, or transaction were a contract of sale of a commodity for future delivery.

''(2) PROHIBITION ON ACTING AS A COUNTERPARTY.—

''(A) IN GENERAL.—A digital commodity exchange or any affiliate of such an exchange shall not trade on or subject to the rules of the digital commodity exchange for its own account.

''(B) EXCEPTIONS.—The Commission shall, by rule, permit a digital commodity exchange or any affiliate of a digital commodity exchange to engage in trading on an affiliated exchange so long as the trading is not solely for the purpose of the profit of the exchange, including the following:

''(i) CUSTOMER DIRECTION.—A transaction for, or entered into at the direction of, or for the benefit of, an unaffiliated customer.

''(ii) RISK MANAGEMENT.—A transaction to manage the risks associated with the digital commodity business of the exchange.

''(iii) FUNCTIONAL USE.—A transaction related to the functional operation of a blockchain network.

''(C) NOTICE REQUIREMENT.—In order for a digital commodity exchange or any affiliate of a digital commodity exchange to engage in trading on the affiliated exchange pursuant to subsection (B), notice must be given to the Commission that shall enumerate how any proposed activity is consistent with the exceptions in subsection (B) and the principles of the Act.

''(D) DELEGATION.—The Commission may, by rule, delegate authority to the Director of the Division of Market Oversight, or such other employee or employees as the Director of the Division of Market Oversight may designate from time to time, to carry out these provisions.

''(3) TRADING SECURITIES.—A registered digital commodity exchange that is also registered with the Securities and Exchange Commission may offer a contract of sale of a restricted digital asset.

''(4) RULES FOR CERTAIN DIGITAL ASSET SALES.—The digital commodity exchange shall have in place such rules as may be necessary to reasonably ensure the orderly sale of any unit of a digital commodity sold by a related person or an affiliated person.

''(c) CORE PRINCIPLES FOR DIGITAL COMMODITY EXCHANGES.—

''(1) COMPLIANCE WITH CORE PRINCIPLES.—

''(A) IN GENERAL.—To be registered, and maintain registration, as a digital commodity exchange, a digital commodity exchange shall comply with—

''(i) the core principles described in this subsection; and

''(ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5).

''(B) REASONABLE DISCRETION OF A DIGITAL COMMODITY EXCHANGE.—Unless otherwise determined by the Commission by rule or regulation, a digital commodity exchange described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the digital commodity exchange complies with the core principles described in this subsection.

''(2) COMPLIANCE WITH RULES.—A digital commodity exchange shall—

''(A) establish and enforce compliance with any rule of the digital commodity exchange, including—

''(i) the terms and conditions of the trades traded or processed on or through the digital commodity exchange; and

''(ii) any limitation on access to the digital commodity exchange;

''(B) establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means—

''(i) to provide market participants with impartial access to the market; and

''(ii) to capture information that may be used in establishing whether rule violations have occurred; and

''(C) establish rules governing the operation of the exchange, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility.

''(3) LISTING STANDARDS FOR DIGITAL COMMODITIES.—

''(A) IN GENERAL.—A digital commodity exchange shall permit trading only in a digital commodity that is not readily susceptible to manipulation.

''(B) PUBLIC INFORMATION REQUIREMENTS.—

''(i) IN GENERAL.—A digital commodity exchange shall permit trading only in a digital commodity if the information required in clause (ii) is correct, current, and available to the public.

''(ii) REQUIRED INFORMATION.— With respect to a digital commodity and each blockchain system to which the digital commodity relates for which the digital commodity exchange will make the digital commodity available to the customers of the digital commodity exchange, the information required in this clause is as follows:

''(I) SOURCE CODE.—The source code for any blockchain system to which the digital commodity relates.

''(II) TRANSACTION HISTORY.—A narrative description of the steps necessary to independently access, search, and verify the transaction history of any blockchain system to which the digital commodity relates.

''(III) DIGITAL ASSET ECONOMICS.—A narrative description of the purpose of any blockchain system to which the digital asset relates and the operation of any such blockchain system, including—

''(aa) information explaining the launch and supply process, including the number of digital assets to be issued in an initial allocation, the total number of digital assets to be created, the release schedule for the digital assets, and the total number of digital assets then outstanding;

''(bb) information detailing any applicable consensus mechanism or process for validating transactions, method of generating or mining digital assets, and any process for burning or destroying digital assets on the blockchain system;

''(cc) an explanation of governance mechanisms for implementing changes to the blockchain system or forming consensus among holders of the digital assets; and

''(dd) sufficient information for a third party to create a tool for verifying the transaction history of the digital asset.

''(IV) TRADING VOLUME AND VOLATILITY.—The trading volume and volatility of the digital commodity.

''(V) ADDITIONAL INFORMATION.—Such additional information as the Commission may, by rule, determine to be necessary for a customer to understand the financial and operational risks of a digital commodity, and to be in the public interest or in furtherance of the requirements of this Act.

''(iii) FORMAT.—The Commission shall prescribe rules and regulations for the standardization and simplification of disclosures under clause (ii), including requiring that disclosures—

''(I) be conspicuous;

''(II) use plain language comprehensible to customers; and

''(III) succinctly explain the information that is required to be communicated to the customer.

''(C) ADDITIONAL LISTING CONSIDERATIONS.—In addition to the requirements of subparagraphs (A) and (B), a digital commodity exchange shall consider—

''(i) if a sufficient percentage of the units of the digital asset are units of a digital commodity to permit robust price discovery;

''(ii) if it is reasonably unlikely that the transaction history can be fraudulently altered by any person or group of persons acting collectively;

''(iii) if the operating structure and system of the digital commodity is secure from cybersecurity threats;

''(iv) if the functionality of the digital commodity will protect holders from operational failures;

''(v) if sufficient public information about the operation, functionality, and use of the digital commodity is available; and

''(vi) any other factor which the Commission has, by rule, determined to be in the public interest or in furtherance of the requirements of this Act.

''(D) RESTRICTED DIGITAL ASSETS.—A digital commodity exchange shall not permit the trading of a unit of a digital asset that is a restricted digital asset.

''(4) TREATMENT OF CUSTOMER ASSETS.—A digital commodity exchange shall establish standards and procedures that are designed to protect and ensure the safety of customer money, assets, and property.

''(5) MONITORING OF TRADING AND TRADE PROCESSING.—

''(A) IN GENERAL.—A digital commodity exchange shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading on the exchange.

''(B) PROTECTION OF MARKETS AND MARKET PARTICIPANTS.—A digital commodity exchange shall establish and enforce rules—

''(i) to protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and

''(ii) to promote fair and equitable trading on the exchange.

''(C) TRADING PROCEDURES.—A digital commodity exchange shall—

''(i) establish and enforce rules or terms and conditions defining, or specifications detailing—

''(I) trading procedures to be used in entering and executing orders traded on or through the facilities of the digital commodity exchange; and

''(II) procedures for trade processing of digital commodities on or through the facilities of the digital commodity exchange; and

''(ii) monitor trading in digital commodities to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.

''(6) ABILITY TO OBTAIN INFORMATION.—A digital commodity exchange shall—

''(A) establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in this section;

''(B) provide the information to the Commission on request; and

''(C) have the capacity to carry out such international information-sharing agreements as the Commission may require.

''(7) EMERGENCY AUTHORITY.—A digital commodity exchange shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission or a registered entity, as is necessary and appropriate, including the authority to facilitate the liquidation or transfer of open positions in any digital commodity or to suspend or curtail trading in a digital commodity.

''(8) TIMELY PUBLICATION OF TRADING INFORMATION.—

''(A) IN GENERAL.—A digital commodity exchange shall make public timely information on price, trading volume, and other trading data on digital commodities to the extent prescribed by the Commission.

''(B) CAPACITY OF DIGITAL COMMODITY EXCHANGE.—A digital commodity exchange shall have the capacity to electronically capture and transmit trade information with respect to transactions executed on the exchange.

''(9) RECORDKEEPING AND REPORTING.—

''(A) IN GENERAL.—A digital commodity exchange shall—

''(i) maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of 5 years;

''(ii) report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under this Act; and

''(iii) keep any such records of digital commodities which relate to a security open to inspection and examination by the Securities and Exchange Commission.

''(B) INFORMATION-SHARING.—Subject to section 8, and on request, the Commission shall share information collected under subparagraph (A) with—

''(i) the Board;

''(ii) the Securities and Exchange Commission;

''(iii) each appropriate Federal banking agency;

''(iv) each appropriate State bank supervisor (within the meaning of section 3 of the Federal Deposit Insurance Act);

''(v) the Financial Stability Oversight Council;

''(vi) the Department of Justice; and

''(vii) any other person that the Commission determines to be appropriate, including—

''(I) foreign financial supervisors (including foreign futures authorities);

''(II) foreign central banks; and

''(III) foreign ministries.

''(C) CONFIDENTIALITY AGREEMENT.—Before the Commission may share information with any entity described in subparagraph (B), the Commission shall receive a written agreement from the entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on digital commodities that is provided.

''(D) PROVIDING INFORMATION.—A digital commodity exchange shall provide to the Commission (including any designee of the Commission) information under subparagraph (A) in such form and at such frequency as is required by the Commission.

''(10) ANTITRUST CONSIDERATIONS.—Unless necessary or appropriate to achieve the purposes of this Act, a digital commodity exchange shall not—

''(A) adopt any rules or take any actions that result in any unreasonable restraint of trade; or

''(B) impose any material anticompetitive burden on trading.

''(11) CONFLICTS OF INTEREST.—A registered digital commodity exchange shall implement conflict-of-interest systems and procedures that—

''(A) establish structural and institutional safeguards—

''(i) to minimize conflicts of interest that might potentially bias the judgment or supervision of the digital commodity exchange and contravene the principles of fair and equitable trading and the business conduct standards described in this Act, including conflicts arising out of transactions or arrangements with affiliates (including affiliates engaging in digital commodity activities) or between self-regulatory obligations and commercial interests, which may include information partitions, restrictions on employees and directors, and the legal separation of different persons or entities involved in digital commodity activities; and

''(ii) to ensure that the activities of any person within the digital commodity exchange or any affiliated entity relating to research or analysis of the price or market for any digital commodity or acting in a role of providing dealing, brokering, or advising activities are separated by appropriate informational partitions within the digital commodity exchange or any affiliated entity from the review, pressure, or oversight of persons whose involvement in pricing, trading, exchange, or clearing activities might potentially bias their judgment or supervision and contravene the core principles of open access and the business conduct standards described in this Act; and

''(B) address such other issues as the Commission determines to be appropriate.

''(12) FINANCIAL RESOURCES.—

''(A) IN GENERAL.—A digital commodity exchange shall have adequate financial, operational, and managerial resources, as determined by the Commission, to discharge each responsibility of the digital commodity exchange.

''(B) MINIMUM AMOUNT OF FINANCIAL RESOURCES.—A digital commodity exchange shall possess financial resources that, at a minimum, exceed the greater of—

''(i) the total amount that would enable the digital commodity exchange to conduct an orderly wind-down of its activities or

''(ii) the total amount that would enable the digital commodity exchange to cover the operating costs of the digital commodity exchange for a 1-year period, as calculated on a rolling basis.

''(13) DISCIPLINARY PROCEDURES.—A digital commodity exchange shall establish and enforce disciplinary procedures that authorize the digital commodity exchange to discipline, suspend, or expel members or market participants that violate the rules of the digital commodity exchange, or similar methods for performing the same functions, including delegation of the functions to third parties.

''(14) GOVERNANCE FITNESS STANDARDS.—

''(A) GOVERNANCE ARRANGEMENTS.—A digital commodity exchange shall establish governance arrangements that are transparent to fulfill public interest requirements.

''(B) FITNESS STANDARDS.—A digital commodity exchange shall establish and enforce appropriate fitness standards for—

''(i) directors; and

''(ii) any individual or entity with direct access to, or control of, customer assets.

''(15) SYSTEM SAFEGUARDS.—A digital commodity exchange shall—

''(A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational and security risks, through the development of appropriate controls and procedures, and automated systems, that—

''(i) are reliable and secure; and

''(ii) have adequate scalable capacity;

''(B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for—

''(i) the timely recovery and resumption of operations; and

''(ii) the fulfillment of the responsibilities and obligations of the digital commodity exchange; and

''(C) periodically conduct tests to verify that the backup resources of the digital commodity exchange are sufficient to ensure continued—

''(i) order processing and trade matching;

''(ii) price reporting;

''(iii) market surveillance; and

''(iv) maintenance of a comprehensive and accurate audit trail.

''(d) HOLDING OF CUSTOMER ASSETS.—

''(1) IN GENERAL.—A digital commodity exchange shall hold customer money, assets, and property in a manner to minimize the risk of loss to the customer or unreasonable delay in the access to the money, assets, and property of the customer.

''(A) SEGREGATION OF FUNDS.—

''(i) IN GENERAL.—A digital commodity exchange shall treat and deal with all money, assets, and property that is received by the digital commodity exchange, or accrues to a customer as the result of trading in digital commodities, as belonging to the customer.

''(ii) COMMINGLING PROHIBITED.—Money, assets, and property of a customer described in clause (i) shall be separately accounted for and shall not be commingled with the funds of the digital commodity exchange or be used to margin, secure, or guarantee any trades or accounts of any customer or person other than the person for whom the same are held.

''(B) EXCEPTIONS.—

''(i) USE OF FUNDS.—

''(I) IN GENERAL.—Notwithstanding subparagraph (A), money, assets, and property of customers of a digital commodity exchange described in subparagraph (A) may, for convenience, be commingled and deposited in the same account or accounts with any bank, trust company, derivatives clearing organization, or qualified digital commodity custodian.

''(II) WITHDRAWAL.—Notwithstanding subparagraph (A), such share of the money, assets, and property described in item (aa) as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle a contract of sale of a digital commodity with a registered entity may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage, and other charges, lawfully accruing in connection with the contract of sale of a digital commodity.

''(ii) COMMISSION ACTION.—Notwithstanding subparagraph (A), in accordance with such terms and conditions as the Commission may prescribe by rule, regulation, or order, any money, assets, or property of the customers of a digital commodity exchange described in subparagraph (A) may be commingled and deposited in customer accounts with any other money, assets, or property received by the digital commodity exchange and required by the Commission to be separately accounted for and treated and dealt with as belonging to the customer of the digital commodity exchange.

''(2) PERMITTED INVESTMENTS.—Money described in subparagraph (A) may be invested in obligations of the United States, in general obligations of any State or of any political subdivision of a State, and in obligations fully guaranteed as to principal and interest by the United States, or in any other investment that the Commission may by rule or regulation prescribe, and such investments shall be made in accordance with such rules and regulations and subject to such conditions as the Commission may prescribe.

''(3) CUSTOMER PROTECTION DURING BANKRUPTCY.—

''(A) CUSTOMER PROPERTY.—All assets held on behalf of a customer by a digital commodity exchange, and all money, assets, and property of any customer received by a digital commodity exchange for trading or custody, or to facilitate, margin, guarantee, or secure contracts of sale of a digital commodity (including money, assets, or property accruing to the customer as the result of the transactions), shall be considered customer property for purposes of section 761 of title 11, United States Code.

''(B) TRANSACTIONS.—A transaction involving a unit of a digital commodity occurring on or subject to the rules of a digital commodity exchange shall be considered a 'contract for the purchase or sale of a commodity for future delivery, on or subject to the rules of, a contract market or board of trade' for the purposes of the definition of a 'commodity contract' in section 761 of title 11, United States Code.

''(C) EXCHANGES.—A digital commodity exchange shall be considered a futures commission merchant for purposes of section 761 of title 11, United States Code.

''(D) ASSETS REMOVED FROM SEGREGATION.—Assets removed from segregation due to a customer election under paragraph (5) shall not be considered customer property for purposes of section 761 of title 11, United States Code.

''(4) MISUSE OF CUSTOMER PROPERTY.—

''(A) IN GENERAL.—It shall be unlawful—

''(i) for any digital commodity exchange that has received any customer money, assets, or property for custody to dispose of, or use any such money, assets, or property as belonging to the digital commodity exchange or any person other than a customer of the digital commodity exchange; or

''(ii) for any other person, including any depository, other digital commodity exchange, or digital commodity custodian that has received any customer money, assets, or property for deposit, to hold, dispose of, or use any such money, assets, or property, or property, as belonging to the depositing digital commodity exchange or any person other than the customers of the digital commodity exchange.

''(B) USE FURTHER DEFINED.—For purposes of this section, 'use' of a digital commodity includes utilizing any unit of a digital asset to participate in a blockchain service defined in paragraph (5) or a decentralized governance system associated with the digital commodity or the blockchain system to which the digital commodity relates in any manner other than that expressly directed by the customer from whom the unit of a digital commodity was received.

''(5) PARTICIPATION IN BLOCKCHAIN SERVICES.—

''(A) IN GENERAL.—A customer shall have the right to waive the restrictions in paragraph (1) for any unit of a digital commodity to be used under subparagraph (B), by affirmatively electing, in writing to the digital commodity exchange, to waive the restrictions.

''(B) USE OF FUNDS.—Customer digital commodities removed from segregation under subparagraph (A) may be pooled and used by the digital commodity exchange or its designee to provide a blockchain service for a blockchain system to which the unit of the digital asset removed from segregation in subparagraph (A) relates.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Commission may, by rule, establish notice and disclosure requirements, and any other limitations and rules related to the waiving of any restrictions under this paragraph that are reasonably necessary to protect customers, including eligible contract participants, non-eligible contract participants, or any other class of customers.

''(ii) CUSTOMER CHOICE.—A digital commodity exchange may not require a waiver from a customer described in subparagraph (A) as a condition of doing business on the exchange.

''(D) BLOCKCHAIN SERVICE DEFINED.—In this subparagraph, the term 'blockchain service' means any activity relating to validating transactions on a blockchain system, providing security for a blockchain system, or other similar activity required for the ongoing operation of a blockchain system.

''(e) MARKET ACCESS REQUIREMENTS.—

''(1) IN GENERAL.—A digital commodity exchange shall require any person who is not an eligible contract participant to access trading on the exchange through a digital commodity broker.

''(2) AFFILIATED COMMODITY BROKERS.—A registered digital commodity exchange may permit an affiliated digital commodity broker to facilitate access to the digital commodity exchange.

''(3) DIRECT ACCESS FOR ELIGIBLE CONTRACT PARTICIPANTS.—Nothing in this section shall prohibit a digital commodity exchange in compliance with this section from permitting direct access for eligible contract participants.

''(4) ADDITIONAL REQUIREMENTS.—The Commission may, by rule, impose any additional requirements related to the operations and activities of the digital commodity exchange and an affiliated digital commodity broker necessary to protect market participants, promote fair and equitable trading on the digital commodity exchange, and promote responsible economic or financial innovation.

''(f) DESIGNATION OF CHIEF COMPLIANCE OFFICER.—

''(1) IN GENERAL.—A digital commodity exchange shall designate an individual to serve as a chief compliance officer.

''(2) DUTIES.—The chief compliance officer shall—

''(A) report directly to the board or to the senior officer of the exchange;

''(B) review compliance with the core principles in this subsection;

''(C) in consultation with the board of the exchange, a body performing a function similar to that of a board, or the senior officer of the exchange, resolve any conflicts of interest that may arise;

''(D) establish and administer the policies and procedures required to be established pursuant to this section;

''(E) ensure compliance with this Act and the rules and regulations issued under this Act, including rules prescribed by the Commission pursuant to this section; and

''(F) establish procedures for the remediation of noncompliance issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.

''(3) REQUIREMENTS FOR PROCEDURES.—In establishing procedures under paragraph (2)(F), the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues.

''(4) ANNUAL REPORTS.—

''(A) IN GENERAL.—In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of—

''(i) the compliance of the digital commodity exchange with this Act; and

''(ii) the policies and procedures, including the code of ethics and conflict of interest policies, of the digital commodity exchange.

''(B) REQUIREMENTS.—The chief compliance officer shall—

''(i) submit each report described in subparagraph (A) with the appropriate financial report of the digital commodity exchange that is required to be submitted to the Commission pursuant to this section; and

''(ii) include in the report a certification that, under penalty of law, the report is accurate and complete.

''(g) APPOINTMENT OF TRUSTEE.—

''(1) IN GENERAL.—If a proceeding under section 5e results in the suspension or revocation of the registration of a digital commodity exchange, or if a digital commodity exchange

withdraws from registration, the Commission, on notice to the digital commodity exchange, may apply to the appropriate United States district court where the digital commodity exchange is located for the appointment of a trustee.

''(2) ASSUMPTION OF JURISDICTION.—If the Commission applies for appointment of a trustee under paragraph (1)—

''(A) the court may take exclusive jurisdiction over the digital commodity exchange and the records and assets of the digital commodity exchange, wherever located; and

''(B) if the court takes jurisdiction under subparagraph (A), the court shall appoint the Commission, or a person designated by the Commission, as trustee with power to take possession and continue to operate or terminate the operations of the digital commodity exchange in an orderly manner for the protection of customers subject to such terms and conditions as the court may prescribe.

''(h) QUALIFIED DIGITAL COMMODITY CUSTODIAN.—A digital commodity exchange shall hold in a qualified digital commodity custodian each unit of a digital commodity that is—

''(1) the property of a customer of the digital commodity exchange;

''(2) required to be held by the digital commodity exchange under subsection (c)(12) of this section; or

''(3) otherwise so required by the Commission to reasonably protect customers or promote the public interest.

''(i) EXEMPTIONS.—

''(1) In order to promote responsible economic or financial innovation and fair competition, or protect customers, the Commission may (on its own initiative or on application of the registered digital commodity exchange) exempt, either unconditionally or on stated terms or conditions or for stated periods and either retroactively or prospectively, or both, a registered digital commodity exchange from the requirements of this section, if the Commission determines that—

''(A) the exemption would be consistent with the public interest and the purposes of this Act; and

''(B) the exemption will not have a material adverse effect on the ability of the Commission or the digital commodity exchange to discharge regulatory or self-regulatory duties under this Act.

''(2) The Commission may exempt, conditionally or unconditionally, a digital commodity exchange from registration under this section if the Commission finds that the digital commodity exchange is subject to comparable, comprehensive supervision and regulation on a consolidated basis by the appropriate governmental authorities in the home country of the facility.

''(j) CUSTOMER DEFINED.—In this section, the term 'customer' means any person that maintains an account for the trading of digital commodities directly with a digital commodity exchange (other than a person that is owned or controlled, directly or indirectly, by the digital commodity exchange) for its own behalf or on behalf of any other person.

''(k) FEDERAL PREEMPTION.—Notwithstanding any other provision of law, the Commission shall have exclusive jurisdiction over any digital commodity exchange registered under this section.

''(l) TREATMENT UNDER THE BANK SECRECY ACT.—A digital commodity exchange shall be treated as a financial institution for purposes of the Bank Secrecy Act.

''(m) WITHDRAWAL OF CERTIFICATION OF A BLOCKCHAIN SYSTEM.—

''(1) IN GENERAL.—

''(A) DETERMINATION BY A DIGITAL COMMODITY EXCHANGE.—With respect to a certification of a blockchain system that becomes effective pursuant to section 44(f) of the Securities Exchange Act of 1934, if a digital commodity exchange determines that the blockchain system may not be a decentralized system, the digital commodity exchange shall notify the Commission of such determination.

''(B) WITHDRAWAL PROCESS.—With respect to each notification received under subparagraph (A), the Commission shall initiate a withdrawal process under which the Commission shall—

''(i) publish a notice announcing the proposed withdrawal;

''(ii) provide a 30 day comment period with respect to the proposed withdrawal; and

''(iii) after the end of the 30-day comment required under clause (ii), publish either—

''(I) a notification of withdrawal of the applicable certification; or

''(II) a notice that the Commission is not withdrawing the certification.

''(C) DETAILED ANALYSIS REQUIRED.—The Commission shall include, with each publication of a notification of withdrawal described under subparagraph (B)(iii)(I), a detailed analysis of the factors on which the decision was based.

''(2) RECERTIFICATION.—With respect to a blockchain system for which a certification has been withdrawn under this subsection, no person may make a certification under section 44(a) of the Securities Exchange Act of 1934 with respect to such blockchain system during the 90-day period beginning on the date of such withdrawal.

''(3) APPEAL OF WITHDRAWAL.—

''(A) IN GENERAL.—If a certification is withdrawn under this subsection, a person making may appeal the decision to the United States Court of Appeals for the District of Columbia, not later than 60 days after the notice of withdrawal is made.

''(B) REVIEW.—In an appeal under subparagraph (A), the court shall have de novo review of the determination to withdraw the certification.''.

SEC. 505. QUALIFIED DIGITAL COMMODITY CUSTODIANS.

The Commodity Exchange Act (7 U.S.C. 1 et seq.), as amended by the preceding provisions of this Act, is amended by inserting after section 5i the following:

''SEC. 5j. QUALIFIED DIGITAL COMMODITY CUSTODIANS.

''(a) IN GENERAL.—A digital commodity custodian is a qualified digital commodity custodian if the digital commodity custodian complies with the requirements of this section.

''(b) SUPERVISION REQUIREMENT.—A digital commodity custodian that is not subject to supervision and examination by an appropriate Federal banking agency, the National Credit Union Administration, the Commission, or the Securities and Exchange Commission shall be subject to adequate supervision and appropriate regulation by—

''(1) a State bank supervisor (within the meaning of section 3 of the Federal Deposit Insurance Act);

''(2) a State credit union supervisor, as defined under section 6003 of the Anti-Money Laundering Act of 2020; or

''(3) an appropriate foreign governmental authority in the home country of the digital commodity custodian.

''(c) OTHER REQUIREMENTS.—

''(1) NOT OTHERWISE PROHIBITED.—The digital commodity custodian has not been prohibited by a supervisor of the digital commodity custodian from engaging in an activity with respect to the custody and safekeeping of digital commodities.

''(2) INFORMATION SHARING.—

''(A) IN GENERAL.—A digital commodity custodian shall share information with the Commission on request and comply with such requirements for periodic sharing of information regarding customer accounts that the digital commodity custodian holds on behalf of an entity registered with the Commission as the Commission determines by rule are reasonably necessary to effectuate any of the provisions, or to accomplish any of the purposes, of this Act.

''(B) PROVISION OF INFORMATION.—Any entity that is subject to regulation and examination by an appropriate Federal banking agency may satisfy any information request described in subparagraph (A) by providing the Commission with a detailed listing, in writing, of the digital commodities of a customer within the custody or use of the entity.

''(d) ADEQUATE SUPERVISION AND APPROPRIATE REGULATION.—

''(1) IN GENERAL.—For purposes of subsection (b), the terms 'adequate supervision' and 'appropriate regulation' mean such minimum standards for supervision and regulation as are reasonably necessary to protect the digital commodities of customers of an entity registered with the Commission, including standards relating to the licensing, examination, and supervisory processes that require the digital commodity custodian to, at a minimum—

''(A) receive a review and evaluation of ownership, character and fitness, conflicts of interest, business model, financial statements, funding resources, and policies and procedures of the digital commodity custodian;

''(B) hold capital sufficient for the financial integrity of the digital commodity custodian;

''(C) protect customer assets;

''(D) establish and maintain books and records regarding the business of the digital commodity custodian;

''(E) submit financial statements and audited financial statements to the applicable supervisor described in subsection (b);

''(F) provide disclosures to the applicable supervisor described in subsection (b) regarding actions, proceedings, and other items as determined by the supervisor;

''(G) maintain and enforce policies and procedures for compliance with applicable State and Federal laws, including those related to anti-money laundering and cybersecurity;

''(H) establish a business continuity plan to ensure functionality in cases of disruption; and

''(I) establish policies and procedures to resolve complaints.

''(2) RULEMAKING WITH RESPECT TO DEFINITIONS.—

''(A) IN GENERAL.—For purposes of this section, the Commission may, by rule, further define the terms 'adequate supervision' and 'appropriate regulation' as necessary in the public interest, as appropriate for the protection of investors, and consistent with the purposes of this Act.

''(B) CONDITIONAL TREATMENT OF CERTAIN CUSTODIANS BEFORE RULEMAKING.—Before the effective date of a rulemaking under subparagraph (A), a trust company is deemed subject to adequate supervision and appropriate regulation if—

''(i) the trust company is expressly permitted by a State bank supervisor to engage in the custody and safekeeping of digital commodities;

''(ii) the State bank supervisor has established licensing, examination, and supervisory processes that require the trust company to, at a minimum, meet the conditions described in subparagraphs (A) through (I) of paragraph (1); and

''(iii) the trust company is in good standing with its State bank supervisor.

''(C) TRANSITION PERIOD FOR CERTAIN CUSTODIANS.—In implementing the rulemaking under subparagraph (A), the Commission shall provide a transition period of not less than 2 years for any trust company that is deemed subject to adequate supervision and appropriate regulation under subparagraph (B) on the effective date of the rulemaking.

''(e) AUTHORITY TO TEMPORARILY SUSPEND STANDARDS.—The Commission may, by rule or order, temporarily suspend, in whole or in part, any requirement imposed under, or any standard referred to in, this section if the Commission determines that the suspension would be consistent with the public interest and the purposes of this Act.''.

SEC. 506. REGISTRATION AND REGULATION OF DIGITAL COMMODITY BROKERS AND DEALERS.

The Commodity Exchange Act (7 U.S.C. 1 et seq.), as amended by the preceding provisions of

this Act, is amended by inserting after section 4t the following:

"SEC. 4u. REGISTRATION AND REGULATION OF DIGITAL COMMODITY BROKERS AND DEALERS.

''(a) REGISTRATION.—It shall be unlawful for any person to act as a digital commodity broker or digital commodity dealer unless the person is registered as such with the Commission.

''(b) REQUIREMENTS.—

''(1) IN GENERAL.—A person shall register as a digital commodity broker or digital commodity dealer by filing a registration application with the Commission.

''(2) CONTENTS.—

''(A) IN GENERAL.—The application shall be made in such form and manner as is prescribed by the Commission, and shall contain such information as the Commission considers necessary concerning the business in which the applicant is or will be engaged.

''(B) CONTINUAL REPORTING.—A person that is registered as a digital commodity broker or digital commodity dealer shall continue to submit to the Commission reports that contain such information pertaining to the business of the person as the Commission may require.

''(3) STATUTORY DISQUALIFICATION.—Except to the extent otherwise specifically provided by rule, regulation, or order, it shall be unlawful for a digital commodity broker or digital commodity dealer to permit any person who is associated with a digital commodity broker or a digital commodity dealer and who is subject to a statutory disqualification to effect or be involved in effecting a contract of sale of a digital commodity on behalf of the digital commodity broker or the digital commodity dealer, respectively, if the digital commodity broker or digital commodity dealer, respectively, knew, or in the exercise of reasonable care should have known, of the statutory disqualification.

''(4) LIMITATIONS ON CERTAIN ASSETS.—A digital commodity broker or digital commodity dealer shall not offer, offer to enter into, enter into, or facilitate any contract of sale of a digital commodity that has not been certified under section 5c(d).

''(c) ADDITIONAL REGISTRATIONS.—

''(1) WITH THE COMMISSION.—Any person required to be registered as a digital commodity broker or digital commodity dealer may also be registered as a futures commission merchant, introducing broker, or swap dealer.

''(2) WITH THE SECURITIES AND EXCHANGE COMMISSION.—Any person required to be registered as a digital commodity broker or digital commodity dealer under this section may register with the Securities and Exchange Commission as a digital asset broker or digital asset dealer, pursuant to section 15(b) of the Securities Exchange Act of 1934.

''(3) WITH MEMBERSHIP IN A REGISTERED FUTURES ASSOCIATION.—Any person required to be registered as a digital commodity broker or digital commodity dealer under this section shall be a member of a registered futures association.

''(4) REGISTRATION REQUIRED.—Any person required to be registered as a digital commodity broker or digital commodity dealer under this section shall register with the Commission as such regardless of whether the person is registered with another State or Federal regulator.

''(d) RULEMAKING.—

''(1) IN GENERAL.—The Commission shall prescribe such rules applicable to registered digital commodity brokers and registered digital commodity dealers as are appropriate to carry out this section, including rules in the public interest that limit the activities of digital commodity brokers and digital commodity dealers.

''(2) MULTIPLE REGISTRANTS.—The Commission shall prescribe rules or regulations permitting, or may otherwise authorize, exemptions or additional requirements applicable to persons with multiple registrations under this Act, including as futures commission merchants, introducing brokers, digital commodity brokers, digital commodity dealers, or swap dealers, as may be in the public interest to reduce compliance costs and promote customer protection.

''(e) CAPITAL REQUIREMENTS.—

''(1) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall meet such minimum capital requirements as the Commission may prescribe to address the risks associated with digital commodity trading and to ensure that the digital commodity broker or digital commodity dealer, respectively, is able to—

''(A) meet, and continue to meet, at all times, the obligations of such a registrant; and

''(B) in the case of a digital commodity dealer, fulfill the counterparty obligations of the digital commodity dealer for any margined, leveraged, or financed transactions.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall limit, or be construed to limit, the authority of the Securities and Exchange Commission to set financial responsibility rules for a broker or dealer registered pursuant to section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) (except for section 15(b)(11) of such Act (15 U.S.C. 78o(b)(11)) in accordance with section 15(c)(3) of such Act (15 U.S.C. 78o(c)(3)).

''(3) FUTURES COMMISSION MERCHANTS AND OTHER DEALERS.—Each futures commission merchant, introducing broker, digital commodity broker, digital commodity dealer, broker, and dealer shall maintain sufficient capital to comply with the stricter of any applicable capital requirements to which the futures commission merchant, introducing broker, digital commodity broker, digital commodity dealer, broker, or dealer, respectively, is subject under this Act or the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

''(f) REPORTING AND RECORDKEEPING.—Each digital commodity broker and digital commodity dealer—

''(1) shall make such reports as are required by the Commission by rule or regulation regarding the transactions, positions, and financial condition of the digital commodity broker or digital commodity dealer, respectively;

''(2) shall keep books and records in such form and manner and for such period as may be prescribed by the Commission by rule or regulation; and

''(3) shall keep the books and records open to inspection and examination by any representative of the Commission.

''(g) DAILY TRADING RECORDS.—

''(1) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall maintain daily trading records of the transactions of the digital commodity broker or digital commodity dealer, respectively, and all related records (including related forward or derivatives transactions) and recorded communications, including electronic mail, instant messages, and recordings of telephone calls, for such period as the Commission may require by rule or regulation.

''(2) INFORMATION REQUIREMENTS.—The daily trading records shall include such information as the Commission shall require by rule or regulation.

''(3) COUNTERPARTY RECORDS.—Each digital commodity broker and digital commodity dealer shall maintain daily trading records for each customer or counterparty in a manner and form that is identifiable with each digital commodity transaction.

''(4) AUDIT TRAIL.—Each digital commodity broker and digital commodity dealer shall maintain a complete audit trail for conducting comprehensive and accurate trade reconstructions.

''(h) BUSINESS CONDUCT STANDARDS.—

''(1) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall conform with such business conduct standards as the Commission, by rule or regulation, prescribes related to—

''(A) fraud, manipulation, and other abusive practices involving spot or margined, leveraged, or financed digital commodity transactions (including transactions that are offered but not entered into);

''(B) diligent supervision of the business of the registered digital commodity broker or digital commodity dealer, respectively; and

''(C) such other matters as the Commission deems appropriate.

''(2) BUSINESS CONDUCT REQUIREMENTS.—The Commission shall, by rule, prescribe business conduct requirements which—

''(A) require disclosure by a registered digital commodity broker and registered digital commodity dealer to any counterparty to the transaction (other than an eligible contract participant) of—

''(i) information about the material risks and characteristics of the digital commodity;

''(ii) information about the material risks and characteristics of the transaction;

''(B) establish a duty for such a digital commodity broker and such a digital commodity dealer to communicate in a fair and balanced manner based on principles of fair dealing and good faith;

''(C) establish standards governing digital commodity broker and digital commodity dealer marketing and advertising, including testimonials and endorsements; and

''(D) establish such other standards and requirements as the Commission may determine are—

''(i) in the public interest;

''(ii) appropriate for the protection of customers; or

''(iii) otherwise in furtherance of the purposes of this Act.

''(3) PROHIBITION ON FRAUDULENT PRACTICES.—It shall be unlawful for a digital commodity broker or digital commodity dealer to—

''(A) employ any device, scheme, or artifice to defraud any customer or counterparty;

''(B) engage in any transaction, practice, or course of business that operates as a fraud or deceit on any customer or counterparty; or

''(C) engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative.

''(i) DUTIES.—

''(1) RISK MANAGEMENT PROCEDURES.—Each digital commodity broker and digital commodity dealer shall establish robust and professional risk management systems adequate for managing the day-to-day business of the digital commodity broker or digital commodity dealer, respectively.

''(2) DISCLOSURE OF GENERAL INFORMATION.—Each digital commodity broker and digital commodity dealer shall disclose to the Commission information concerning—

''(A) the terms and conditions of the transactions of the digital commodity broker or digital commodity dealer, respectively;

''(B) the trading operations, mechanisms, and practices of the digital commodity broker or digital commodity dealer, respectively;

''(C) financial integrity protections relating to the activities of the digital commodity broker or digital commodity dealer, respectively; and

''(D) other information relevant to trading in digital commodities by the digital commodity broker or digital commodity dealer, respectively.

''(3) ABILITY TO OBTAIN INFORMATION.—Each digital commodity broker and digital commodity dealer shall—

''(A) establish and enforce internal systems and procedures to obtain any necessary information to perform any of the functions described in this section; and

''(B) provide the information to the Commission, on request.

''(4) CONFLICTS OF INTEREST.—Each digital commodity broker and digital commodity dealer shall implement conflict-of-interest systems and procedures that—

''(A) establish structural and institutional safeguards—

''(i) to minimize conflicts of interest that might potentially bias the judgment or supervision of the digital commodity broker or digital

commodity dealer, respectively, and contravene the principles of fair and equitable trading and the business conduct standards described in this Act, including conflicts arising out of transactions or arrangements with affiliates (including affiliates acting as digital asset issuers, digital commodity dealers, or qualified digital commodity custodians), which may include information partitions and the legal separation of different persons involved in digital commodity activities; and

''(ii) to ensure that the activities of any person within the digital commodity broker or digital commodity dealer relating to research or analysis of the price or market for any digital commodity or acting in a role of providing exchange activities or making determinations as to accepting exchange customers are separated by appropriate informational partitions within the digital commodity broker or digital commodity dealer from the review, pressure, or oversight of persons whose involvement in pricing, trading, exchange, or clearing activities might potentially bias their judgment or supervision and contravene the core principles of open access and the business conduct standards described in this Act; and

''(B) address such other issues as the Commission determines to be appropriate.

''(5) ANTITRUST CONSIDERATIONS.—Unless necessary or appropriate to achieve the purposes of this Act, a digital commodity broker or digital commodity dealer shall not—

''(A) adopt any process or take any action that results in any unreasonable restraint of trade; or

''(B) impose any material anticompetitive burden on trading or clearing.

''(j) DESIGNATION OF CHIEF COMPLIANCE OFFICER.—

''(1) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall designate an individual to serve as a chief compliance officer.

''(2) DUTIES.—The chief compliance officer shall—

''(A) report directly to the board or to the senior officer of the registered digital commodity broker or registered digital commodity dealer;

''(B) review the compliance of the registered digital commodity broker or registered digital commodity dealer with respect to the registered digital commodity broker and registered digital commodity dealer requirements described in this section;

''(C) in consultation with the board of directors, a body performing a function similar to the board, or the senior officer of the organization, resolve any conflicts of interest that may arise;

''(D) be responsible for administering each policy and procedure that is required to be established pursuant to this section;

''(E) ensure compliance with this Act (including regulations), including each rule prescribed by the Commission under this section;

''(F) establish procedures for the remediation of noncompliance issues identified by the chief compliance officer through any—

''(i) compliance office review;

''(ii) look-back;

''(iii) internal or external audit finding;

''(iv) self-reported error; or

''(v) validated complaint; and

''(G) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues.

''(3) ANNUAL REPORTS.—

''(A) IN GENERAL.—In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of—

''(i) the compliance of the registered digital commodity broker or registered digital commodity dealer with respect to this Act (including regulations); and

''(ii) each policy and procedure of the registered digital commodity broker or registered digital commodity dealer of the chief compliance officer (including the code of ethics and conflict of interest policies).

''(B) REQUIREMENTS.—The chief compliance officer shall ensure that a compliance report under subparagraph (A)—

''(i) accompanies each appropriate financial report of the registered digital commodity broker or registered digital commodity dealer that is required to be furnished to the Commission pursuant to this section; and

''(ii) includes a certification that, under penalty of law, the compliance report is accurate and complete.

''(k) SEGREGATION OF DIGITAL COMMODITIES.—

''(1) HOLDING OF CUSTOMER ASSETS.—

''(A) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall hold customer money, assets, and property in a manner to minimize the risk of loss to the customer or unreasonable delay in customer access to the money, assets, and property of the customer.

''(B) QUALIFIED DIGITAL COMMODITY CUSTODIAN.—Each digital commodity broker and digital commodity dealer shall hold in a qualified digital commodity custodian each unit of a digital commodity that is—

''(i) the property of a customer or counterparty of the digital commodity broker or digital commodity dealer, respectively;

''(ii) required to be held by the digital commodity broker or digital commodity dealer under subsection (e); or

''(iii) otherwise so required by the Commission to reasonably protect customers or promote the public interest.

''(2) SEGREGATION OF FUNDS.—

''(A) IN GENERAL.—Each digital commodity broker and digital commodity dealer shall treat and deal with all money, assets, and property that is received by the digital commodity broker or digital commodity dealer, or accrues to a customer as the result of trading in digital commodities, as belonging to the customer.

''(B) COMMINGLING PROHIBITED.—

''(i) IN GENERAL.—Except as provided in clause (ii), each digital commodity broker and digital commodity dealer shall separately account for money, assets, and property of a digital commodity customer, and shall not commingle any such money, assets, or property with the funds of the digital commodity broker or digital commodity dealer, respectively, or use any such money, assets, or property to margin, secure, or guarantee any trades or accounts of any customer or person other than the person for whom the money, assets, or property are held.

''(ii) EXCEPTIONS.—

''(I) USE OF FUNDS.—

''(aa) IN GENERAL.—A digital commodity broker or digital commodity dealer may, for convenience, commingle and deposit in the same account or accounts with any bank, trust company, derivatives clearing organization, or qualified digital commodity custodian money, assets, and property of customers.

''(bb) WITHDRAWAL.—The share of the money, assets, and property described in item (aa) as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle a contract of sale of a digital commodity with a registered entity may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage, and other charges, lawfully accruing in connection with the contract.

''(II) COMMISSION ACTION.—In accordance with such terms and conditions as the Commission may prescribe by rule, regulation, or order, any money, assets, or property of the customers of a digital commodity broker or digital commodity dealer may be commingled and deposited in customer accounts with any other money, assets, or property received by the digital commodity broker or digital commodity dealer, respectively, and required by the Commission to be separately accounted for and treated and dealt with as belonging to the customer of the digital commodity broker or digital commodity dealer, respectively.

''(3) PERMITTED INVESTMENTS.—Money described in paragraph (2) may be invested in obligations of the United States, in general obligations of any State or of any political subdivision of a State, in obligations fully guaranteed as to principal and interest by the United States, or in any other investment that the Commission may by rule or regulation allow.

''(4) CUSTOMER PROTECTION DURING BANKRUPTCY.—

''(A) CUSTOMER PROPERTY.—All money, assets, or property described in paragraph (2) shall be considered customer property for purposes of section 761 of title 11, United States Code.

''(B) TRANSACTIONS.—A transaction involving a unit of a digital commodity occurring with a digital commodity dealer shall be considered a 'contract for the purchase or sale of a commodity for future delivery, on or subject to the rules of, a contract market or board of trade' for purposes of the definition of a 'commodity contract' in section 761 of title 11, United States Code.

''(C) BROKERS AND DEALERS.—A digital commodity dealer and a digital commodity broker shall be considered a futures commission merchant for purposes of section 761 of title 11, United States Code.

''(D) ASSETS REMOVED FROM SEGREGATION.—Assets removed from segregation due to a customer election under paragraph (6) shall not be considered customer property for purposes of section 761 of title 11, United States Code.

''(5) MISUSE OF CUSTOMER PROPERTY.—

''(A) IN GENERAL.—It shall be unlawful—

''(i) for any digital commodity broker or digital commodity dealer that has received any customer money, assets, or property for custody to dispose of, or use any such money, assets, or property as belonging to the digital commodity broker or digital commodity dealer, respectively, or any person other than a customer of the digital commodity broker or digital commodity dealer, respectively; or

''(ii) for any other person, including any depository, digital commodity exchange, other digital commodity broker, other digital commodity dealer, or digital commodity custodian that has received any customer money, assets, or property for deposit, to hold, dispose of, or use any such money, assets, or property, as belonging to the depositing digital commodity broker or digital commodity dealer or any person other than the customers of the digital commodity broker or digital commodity dealer, respectively.

''(B) USE FURTHER DEFINED.—For purposes of this section, 'use' of a digital commodity includes utilizing any unit of a digital asset to participate in a blockchain service defined in paragraph (6) or a decentralized governance system associated with the digital commodity or the blockchain system to which the digital commodity relates in any manner other than that expressly directed by the customer from whom the unit of a digital commodity was received.

''(6) PARTICIPATION IN BLOCKCHAIN SERVICES.—

''(A) IN GENERAL.—A customer shall have the right to waive the restrictions in paragraph (1) for any unit of a digital commodity to be used under subparagraph (B), by affirmatively electing, in writing to the digital commodity broker or digital commodity dealer, to waive the restrictions.

''(B) USE OF FUNDS.—Customer digital commodities removed from segregation under subparagraph (A) may be pooled and used by the digital commodity broker or digital commodity dealer, or one of their designees, to provide a blockchain service for a blockchain system to which the unit of the digital asset removed from segregation in subparagraph (A) relates.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Commission may, by rule, establish notice and disclosure requirements, and any other limitations and rules related to the waiving of any restrictions under this paragraph that are reasonably necessary to protect customers, including eligible contract participants, non-eligible contract participants, or any other class of customers.

''(ii) CUSTOMER CHOICE.—A digital commodity broker or digital commodity dealer may not require a waiver from a customer described in subparagraph (A) as a condition of doing business with the broker or dealer.

''(D) BLOCKCHAIN SERVICE DEFINED.—In this subparagraph, the term 'blockchain service' means any activity relating to validating transactions on a blockchain system, providing security for a blockchain system, or other similar activity required for the ongoing operation of a blockchain system.

''(l) FEDERAL PREEMPTION.—Notwithstanding any other provision of law, the Commission shall have exclusive jurisdiction over any digital commodity broker or digital commodity dealer registered under this section.

''(m) EXEMPTIONS.—In order to promote responsible economic or financial innovation and fair competition, or protect customers, the Commission may (on its own initiative or on application of the registered digital commodity broker or registered digital commodity dealer) exempt, unconditionally or on stated terms or conditions, or for stated periods, and retroactively or prospectively, or both, a registered digital commodity broker or registered digital commodity dealer from the requirements of this section, if the Commission determines that—

''(1)(A) the exemption would be consistent with the public interest and the purposes of this Act; and

''(B) the exemption will not have a material adverse effect on the ability of the Commission to discharge regulatory duties under this Act; or

''(2) the registered digital commodity broker or registered digital commodity dealer is subject to comparable, comprehensive supervision and regulation by the appropriate government authorities in the home country of the registered digital commodity broker or registered digital commodity dealer, respectively.

''(n) TREATMENT UNDER THE BANK SECRECY ACT.—A digital commodity broker and a digital commodity dealer shall be treated as a financial institution for purposes of the Bank Secrecy Act.''.

SEC. 507. REGISTRATION OF ASSOCIATED PERSONS.

(a) IN GENERAL.—Section 4k of the Commodity Exchange Act (7 U.S.C. 6k) is amended—

(1) by redesignating subsections (4) through (6) as subsections (5) through (7), respectively; and

(2) by inserting after subsection (3) the following:

''(4) It shall be unlawful for any person to act as an associated person of a digital commodity broker or an associated person of a digital commodity dealer unless the person is registered with the Commission under this Act and such registration shall not have expired, been suspended (and the period of suspension has not expired), or been revoked. It shall be unlawful for a digital commodity broker or a digital commodity dealer to permit such a person to become or remain associated with the digital commodity broker or digital commodity dealer if the digital commodity broker or digital commodity dealer knew or should have known that the person was not so registered or that the registration had expired, been suspended (and the period of suspension has not expired), or been revoked.''; and

(3) in subsection (5) (as so redesignated), by striking ''or of a commodity trading advisor'' and inserting ''of a commodity trading advisor, of a digital commodity broker, or of a digital commodity dealer''.

(b) CONFORMING AMENDMENTS.—The Commodity Exchange Act (7 U.S.C. 1a et seq.) is amended by striking ''section 4k(6)'' each place it appears and inserting ''section 4k(7)''.

SEC. 508. REGISTRATION OF COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS.

(a) IN GENERAL.—Section 4m(3) of the Commodity Exchange Act (7 U.S.C. 6m(3)) is amended—

(1) in subparagraph (A)—

(A) by striking ''any commodity trading advisor'' and inserting ''a commodity pool operator or commodity trading advisor''; and

(B) by striking ''acting as a commodity trading advisor'' and inserting ''acting as a commodity pool operator or commodity trading advisor''; and

(2) in subparagraph (C), by inserting ''digital commodities,'' after ''physical commodities,''.

(b) EXEMPTIVE AUTHORITY.—Section 4m of such Act (7 U.S.C. 6m) is amended by adding at the end the following:.

''(4) EXEMPTIVE AUTHORITY.—The Commission shall promulgate rules to provide appropriate exemptions for commodity pool operators and commodity trading advisors, to provide relief from duplicative, conflicting, or unduly burdensome requirements or to promote responsible innovation, to the extent the exemptions foster the development of fair and orderly cash or spot digital commodity markets, are necessary or appropriate in the public interest, and are consistent with the protection of customers.''.

SEC. 509. EXCLUSION FOR DECENTRALIZED FINANCE ACTIVITIES.

The Commodity Exchange Act (7 U.S.C. 1 et seq.), as amended by the preceding provisions of this Act, is amended by inserting after section 4u the following:

''SEC. 4v. DECENTRALIZED FINANCE ACTIVITIES NOT SUBJECT TO THIS ACT.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, a person shall not be subject to this Act and the regulations promulgated under this Act based on the person directly or indirectly engaging in any of the following activities, whether singly or in combination, in relation to the operation of a blockchain system or in relation to decentralized finance (as defined in section 605(d) of the Financial Innovation and Technology for the 21st Century Act):

''(1) Compiling network transactions, operating or participating in a liquidity pool, relaying, searching, sequencing, validating, or acting in a similar capacity with respect to contract of sale of a digital asset.

''(2) Providing computational work, operating a node, or procuring, offering, or utilizing network bandwidth, or other similar incidental services with respect to a contract of sale of a digital asset.

''(3) Providing a user-interface that enables a user to read, and access data about a blockchain system, send messages, or otherwise interact with a blockchain system.

''(4) Developing, publishing, constituting, administering, maintaining, or otherwise distributing a blockchain system.

''(5) Developing, publishing, constituting, administering, maintaining, or otherwise distributing software or systems that create or deploy hardware or software, including wallets or other systems, facilitating an individual user's own personal ability to keep, safeguard, or custody the user's digital commodities or related private keys.

''(b) EXCEPTIONS.—Subsection (a) shall not be interpreted to apply to the anti-fraud, anti-manipulation, or false reporting enforcement authorities of the Commission.''.

SEC. 510. FUNDING FOR IMPLEMENTATION AND ENFORCEMENT.

(a) COLLECTION OF FEES.—

(1) IN GENERAL.—The Commodity Futures Trading Commission (in this section referred to as the ''Commission'') shall charge and collect a filing fee from each person who files with the Commission a notice of intent to register as a digital commodity exchange, digital commodity broker, or digital commodity dealer pursuant to section 106.

(2) AMOUNT.—The fees authorized under paragraph (1) may be collected and available for obligation only in the amounts provided in advance in an appropriation Act.

(2) AUTHORITY TO ADJUST FEES.—Notwithstanding the preceding provisions of this subsection, to promote fair competition or innovation, the Commission, in its sole discretion, may reduce or eliminate any fee otherwise required to be paid by a small or medium filer under this subsection.

(b) FEE SCHEDULE.—

(1) IN GENERAL.—The Commission shall publish in the Federal Register a schedule of the fees to be charged and collected under this section.

(2) CONTENT.—The fee schedule for a fiscal year shall include a written analysis of the estimate of the Commission of the total costs of carrying out the functions of the Commission under this Act during the fiscal year.

(3) SUBMISSION TO CONGRESS.—Before publishing the fee schedule for a fiscal year, the Commission shall submit a copy of the fee schedule to the Congress.

(4) TIMING.—

(A) 1ST FISCAL YEAR.—The Commission shall publish the fee schedule for the fiscal year in which this Act is enacted, within 30 days after the date of the enactment of this Act.

(B) SUBSEQUENT FISCAL YEARS.—The Commission shall publish the fee schedule for each subsequent fiscal year, not less than 90 days before the due date prescribed by the Commission for payment of the annual fee for the fiscal year.

(c) LATE PAYMENT PENALTY.—

(1) IN GENERAL.—The Commission may impose a penalty against a person that fails to pay an annual fee charged under this section, within 30 days after the due date prescribed by the Commission for payment of the fee.

(2) AMOUNT.—The amount of the penalty shall be—

(A) 5 percent of the amount of the fee due; multiplied by

(B) the whole number of consecutive 30-day periods that have elapsed since the due date.

(d) REIMBURSEMENT OF EXCESS FEES.—To the extent that the total amount of fees collected under this section during a fiscal year that begins after the date of the enactment of this Act exceeds the amount provided under subsection (a)(2) with respect to the fiscal year, the Commission shall reimburse the excess amount to the persons who have timely paid their annual fees, on a pro-rata basis that excludes penalties, and shall do so within 60 days after the end of the fiscal year.

(e) DEPOSIT OF FEES INTO THE TREASURY.—All amounts collected under this section shall be credited to the currently applicable appropriation, account, or fund of the Commission as discretionary offsetting collections, and shall be available for the purposes authorized in subsection (f) only to the extent and in the amounts provided in advance in appropriation Acts.

(f) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated to the Commission, there is authorized to be appropriated to the Commission amounts collected under this section to cover the costs the costs of carrying out the functions of the Commission under this Act.

(g) SUNSET.—The authority to charge and collect fees under this section shall expire at the end of the 4th fiscal year that begins after the date of the enactment of this Act.

SEC. 511. EFFECTIVE DATE.

Unless otherwise provided in this title, this title and the amendments made by this title shall take effect 360 days after the date of enactment of this Act, except that, to the extent a provision of this title requires a rulemaking, the provision shall take effect on the later of—

(1) 360 days after the date of enactment of this Act; or

(2) 60 days after the publication in the Federal Register of the final rule implementing the provision.

TITLE VI—INNOVATION AND TECHNOLOGY IMPROVEMENTS

SEC. 601. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress finds the following:

(1) Entrepreneurs and innovators are building and deploying this next generation of the internet.

(2) Digital asset networks represent a new way for people to join together and cooperate with one another to undertake certain activities.

(3) Digital assets have the potential to be the foundational building blocks of these networks, aligning the economic incentive for individuals to cooperate with one another to achieve a common purpose.

(4) The digital asset ecosystem has the potential to grow our economy and improve everyday lives of Americans by facilitating collaboration through the use of technology to manage activities, allocate resources, and facilitate decision making.

(5) Blockchain networks and the digital assets they empower provide creator control, enhance transparency, reduce transaction costs, and increase efficiency if proper protections are put in place for investors, consumers, our financial system, and our national security.

(6) Blockchain technology facilitates new types of network participation which businesses in the United States may utilize in innovative ways.

(7) Other digital asset companies are setting up their operations outside of the United States, where countries are establishing frameworks to embrace the potential of blockchain technology and digital assets and provide safeguards for consumers.

(8) Digital assets, despite the purported anonymity, provide law enforcement with an exceptional tracing tool to identify illicit activity and bring criminals to justice.

(9) The Financial Services Committee of the House of Representatives has held multiple hearings highlighting various risks that digital assets can pose to the financial markets, consumers, and investors that must be addressed as we seek to harness the benefits of these innovations.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should seek to prioritize understanding the potential opportunities of the next generation of the internet;

(2) the United States should seek to foster advances in technology that have robust evidence indicating they can improve our financial system and create more fair and equitable access to financial services for everyday Americans while protecting our financial system, investors, and consumers;

(3) the United States must support the responsible development of digital assets and the underlying technology in the United States or risk the shifting of the development of such assets and technology outside of the United States, to less regulated countries;

(4) Congress should consult with public and private sector stakeholders to understand how to enact a functional framework tailored to the specific risks and unique benefits of different digital asset-related activities, distributed ledger technology, distributed networks, and decentralized systems; and

(5) Congress should enact a functional framework tailored to the specific risks of different digital asset-related activities and unique benefits of distributed ledger technology, distributed networks, and decentralized systems; and

(6) consumers and market participants will benefit from a framework for digital assets consistent with longstanding investor protections in securities and commodities markets, yet tailored to the unique benefits and risks of the digital asset ecosystem.

SEC. 602. CODIFICATION OF THE SEC STRATEGIC HUB FOR INNOVATION AND FINANCIAL TECHNOLOGY.

Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end the following:

''(l) STRATEGIC HUB FOR INNOVATION AND FINANCIAL TECHNOLOGY.—

''(1) OFFICE ESTABLISHED.—There is established within the Commission the Strategic Hub for Innovation and Financial Technology (referred to in this section as the 'FinHub').

''(2) PURPOSES.—The purposes of FinHub are as follows:

''(A) To assist in shaping the approach of the Commission to technological advancements.

''(B) To examine financial technology innovations among market participants.

''(C) To coordinate the response of the Commission to emerging technologies in financial, regulatory, and supervisory systems.

''(3) DIRECTOR OF FINHUB.—FinHub shall have a Director who shall be appointed by the Commission, from among individuals having experience in both emerging technologies and Federal securities laws and serve at the pleasure of the Commission. The Director shall report directly to the Commission and perform such functions and duties as the Commission may prescribe.

''(4) RESPONSIBILITIES.—FinHub shall—

''(A) foster responsible technological innovation and fair competition within the Commission, including around financial technology, regulatory technology, and supervisory technology;

''(B) provide internal education and training to the Commission regarding financial technology;

''(C) advise the Commission regarding financial technology that would serve the Commission's functions;

''(D) analyze technological advancements and the impact of regulatory requirements on financial technology companies;

''(E) advise the Commission with respect to rulemakings or other agency or staff action regarding financial technology;

''(F) provide businesses working in emerging financial technology fields with information on the Commission, its rules and regulations; and

''(G) encourage firms working in emerging technology fields to engage with the Commission and obtain feedback from the Commission on potential regulatory issues.

''(5) ACCESS TO DOCUMENTS.—The Commission shall ensure that FinHub has full access to the documents and information of the Commission and any self-regulatory organization, as necessary to carry out the functions of FinHub.

''(6) REPORT TO CONGRESS.—

''(A) IN GENERAL.—Not later than October 31 of each year after 2024, FinHub shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the activities of FinHub during the immediately preceding fiscal year.

''(B) CONTENTS.—Each report required under subparagraph (A) shall include—

''(i) the total number of persons that met with FinHub;

''(ii) the total number of market participants FinHub met with, including the classification of those participants;

''(iii) a summary of general issues discussed during meetings with persons;

''(iv) information on steps FinHub has taken to improve Commission services, including responsiveness to the concerns of persons;

''(v) recommendations—

''(I) with respect to the regulations of the Commission and the guidance and orders of the Commission; and

''(II) for such legislative actions as FinHub determines appropriate; and

''(vi) any other information, as determined appropriate by the Director of FinHub.

''(C) CONFIDENTIALITY.—A report under subparagraph (A) may not contain confidential information.

''(7) SYSTEMS OF RECORDS.—

''(A) IN GENERAL.—The Commission shall establish a detailed system of records (as defined under section 552a of title 5, United States Code) to assist FinHub in communicating with interested parties.

''(B) ENTITIES COVERED BY THE SYSTEM.—Entities covered by the system required under subparagraph (A) include entities or persons submitting requests or inquiries and other information to Commission through FinHub.

''(C) SECURITY AND STORAGE OF RECORDS.—FinHub shall store—

''(i) electronic records—

''(I) in the system required under subparagraph (A); or

''(II) on the secure network or other electronic medium, such as encrypted hard drives or backup media, of the Commission; and

''(ii) paper records in secure facilities.

''(8) EFFECTIVE DATE.—This subsection shall take effect on the date that is 180 days after the date of the enactment of this subsection.''.

SEC. 603. CODIFICATION OF LABCFTC.

(a) IN GENERAL.—Section 18 of the Commodity Exchange Act (7 U.S.C. 22) is amended by adding at the end the following:

''(c) LABCFTC.—

''(1) ESTABLISHMENT.—There is established in the Commission LabCFTC.

''(2) PURPOSE.—The purposes of LabCFTC are to—

''(A) promote responsible financial technology innovation and fair competition for the benefit of the American public;

''(B) serve as an information platform to inform the Commission about new financial technology innovation; and

''(C) provide outreach to financial technology innovators to discuss their innovations and the regulatory framework established by this Act and the regulations promulgated thereunder.

''(3) DIRECTOR.—LabCFTC shall have a Director, who shall be appointed by the Commission and serve at the pleasure of the Commission. Notwithstanding section 2(a)(6)(A), the Director shall report directly to the Commission and perform such functions and duties as the Commission may prescribe.

''(4) DUTIES.—LabCFTC shall—

''(A) advise the Commission with respect to rulemakings or other agency or staff action regarding financial technology;

''(B) provide internal education and training to the Commission regarding financial technology;

''(C) advise the Commission regarding financial technology that would bolster the Commission's oversight functions;

''(D) engage with academia, students, and professionals on financial technology issues, ideas, and technology relevant to activities under this Act;

''(E) provide persons working in emerging technology fields with information on the Commission, its rules and regulations, and the role of a registered futures association; and

''(F) encourage persons working in emerging technology fields to engage with the Commission and obtain feedback from the Commission on potential regulatory issues.

''(5) ACCESS TO DOCUMENTS.—The Commission shall ensure that LabCFTC has full access to the documents and information of the Commission and any self-regulatory organization or registered futures association, as necessary to carry out the functions of LabCFTC.

''(6) REPORT TO CONGRESS.—

''(A) IN GENERAL.—Not later than October 31 of each year after 2024, LabCFTC shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on its activities.

''(B) CONTENTS.—Each report required under paragraph (1) shall include—

''(i) the total number of persons that met with LabCFTC;

''(ii) a summary of general issues discussed during meetings with the person;

''(iii) information on steps LabCFTC has taken to improve Commission services, including responsiveness to the concerns of persons;

''(iv) recommendations made to the Commission with respect to the regulations, guidance, and orders of the Commission and such legislative actions as may be appropriate; and

''(v) any other information determined appropriate by the Director of LabCFTC.

''(C) CONFIDENTIALITY.—A report under paragraph (A) shall abide by the confidentiality requirements in section 8.

''(7) SYSTEMS OF RECORDS.—

''(A) IN GENERAL.—The Commission shall establish a detailed system of records (as defined in section 552a of title 5, United States Code) to assist LabCFTC in communicating with interested parties.

''(B) PERSONS COVERED BY THE SYSTEM.—The persons covered by the system of records shall include persons submitting requests or inquiries and other information to the Commission through LabCFTC.

''(C) SECURITY AND STORAGE OF RECORDS.—The system of records shall store records electronically or on paper in secure facilities, and shall store electronic records on the secure network of the Commission and on other electronic media, such as encrypted hard drives and backup media, as needed.''.

(b) CONFORMING AMENDMENTS.—Section 2(a)(6)(A) of such Act (7 U.S.C. 2(a)(6)(A)) is amended—

(1) by striking ''paragraph and in'' and inserting ''paragraph,''; and

(2) by inserting ''and section 18(c)(3),'' before ''the executive''.

(c) EFFECTIVE DATE.—The Commodity Futures Trading Commission shall implement the amendments made by this section (including complying with section 18(c)(7) of the Commodity Exchange Act) within 180 days after the date of the enactment of this Act.

SEC. 604. CFTC-SEC JOINT ADVISORY COMMITTEE ON DIGITAL ASSETS.

(a) ESTABLISHMENT.—The Commodity Futures Trading Commission and the Securities and Exchange Commission (in this section referred to as the ''Commissions'') shall jointly establish the Joint Advisory Committee on Digital Assets (in this section referred to as the ''Committee'').

(b) PURPOSE.—

(1) IN GENERAL.—The Committee shall—

(A) provide the Commissions with advice on the rules, regulations, and policies of the Commissions related to digital assets;

(B) further the regulatory harmonization of digital asset policy between the Commissions;

(C) examine and disseminate methods for describing, measuring, and quantifying digital asset—

(i) decentralization;

(ii) functionality;

(iii) information asymmetries; and

(iv) transaction and network security;

(D) examine the potential for digital assets, blockchain systems, and distributed ledger technology to improve efficiency in the operation of financial market infrastructure and better protect financial market participants, including services and systems which provide—

(i) improved customer protections;

(ii) public availability of information;

(iii) greater transparency regarding customer funds;

(iv) reduced transaction cost; and

(v) increased access to financial market services; and

(E) discuss the implementation by the Commissions of this Act and the amendments made by this Act.

(2) REVIEW BY AGENCIES.—Each Commission shall—

(A) review the findings and recommendations of the Committee;

(B) promptly issue a public statement each time the Committee submits a finding or recommendation to a Commission—

(i) assessing the finding or recommendation of the Committee;

(ii) disclosing the action or decision not to take action made by the Commission in response to a finding or recommendation; and

(iii) explaining the reasons for the action or decision not to take action; and

(C) each time the Committee submits a finding or recommendation to a Commission, provide the Committee with a formal response to the finding or recommendation not later than 3 months after the date of the submission of the finding or recommendation.

(c) MEMBERSHIP AND LEADERSHIP.—

(1) NON-FEDERAL MEMBERS.—

(A) IN GENERAL.—The Commissions shall appoint at least 20 nongovernmental stakeholders who represent a broad spectrum of interests, equally divided between the Commissions, to serve as members of the Committee. The appointees shall include—

(i) digital asset issuers;

(ii) persons registered with the Commissions and engaged in digital asset related activities;

(iii) individuals engaged in academic research relating to digital assets; and

(iv) digital asset users.

(B) MEMBERS NOT COMMISSION EMPLOYEES.—Members appointed under subparagraph (A) shall not be deemed to be employees or agents of a Commission solely by reason of membership on the Committee.

(2) CO-DESIGNATED FEDERAL OFFICERS.—

(A) NUMBER; APPOINTMENT.—There shall be 2 co-designated Federal officers of the Committee, as follows:

(i) The Director of LabCFTC of the Commodity Futures Trading Commission.

(ii) The Director of the Strategic Hub for Innovation and Financial Technology of the Securities and Exchange Commission.

(B) DUTIES.—The duties required by chapter 10 of title 5, United States Code, to be carried out by a designated Federal officer with respect to the Committee shall be shared by the co-designated Federal officers of the Committee.

(3) COMMITTEE LEADERSHIP.—

(A) COMPOSITION; ELECTION.—The Committee members shall elect, from among the Committee members—

(i) a chair;

(ii) a vice chair;

(iii) a secretary; and

(iv) an assistant secretary.

(B) TERM OF OFFICE.—Each member elected under subparagraph (A) in a 2-year period referred to in section 1013(b)(2) of title 5, United States Code, shall serve in the capacity for which the member was so elected, until the end of the 2-year period.

(d) NO COMPENSATION FOR COMMITTEE MEMBERS.—

(1) NON-FEDERAL MEMBERS.—All Committee members appointed under subsection (c)(1) shall—

(A) serve without compensation; and

(B) while away from the home or regular place of business of the member in the performance of services for the Committee, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(2) NO COMPENSATION FOR CO-DESIGNATED FEDERAL OFFICERS.—The co-designated Federal officers shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(e) FREQUENCY OF MEETINGS.—The Committee shall meet—

(1) not less frequently than twice annually; and

(2) at such other times as either Commission may request.

(f) DURATION.—Section 1013(a)(2) of title 5, United States Code, shall not apply to the Committee.

(g) TIME LIMITS.—The Commissions shall—

(1) adopt a joint charter for the Committee within 90 days after the date of the enactment of this section;

(2) appoint members to the Committee within 120 days after such date of enactment; and

(3) hold the initial meeting of the Committee within 180 days after such date of enactment.

(h) FUNDING.—Subject to the availability of funds, the Commissions shall jointly fund the Committee.

SEC. 605. STUDY ON DECENTRALIZED FINANCE.

(a) IN GENERAL.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly carry out a study on decentralized finance that analyzes—

(1) the nature, size, role, and use of decentralized finance blockchain protocols;

(2) the operation of blockchain protocols that comprise decentralized finance;

(3) the interoperability of blockchain protocols and blockchain systems;

(4) the interoperability of blockchain protocols and software-based systems, including websites and wallets;

(5) the decentralized governance systems through which blockchain protocols may be developed, published, constituted, administered, maintained, or otherwise distributed, including—

(A) whether the systems enhance or detract from—

(i) the decentralization of the decentralized finance; and

(ii) the inherent benefits and risks of the decentralized governance system; and

(B) any procedures, requirements, or best practices that would mitigate the risks identified in subparagraph (A)(ii);

(6) the benefits of decentralized finance, including—

(A) operational resilience and availability of blockchain systems;

(B) interoperability of blockchain systems;

(C) market competition and innovation;

(D) transaction efficiency;

(E) transparency and traceability of transactions; and

(F) disintermediation;

(7) the risks of decentralized finance, including—

(A) pseudonymity of users and transactions;

(B) disintermediation; and

(C) cybersecurity vulnerabilities;

(8) the extent to which decentralized finance has integrated with the traditional financial markets and any potential risks or improvements to the stability of the markets;

(9) how the levels of illicit activity in decentralized finance compare with the levels of illicit activity in traditional financial markets;

(10) methods for addressing illicit activity in decentralized finance and traditional markets that are tailored to the unique attributes of each;

(11) how decentralized finance may increase the accessibility of cross-border transactions; and

(12) the feasibility of embedding self-executing compliance and risk controls into decentralized finance.

(b) CONSULTATION.—In carrying out the study required under subsection (a), the Commodity Futures Trading Commission and the Securities and Exchange Commission shall consult with the Secretary of the Treasury on the factors described under paragraphs (7) through (10) of subsection (a).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly submit

to the relevant congressional committees a report that includes the results of the study required by subsection (a).

(d) GAO STUDY.—The Comptroller General of the United States shall—

(1) carry out a study on decentralized finance that analyzes the information described under paragraphs (1) through (12) of subsection (a); and

(2) not later than 1 year after the date of enactment of this Act, submit to the relevant congressional committees a report that includes the results of the study required by paragraph (1).

(e) DEFINITIONS.—In this section:

(1) DECENTRALIZED FINANCE.—

(A) IN GENERAL.—The term ''decentralized finance'' means blockchain protocols that allow users to engage in financial transactions in a self-directed manner so that a third-party intermediary does not effectuate the transactions or take custody of digital assets of a user during any part of the transactions.

(B) RELATIONSHIP TO EXCLUDED ACTIVITIES.—The term ''decentralized finance'' shall not be interpreted to limit or exclude any activity from the activities described in section 15I(a) of the Securities Exchange Act of 1934 or section 4v(a) of the Commodity Exchange Act.

(2) RELEVANT CONGRESSIONAL COMMITTEES.—The term ''relevant congressional committees'' means—

(A) the Committees on Financial Services and Agriculture of the House of Representatives; and

(B) the Committees on Banking, Housing, and Urban Affairs and Agriculture, Nutrition, and Forestry of the Senate.

SEC. 606. STUDY ON NON-FUNGIBLE DIGITAL ASSETS.

(a) IN GENERAL.—The Comptroller General of the United States shall carry out a study of non-fungible digital assets that analyzes—

(1) the nature, size, role, purpose, and use of non-fungible digital assets;

(2) the similarities and differences between non-fungible digital assets and other digital assets, including digital commodities and payment stablecoins, and how the markets for those digital assets intersect with each other;

(3) how non-fungible digital assets are minted by issuers and subsequently administered to purchasers;

(4) how non-fungible digital assets are stored after being purchased by a consumer;

(5) the interoperability of non-fungible digital assets between different blockchain systems;

(6) the scalability of different non-fungible digital asset marketplaces;

(7) the benefits of non-fungible digital assets, including verifiable digital ownership;

(8) the risks of non-fungible tokens, including—

(A) intellectual property rights;

(B) cybersecurity risks; and

(C) market risks;

(9) whether and how non-fungible digital assets have integrated with traditional marketplaces, including those for music, real estate, gaming, events, and travel;

(10) whether non-fungible tokens can be used to facilitate commerce or other activities through the representation of documents, identification, contracts, licenses, and other commercial, government, or personal records;

(11) any potential risks to traditional markets from such integration; and

(12) the levels and types of illicit activity in non-fungible digital asset markets.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General, shall make publicly available a report that includes the results of the study required by subsection (a).

SEC. 607. STUDY ON EXPANDING FINANCIAL LITERACY AMONGST DIGITAL ASSET HOLDERS.

(a) IN GENERAL.— The Commodity Futures Trading Commission with the Securities and Exchange Commission shall jointly conduct a study to identify—

(1) the existing level of financial literacy among retail digital asset holders, including subgroups of investors identified by the Commodity Futures Trading Commission with the Securities and Exchange Commission;

(2) methods to improve the timing, content, and format of financial literacy materials regarding digital assets provided by the Commodity Futures Trading Commission and the Securities and Exchange Commission;

(3) methods to improve coordination between the Securities and Exchange Commission and the Commodity Futures Trading Commission with other agencies, including the Financial Literacy and Education Commission as well as nonprofit organizations and State and local jurisdictions, to better disseminate financial literacy materials;

(4) the efficacy of current financial literacy efforts with a focus on rural communities and communities with majority minority populations;

(5) the most useful and understandable relevant information that retail digital asset holders need to make informed financial decisions before engaging with or purchasing a digital asset or service that is typically sold to retail investors of digital assets;

(6) the most effective public-private partnerships in providing financial literacy regarding digital assets to consumers;

(7) the most relevant metrics to measure successful improvement of the financial literacy of an individual after engaging with financial literacy efforts; and

(8) in consultation with the Financial Literacy and Education Commission, a strategy (including to the extent practicable, measurable goals and objectives) to increase financial literacy of investors regarding digital assets.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly submit a written report on the study required by subsection (a) to the Committees on Financial Services and on Agriculture of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 608. STUDY ON FINANCIAL MARKET INFRASTRUCTURE IMPROVEMENTS.

(a) IN GENERAL.—The Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly conduct a study to assess whether additional guidance or rules are necessary to facilitate the development of tokenized securities and derivatives products, and to the extent such guidance or rules would foster the development of fair and orderly financial markets, be necessary or appropriate in the public interest, and be consistent with the protection of investors and customers.

(b) REPORT.—

(1) TIME LIMIT.—Not later than 1 year after the date of enactment of this Act, the Commodity Futures Trading Commission and the Securities and Exchange Commission shall jointly submit to the relevant congressional committees a report that includes the results of the study required by subsection (a).

(2) RELEVANT CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''relevant congressional committees'' means—

(A) the Committees on Financial Services and on Agriculture of the House of Representatives; and

(B) the Committees on Banking, Housing, and Urban Affairs and on Agriculture, Nutrition, and Forestry of the Senate.

The Acting CHAIR: No further amendment to the bill, as amended, shall be in order except those printed in part B of House Report 118–516. Each such further amendment may be offered only in the order printed in the report, by a member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. CASAR

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 118–516.

Mr. CASAR. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 68, line 11, strike ''$75,000,000'' and insert ''$5,000,000''.

The Acting CHAIR. Pursuant to House Resolution 1243, the gentleman from Texas (Mr. CASAR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. CASAR. Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, from 2017 to 2022, Americans who invested in the SSP Index received about a 61 percent return on their investment, but Americans who invested in one of the top 12 cryptocurrencies that existed during that 5-year period did not make money. In fact, on average, they lost about half of their money. Three out of every four bitcoin traders during that time period also lost money. From FTX to Celsius to Blockchain ATMs, the industry has repeatedly lost everyday Americans their money.

Whether you are a crypto booster or a crypto sceptic, we can all agree based on the facts that crypto investment is a risk.

Since it is a risk, we should want more oversight to protect Americans. This bill before us today doesn't provide us more regulation. It doesn't even provide many Americans the same level of regulation as traditional finance.

Instead, it creates a light-touch regulatory regime that can be manipulated by bad actors in both crypto and traditional finance, putting Americans and our 90-year-old securities laws at risk.

My amendment focuses on one key area where everyday people who would invest in crypto under this bill will, in fact, receive less protection than Americans invested in traditional finance.

The current flawed bill before us creates a crowdfunding registration exemption for crypto that is 15 times weaker than the crowdfunding exemption that exists in traditional finance.

In the existing bill before us, someone could crowdfund up to $75 million from everyday Americans, and those Americans would receive just the most minimal of protections. We would never allow that in the non-crypto finance world.

My amendment changes the exemption cap to $5 million, putting that cap

in line with other current laws, so at the very least Americans making investments in crypto can get the same level of protection as crowdfunding investors in traditional finance.

I hope that whether you are for the underlying bill or against the underlying bill like me, we can agree that this commonsense amendment will help protect everyday people, and I urge everyone to support it.

Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from North Carolina is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chair, I am opposed to this amendment. Today, digital asset issuers rely on exemptions under the current securities regime. Each exemption includes its own requirements under traditional securities law. What we provide in this act is purpose built for digital assets. What this does today is if you are raising money for a digital asset offering, the exemption is built for those other types of securities in the space.

The SEC's disclosure regime is supposed to give investors the information they need to make informed decisions, but it is not built for digital assets.

What we do in this act is provide certain disclosures for investors in digital assets, such as source code, token supply, government mechanisms, and other aspects unique to crypto. That is what this bill does.

What the gentleman from Texas is proposing to do is limit that aperture from $75 million to $5 million of those folks that can invest in these early-stage innovations. What he is doing is restricting the opportunity for average, everyday investors to get options like high-wealth investors get today under securities law.

The original exemption for regulation crowdfunding was something we put in law with bipartisan support. MAXINE WATERS was my cosponsor on the regulation crowdfunding, this very exemption.

I have enhanced this. I put additional requirements here to make sure there are more disclosures, and we open up the aperture to $75 million so more folks can participate and so those blockchains can develop. When you make it $5 million, it makes it impossible for you to actually scale up, especially with these inflationary times that our people are facing.

What I would urge is the House reject this amendment. The gentleman's arguments against this exemption have nothing to do with the exemption but have everything to do with opposition to the bill.

Mr. Chair, I urge a ''no'' vote, and I reserve the balance of my time.

Mr. CASAR. Mr. Chair, I yield 1 minute to the distinguished gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chair, I thank the gentleman from Texas for attempting this amendment. As a matter of fact, there have been any number of Members from this side of the aisle who have been attempting to amend this bill to try and make it better. While I have great respect for all of those attempts, if my friends had listened, if they had accepted, perhaps they could have made this a better bill. Unfortunately, at this point in time, no, with all the work that this gentleman has done, Mr. CASAR and others, my friends will not accept any amendments. They are not going to accept his amendment. They don't think that the bill can be made better, and unfortunately, the bill is so bad, I don't think it can be made better either.

Mr. MCHENRY. Mr. Chair, I am prepared to close, and I reserve the balance of my time.

Mr. CASAR. Mr. Chair, I am prepared to close, and I yield myself the balance of my time.

Our securities laws were created after the Great Depression when this country understood that strong regulation protects Americans and is necessary for innovation and for our economy to thrive. We cannot hold cryptocurrency to a lower standard than traditional finance.

My amendment ensures that when it comes to crowdfunding, cryptocurrency is held to the same standard.

Mr. Chair, I urge all Members to support my amendment, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Chair, may I inquire of the Chair how much time I have remaining.

The Acting CHAIR. The gentleman from North Carolina has 3 minutes remaining.

Mr. MCHENRY. Mr. Chair, I yield myself the balance of my time. Let me close with this, Mr. Chairman. We have this push and pull on the Financial Services Committee. Generally speaking, we have elected officials that say the American people's hard-earned savings are their hard-earned savings. Then we have paternalistic amendments like the one before us today that say: No, you are not smart enough to invest your own money. We have to put in these safeguards to protect you from yourself.

Well, I think that goes way too far.

What we have done with securities laws is take average, everyday investors and disintermediate them from the greater economy so average, everyday Americans don't get the benefit of economic growth, of Wall Street doing great, and earnings going up in corporate America. We have separated it because we have made it harder for average, everyday folks to invest in companies and have ownership of companies.

What we are trying to do is open that up a little bit from $5 million of an exemption when you are raising money to $75 million. In the scope of our economy, in the scope of our capital markets, in the scope of economic opportunity and innovation, which is a very small aperture we are opening here. We have done that. We have constructed this provision with a lot of Democratic input and Republican input, and that is how we came to the number of $75 million.

It is already a compromise.

What the gentleman offers with this amendment is nothing more than saying: I am paternalistic, and I am, therefore, going to restrict your opportunity to invest your money as you see fit.

Reject the amendment. Vote ''no'' on this amendment, and vote ''yes'' on final passage.

Mr. Chair, I yield back the balance of my time.

□ 1615

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. CASAR).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. CASAR. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 2 OFFERED BY MS. PETTERSEN

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 118–516.

Ms. PETTERSEN. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title I, add at the end the following:

SEC. 112. APPLICATION OF THE BANK SECRECY ACT.

(a) IN GENERAL.—Section 5312 of title 31, United States Code, is amended—

(1) in subsection (a)(2)(G), by striking ''or dealer'' and inserting '', dealer, digital asset broker, digital asset dealer, or digital asset trading system''; and

(2) in subsection (c)(1)(A)—

(A) by inserting ''digital commodity broker, digital commodity dealer,'' after ''futures commission merchant,''; and

(B) by inserting before the period the following: ''and any digital commodity exchange registered, or required to register, under the Commodity Exchange Act which permits direct customer access''.

(b) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States, in consultation with the Secretary of the Treasury, shall conduct a study to—

(A) assess the risks posed by centralized intermediaries that are primarily located in foreign jurisdictions that provide services to U.S. persons without regulatory requirements that are substantially similar to the requirements of the Bank Secrecy Act; and

(B) provide any regulatory or legislative recommendations to address these risks under subparagraph (A).

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall issue a report to Congress containing all findings and determinations made in carrying out the study required under paragraph (1).

Page 105, strike lines 1 through 4.

Page 121, strike line 7 and all that follows through ''Bank Secrecy Act.'' on line 10.
Page 183, strike lines 14 through 17.
Page 215, strike line 6 and all that follows through ''Bank Secrecy Act.'' on line 9.

The Acting CHAIR. Pursuant to House Resolution 1243, the gentlewoman from Colorado (Ms. PETTERSEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Colorado.

Ms. PETTERSEN. Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, more than 20 percent of Americans have owned or traded cryptocurrency.

Despite this, the U.S. still lacks a clear regulatory structure for digital assets which is hurting American competitiveness and incentivizing some companies, unfortunately, to move overseas.

While there may be disagreement about how to best establish the appropriate market regulatory structure, there is broad bipartisan agreement for preventing criminals from using cryptocurrencies for illicit purposes, such as money laundering, terrorist financing, and sanctioned evasion.

My amendment would provide clarity and conformity to how the Bank Secrecy Act and regulations safeguarding our financial system from criminals are applied to digital assets.

The base bill already calls for the Bank Secrecy Act to apply to digital assets; however, by amending the BSA directly and explicitly expanding the definition of financial institution in the BSA to cover digital asset entities, we are providing certainty to the regulators and the Department of Treasury in their authorities to protect our financial system.

Additionally, the amendment would also require a study to assess the risk posed by centralized intermediaries based in jurisdictions that lack robust anti-money laundering enforcement.

While in most cases, American digital asset companies are already complying with the applicable requirements under the Bank Secrecy Act, we also have to be thinking about the threat of foreign companies with U.S. touchpoints that are not complying with equivalent controls or reporting standards.

I thank Chairman MCHENRY and Representative HILL for working with me on this issue, and their commitment to strengthening the anti-money laundering provisions in this bill.

This amendment, combined with the underlying bill, will help provide more oversight into the digital asset market and support regulators' work to protect consumers and investors. While there is more work to be done to ensure the integrity of our digital assets market, this amendment is an important step forward and I urge my colleagues to support the adoption of the amendment and the underlying bill.

Mr. Chair, I reserve the balance of my time.

Mr. MCHENRY. Mr. Chair, I ask unanimous consent to claim the time in opposition, although I am not opposed to it.

The Acting CHAIR. Is there objection to the request of the gentleman?

There was no objection.

The gentleman is recognized for 5 minutes.

Mr. MCHENRY. Mr. Chair, I am prepared to accept this amendment.

I think it is important that as we establish a new comprehensive regulatory framework for the digital asset markets, we also have to ensure that we have a consistent application of the Bank Secrecy Act and anti-money laundering provisions in existing law. These requirements on the digital asset intermediaries and exchanges are necessary so that bad actors don't exploit these markets for nefarious purposes.

Mr. Chair, I thank the gentlewoman from Colorado for her work on this amendment. She has been focused on AML/BSA-related issues in the build up to us writing FIT21 during the markup process in the Financial Services Committee and then the process through the Rules Committee. I appreciate her sincere engagement on this matter and for coming up with a very good amendment.

Mr. Chair, I urge support of this amendment, and I reserve the balance of my time.

Ms. PETTERSEN. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, I, again, thank the chairman from North Carolina for working with me and others to bring a bipartisan bill with broad support to the House. This has been years in the making, and I congratulate him for getting it to this point. I appreciate his willingness to work with me. I also thank my team for helping me address an issue that I had concerns about.

Mr. Chair, I ask for the support of my colleagues, and I yield back the balance of my time.

Mr. MCHENRY. Mr. Chair, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL), the chair of the Digital Assets, Financial Technology and Inclusion Subcommittee on the Financial Services Committee.

Mr. HILL. Mr. Chair, I thank Chairman MCHENRY for the time.

Mr. Chair, I congratulate the gentlewoman from Colorado on this very effective amendment because she shares that passion that we have all had through this entire process, which is to recognize that we need to have vigorous anti-money laundering/Bank Secrecy Act and Know Your Customer protections around digital finance just like we do in the analog financial services system. Her bill will strengthen that.

I was just reviewing the Treasury Department's 2024 national security for combating terrorists and other illicit financing, and it brings to mind what a better regime it is to have blockchain.

Because a blockchain, Mr. Chair, has the identity connected with the transaction. It leaves an indelible mark cryptographically of those transactions that makes illicit finance easier to identify, not less. The Treasury Department points out that the top abusers, the top concern about illicit finance, are misuse of cash, including bulk cash, misuse of financial products and services like money orders; easy formation and limited information required to create a legal entity. An example is the use of casinos.

That is what the Treasury Department says are the toughest, most-challenging aspects of terror finance, and that is why this study will help us make sure that using blockchain is a more effective way to counter illicit finance in the world.

Mr. Chair, I thank the gentlewoman from Colorado for her support and for being such a constructive source of dynamic support for crafting FIT21.

Mr. MCHENRY. Mr. Chair, again, I will echo what Congressman HILL just stated for the RECORD.

The gentlewoman from Colorado has been a sterling advocate for enhanced BSA–AML protections, ensuring that we work against illicit finance. I thank her for the efforts, and I am willing to accept the amendment and urge its adoption.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Colorado (Ms. PETTERSEN).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. NORMAN

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 118–516.

Mr. NORMAN. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of title IV, add the following:

SEC. 414. STUDIES ON FOREIGN ADVERSARY PARTICIPATION.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Commodity Futures Trading Commission and the Securities and Exchange Commission, shall, not later than 1 year after date of the enactment of this section, conduct a study and submit a report to the relevant congressional committees that—

(1) identifies any digital asset registrants which are owned by governments of foreign adversaries;

(2) determines whether any governments of foreign adversaries are collecting personal data or trading data about United States persons in the digital asset markets; and

(3) evaluates whether any proprietary intellectual property of digital asset registrants is being misused or stolen by any governments of foreign adversaries.

(b) GAO STUDY AND REPORT.—

(1) IN GENERAL.—The Comptroller General shall, not later than 1 year after date of the enactment of this section, conduct a study and submit a report to the relevant congressional committees that—

(A) identifies any digital asset registrants which are owned by governments of foreign adversaries;

(B) determines whether any governments of foreign adversaries are collecting personal

data or trading data about United States persons in the digital asset markets; and

(C) evaluates whether any proprietary intellectual property of digital asset registrants is being misused or stolen by any governments of foreign adversaries.

(c) DEFINITIONS.—In this section:

(1) DIGITAL ASSET REGISTRANT.—The term ''digital asset registrant'' means any person required to register as a digital asset trading system, digital asset broker, digital asset dealer, digital commodity exchange, digital commodity broker, or digital commodity dealer under this Act.

(2) FOREIGN ADVERSARIES.—The term ''foreign adversaries'' means the foreign governments and foreign non-government persons determined by the Secretary of Commerce to be foreign adversaries under section 7.4(a) of title 15, Code of Federal Regulations.

(3) RELEVANT CONGRESSIONAL COMMITTEES.—The term ''relevant congressional committees'' means—

(A) the Committees on Financial Services and Agriculture of the House of Representatives; and

(B) the Committees on Banking, Housing, and Urban Affairs and Agriculture, Nutrition, and Forestry of the Senate.

The Acting CHAIR. Pursuant to House Resolution 1243, the gentleman from South Carolina (Mr. NORMAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. NORMAN. Mr. Chair, my amendment is pretty simple. It requires the Treasury Secretary in consultation with the CFTC and the SEC to complete a study and submit a report to Congress that identifies any digital asset registrants that are owned by governments of foreign adversaries.

The report will determine whether foreign adversary governments are collecting or trading personal data about American citizens in the digital asset markets and evaluate whether foreign adversary governments are misusing or stealing any proprietary intellectual property of digital asset registrants.

The GAO is required to complete a study and submit a report to Congress on the very same issues.

This amendment would promote transparency regarding how our Nation's strategic enemies may be exploiting the digital asset marketplace to invade the privacy of Americans and steal valuable intellectual property.

In June 2023, the Financial Services hearings that focused on the very bill that we are considering today, Aaron Kaplan, the CEO of, Prometheum, the first and only SEC/FINRA approved Special Purpose Broker-Dealer for digital assets, stated that Prometheum and its CCP partners entered into a joint agreement in December 2018 to develop a blockchain trading system where the Chinese partner took a 20 percent stake in Prometheum.

In case anyone has any doubts about the CCP ties, Prometheum's Chinese partner company was founded in 1969 by a former senior CCP official. In 2021, the party's central committee posthumously named him a ''National Excellent Communist Party member.''

In July 2023, several of my colleagues and I sent a letter to the SEC and the DOJ expressing our concerns with inconsistencies in Prometheum's public filings and the CCP's ownership of an entity that had the blessing of the SEC and FINRA to operate in the United States.

I followed up on this letter in a September 2023 hearing with the SEC Chair Gary Gensler, where he dodged my question and did not take my concerns of the 20 percent CCP ownership of Prometheum seriously.

The fact of the matter is that because Chinese companies are generally required by Chinese law to share data with the Chinese Government, these companies present substantial risks to United States individual privacy and our national security. Chinese-owned broker-dealers like Prometheum, Webull, and MooMoo operate as registered entities here in the United States, and the Biden administration and Chair Gensler do not seem to care, yet they attack American businesses operating in good faith with no regulatory clarity.

This is simply how the CCP and other foreign adversaries operate. They infiltrate our markets while the Biden administration looks the other way and punishes American companies who are only trying to operate in the United States but face endless regulation by enforcement of the Biden administration.

We need to pass FIT21 into law because the SEC's current regulation by enforcement is putting the United States at a disadvantage and allowing foreign adversaries to gain an advantage in our U.S. crypto markets, all while Gary Gensler attacks American public companies who have tried to work with the SEC and come in and register.

I urge my colleagues to vote in favor of this amendment to protect Americans from having their personal data shared with the CCP and other foreign adversaries.

Mr. Chair, I reserve the balance of my time.

Ms. WATERS. Mr. Chair, I claim the time in opposition to the amendment, but I am not opposed to it.

The Acting CHAIR. Without objection, the gentlewoman from California is recognized for 5 minutes.

There was no objection.

Ms. WATERS. Mr. Chair, while I do not oppose this amendment, I will emphasize that the broad deregulatory nature of the not fit for purpose act is such that it would severely weaken our capital markets and make us more vulnerable to bad actors, both domestic and foreign.

This amendment and the underlying bill do not protect consumers and investors. This amendment only requires a study on whether or not foreign adversaries are operating as digital asset registrants under the bill and collecting data on the U.S. consumer or investors.

We should not just be studying this issue; we should be legislating strong data privacy protections that apply all across the board.

Moreover, if TikTok was the inspiration for this bill, I will note that TikTok is not directly owned by the Chinese Government. The concern was that it was vulnerable to being unduly influenced by the Chinese Communist Party. If a China-based company was operating as a digital asset registrant under this bill, it would not fall within this study unless it was directly owned by the Chinese Communist Party. It would be easy for our adversaries to simply stand up proxy companies that appear to have no direct affiliation with them to evade the scrutiny of the study in the bill.

While I plan to support this amendment, I don't think it provides any meaningful safeguards on consumer privacy and it certainly does nothing to fix the underlying problems of the not fit for purpose act.

Mr. Chair, I reserve the balance of my time.

□ 1630

Mr. NORMAN. Mr. Speaker, may I inquire as to how much time I have remaining.

The Acting CHAIR. The gentleman from South Carolina has 45 seconds remaining.

Mr. NORMAN. Mr. Chair, I yield the balance of my time to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Chair, I thank the gentleman from South Carolina for yielding to me to speak in support of this amendment. It allows me to illustrate two things.

First is that Prometheum, while it was approved as a special purpose broker-dealer for digital assets, has not accomplished anything. It has no business, yet it also has this partnership with the CCP, so there is an illustration that FIT21 would allow us to have the guidance on how to register a broker-dealer.

Secondly, I fully support Mr. NORMAN and his concerns about the influence of foreign adversaries on people registered in the United States. It is a clear issue, and we have an investigation going on, on why the SEC has not pursued this itself.

I rise in support of Mr. NORMAN's effort. It is a good amendment. Let's add it to the bill and pass FIT21.

Ms. WATERS. Mr. Chair, I yield myself such time as I may consume.

The bill's supporters have claimed that this bill is necessary to provide legal clarity as to when a digital asset is considered a security and when it is considered a commodity, but this bill is anything but clear. It is 253 pages of highly convoluted and poorly defined language.

At the Rules Committee hearing yesterday, the Republicans testifying on the panel in defense of the bill could not answer a simple question from a fellow Republican as to whether dogecoin would qualify as a security or a commodity under this bill.

They pointed to their five-part decentralization test in the bill, which is, again, anything but clear. The current test for determining whether something is a security is called the Howey Test. It has stood the test of time, with guidance from the SEC clarifying its application, in addition to decades of case law expounding on how it applies to a variety of different assets. Even the courts have agreed with SEC's interpretation of the Howey Test, classifying digital assets as securities in a strikingly consistent manner.

The five-part decentralization test in this bill has not been tested, and it would create a slew of new litigation trying to decipher how it applies. Instead of a study, we should remember the fact that Members of Congress and legal experts struggling to agree on basic facts about what this bill would do foreshadows the mountains of litigation that this bill would result in to figure that out.

This bill provides the opposite of legal clarity, as the bill supporters claim. Instead, it provides several more convoluted and untested definitions to replace the time-tested Howey Test in place today.

The only thing clear about this 253-page bill is that it results in the substantial deregulation of crypto, just as the crypto industry has asked for.

Mr. Chair, I yield to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Chair, this amendment gives the illusion that it prevents the bill from being useful to our foreign adversaries when, in fact, we see Iran using crypto to avoid sanctions, North Korea profiting from crypto, and Hamas raising huge amounts of money and being able to sneak around our efforts by using crypto. Finally, we see the crypto advocates viewing this bill as their ticket to move crypto into a competitor with the U.S. dollar. With tomorrow's bill, they try to hobble the dollar by saying it can't be digital and we can't have a better payment system involving the dollar, and that is their system for having crypto outcompete the dollar.

The administration opposes this bill. Even if you looked at it a few weeks ago, it has gotten much, much worse. I want to reemphasize that they added a new title that allows crypto to be completely unregulated and would allow for nonregulation of our stocks and bonds, so even if you liked this bill when you saw it 3 weeks ago, vote ''no.''

Ms. WATERS. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from South Carolina (Mr. NORMAN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. WATERS. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from South Carolina will be postponed.

AMENDMENT NO. 4 OFFERED BY MR. PERRY

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 118–516.

Mr. PERRY. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of title V, add the following:

SEC. ___. SENSE OF THE CONGRESS.

It is the sense of the Congress that nothing in this Act or any amendment made by this Act should be interpreted to authorize any entity to regulate any commodity, other than a digital commodity, on any spot market.

The Acting CHAIR. Pursuant to House Resolution 1243, the gentleman from Pennsylvania (Mr. PERRY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. PERRY. Mr. Chairman, I offer a simple but important amendment.

While the underlying legislation allows the Commodity Futures Trading Commission the authority to regulate digital asset spot markets, nothing in the bill should be construed as giving the CFTC power beyond digital assets.

We all have seen good intentions around here, and nothing is punished like good intentions, so let's make clear what the strike zone is for everybody. We are trying to define that strike zone.

This amendment adds a sense of Congress that nothing in this act or any amendment made by this act should be interpreted to authorize any entity to regulate any commodity other than a digital commodity on any spot market. That is it. That is the whole thing.

Again, this amendment simply aims to combat mission creep, if you want to call it that, somewhere outside the strike zone and makes clear that Congress' intent is to only address digital asset spot markets in this bill and no more. With this amendment, the courts won't have any questions, and Mr. Gensler can't say, ''Well, I am not sure they did this,'' or ''They surely must have meant that.''

No. We cannot allow these agencies to take more and more power in the absence of express congressional approval. We have already seen Mr. Gensler aggressively pursue litigation against the crypto industry, people trying to do it the right way.

While trying to rein him in, we ought to ensure the CFTC knows exactly what they can and cannot do because he is not going to be there forever. There is going to be some next person that comes along and says that Congress wasn't really sure.

We are sure, and that is what this amendment does.

Madam Chair, I reserve the balance of my time.

Ms. WATERS. Madam Chair, I claim the time in opposition.

The Acting CHAIR (Mrs. BICE). The gentlewoman from California is recognized for 5 minutes.

Ms. WATERS. Madam Chair, under H.R. 4763, crypto that is deemed to be a digital commodity would come under the CFTC's purview, which would include a new explicit authority for the CFTC to regulate crypto spot markets. However, this amendment would ensure that this new authority for the CFTC to regulate crypto spot markets does not include traditional commodity spot markets.

It is already bad enough that this bill would result in mass deregulation of crypto and even some traditional securities, too. This amendment takes the bill to the next level by trying to preemptively block the CFTC to oversee non-crypto spot markets.

The bill's supporters continue to insist that this bill is only about crypto, but it has serious implications for traditional securities. With this amendment, it would now appear to have serious implications for traditional commodities also.

It is wholly unclear why Republicans, who have placed so much faith in the CFTC to police the spot markets of digital commodities, think that this agency is unable to oversee the spot markets of everyday commodities they currently regulate, like oil, wheat, and livestock. Excessive speculation in spot markets of tangible commodities is a real problem that can harm working families' budgets.

For this reason, Democratic CFTC Commissioner Christy Goldsmith Romero has called on the CFTC to study excessive and harmful speculations in the commodities markets. Specifically, she has stated: ''The CFTC has an impressive surveillance program and an equally impressive cadre of commodity markets experts to rely upon as it seeks to understand these pressures of working families, farmers, and producers. We should use them more, and more publicly.'' I agree with her.

Madam Chair, I urge my colleagues to stand up for working families and farmers by leaving the CFTC's existing authority to protect them from speculation in the traditional securities market fully intact.

Madam Chair, I urge my colleagues to vote ''no'' on this amendment, and I reserve the balance of my time.

Mr. PERRY. Madam Chair, I yield 2 minutes to the gentleman from South Dakota (Mr. JOHNSON).

Mr. JOHNSON of South Dakota. Madam Chair, I commend the gentleman from Pennsylvania for his thoughtful and forward-looking amendment.

I think it is important that we set the record straight. This amendment would not, as some have alleged, strip the CFTC of all of its spot market regulatory authority. All of the antifraud and antimanipulation powers that they currently hold would remain in place.

This sense of Congress simply makes it clear that, within FIT21, it does not provide the CFTC with grand new authorities over non-digital asset spot markets.

I think it is important we do that. There are clear and important differences between the traditional spot markets for commodities. Think about people buying and selling barrels of oil. That is not something everyday Americans are doing, but we do have everyday Americans engaged in the spot market for digital assets.

Also, with regard to digital asset commodities, we also have a number of intermediaries that would be interacting with these retail consumers. Some of those intermediaries would certainly hold the cash of consumers, either pending or after a trade. That is an important situation that we need to protect for that is not exactly like that in the traditional commodity markets—different marketplace, different threats, different set of tools.

As chair of the Commodity Markets, Digital Assets, and Rural Development Subcommittee, I want to make it clear that I support the gentleman's amendment. I do not want any part of FIT21 to change the CFTC's authority over non-digital asset commodities.

Madam Chair, I commend the gentleman for his work, and I urge a ''yes'' vote on the amendment.

Ms. WATERS. Madam Chair, at the Rules Committee hearing, Republicans revealed their true intentions with this bill. My friend, Mr. NORMAN, stated, regarding the investors who were defrauded by FTX:

> I blame the investor. I mean, would I get on an airplane with two wheels missing and one wing? They should have done their homework.

Representative AUSTIN SCOTT of Georgia on the Rules Committee doubled down on this kind of victim blaming, saying that he believed we should use a buyer-beware approach.

This is entirely offensive to consumers to simply say that they should have known better than to get defrauded. The very definition of fraud implies that the consumer could not have been expected to know or understand some facet of a contract.

I would venture to say that this bill is even worse than just a buyer-beware approach. This bill creates a facade of regulation that is designed to make ordinary investors and consumers think they are protected and that the investments are safe. In reality, this bill would facilitate and legitimize fraud rather than warning consumers to beware of the risk.

In addition to blaming millions of defrauded investors, Republicans continue to move forward with a bill that exempts the same crypto firms that were unlawfully issuing or facilitating crypto securities, giving them a get-out-of-jail-free card.

This is what Republicans love to do. They blame consumers and investors who have been defrauded while also advancing bills to protect those same firms that are ripping off consumers and investors.

Madam Chair, I reserve the balance of my time.

Mr. PERRY. Madam Chair, I yield the balance of my time of my time to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Madam Chair, I thank the gentleman from Pennsylvania for his constructive amendment. I think it is the absolute right approach. I want to associate myself with the comments from the chairman of the Commodity Markets, Digital Assets, and Rural Development Subcommittee from the House Ag Committee, Mr. JOHNSON, on that.

Madam Chair, FIT21 does exactly the opposite of what has been argued by the minority today. It gives a clear regulatory framework. It prevents fraud. It does require registration, custody, capital requirements. It gives clarity for the first time in American history to how we do securities and commodity oversight for digital assets.

The minority has also charged time and time again that somehow a great securities loophole is being opened in this bill.

□ 1645

It is just not true. It is not a factual statement. The term ''investment contract'' is a fungible, digital representation. It is not all these other items.

In fact, the bill specifically says the term ''digital asset'' does not include notes, stock, Treasury stock, securities, security-based swaps, and a whole list. It does not open the loophole that the ranking member of the Financial Services Committee charges.

I urge a ''yes'' vote on the bill and a ''yes'' vote for Mr. PERRY's amendment. Let's have regulatory credibility and clarity for a competitive United States in the 21st century.

Ms. WATERS. Madam Chair, I yield the balance of my time to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Chairman, this amendment illustrates the problem. A commodity other than a digital commodity, but any commodity can become a digital commodity, or you can have a contract or a derivative tied to the physical commodity that now becomes a digital coin.

We are told that the bill does not allow stocks and bonds to be digital assets, but it does allow them to be defined as investment contracts. If you get defined as an investment contract, you are without regulation.

As to the underlying bill, keep in mind, the administration opposes it, and three-quarters of Democrats voted against it before it got much worse.

The bill got much worse a few weeks ago. If you studied it before then, and I know the bill has been out there since July of last year, your analysis won't show you how this bill now allows digital crypto to go without regulation and opens the door to taking our traditional stocks and bonds out from the SEC.

Vote ''no'' on the amendment, but especially vote ''no'' on the bill.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. PERRY).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. WATERS. Madam Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Pennsylvania will be postponed.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in part B of House Report 118–516 on which further proceedings were postponed, in the following order:

Amendment No. 1 by Mr. CASAR of Texas.

Amendment No. 3 by Mr. NORMAN of South Carolina.

Amendment No. 4 by Mr. PERRY of Pennsylvania.

The Chair will reduce to 2 minutes the minimum time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. CASAR

The Acting CHAIR. The unfinished business is the demand for a recorded vote on amendment No. 1, printed in B of House Report 118–516, offered by the gentleman from Texas (Mr. CASAR), on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 209, not voting 23, as follows:

[Roll No. 223]

AYES—204

Adams	Case	Deluzio
Aguilar	Casten	DeSaulnier
Allred	Castor (FL)	Dingell
Amo	Castro (TX)	Doggett
Auchincloss	Cherfilus-McCormick	Escobar
Balint	Chu	Eshoo
Barragán	Clark (MA)	Espaillat
Beatty	Clarke (NY)	Fletcher
Bera	Cleaver	Foster
Beyer	Clyburn	Foushee
Bishop (GA)	Cohen	Frankel, Lois
Blunt Rochester	Connolly	Frost
Bonamici	Correa	Gallego
Bowman	Courtney	Garamendi
Boyle (PA)	Craig	García (IL)
Brown	Crockett	Garcia (TX)
Brownley	Crow	Garcia, Robert
Budzinski	Cuellar	Golden (ME)
Bush	Davids (KS)	Goldman (NY)
Caraveo	Davis (IL)	Gomez
Carbajal	Davis (NC)	Gonzalez, Vicente
Cárdenas	Dean (PA)	Gottheimer
Carson	DeGette	Green, Al (TX)
Carter (LA)	DeLauro	Harder (CA)
Cartwright	DelBene	Hayes
Casar		

Himes
Horsford
Houlahan
Hoyer
Hoyle (OR)
Huffman
Ivey
Jackson (IL)
Jackson (NC)
Jacobs
Jayapal
Jeffries
Johnson (GA)
Kamlager-Dove
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kildee
Kilmer
Kim (NJ)
Krishnamoorthi
Kuster
Larsen (WA)
Larson (CT)
Lee (CA)
Lee (NV)
Lee (PA)
Leger Fernandez
Levin
Lieu
Lofgren
Lynch
Manning
Matsui
McBath
McClellan
McCollum
McGarvey
McGovern
Meeks
Menendez
Meng
Mfume
Morelle
Moskowitz
Moulton
Mrvan
Mullin
Nadler
Napolitano
Neal
Neguse
Nickel
Norcross
Norton
Ocasio-Cortez
Omar
Pallone
Panetta
Pappas
Pascrell
Pelosi
Peltola
Perez
Peters
Pettersen
Phillips
Pingree
Plaskett
Pocan
Porter
Pressley
Quigley
Ramirez
Raskin
Ross
Ruiz
Ruppersberger
Ryan
Salinas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schiff
Schneider
Scholten
Schrier
Scott (VA)
Scott, David
Sewell
Sherman
Sherrill
Slotkin
Smith (WA)
Sorensen
Soto
Spanberger
Stanton
Stevens
Strickland
Suozzi
Swalwell
Sykes
Takano
Thanedar
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Trone
Underwood
Vargas
Vasquez
Veasey
Wasserman Schultz
Waters
Watson Coleman
Wexton
Wild
Williams (GA)

NOES—209

Aderholt
Alford
Allen
Amodei
Armstrong
Arrington
Babin
Bacon
Baird
Balderson
Banks
Barr
Bean (FL)
Bentz
Bergman
Bice
Biggs
Bilirakis
Bishop (NC)
Boebert
Bost
Brecheen
Buchanan
Bucshon
Burchett
Burgess
Burlison
Calvert
Cammack
Carey
Carl
Carter (GA)
Carter (TX)
Chavez-DeRemer
Ciscomani
Cline
Cloud
Clyde
Cole
Collins
Comer
Crane
Crawford
Crenshaw
Curtis
D'Esposito
De La Cruz
DesJarlais
Diaz-Balart
Donalds
Duarte
Duncan
Dunn (FL)
Edwards
Ellzey
Emmer
Estes
Ezell
Fallon
Feenstra
Ferguson
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Flood
Foxx
Franklin, Scott
Fry
Fulcher
Gaetz
Garbarino
Garcia, Mike
Gimenez
Gonzales, Tony
Good (VA)
Gooden (TX)
Gosar
Granger
Graves (LA)
Graves (MO)
Green (TN)
Greene (GA)
Griffith
Grothman
Guest
Guthrie
Hageman
Harris
Harshbarger
Hern
Higgins (LA)
Hill
Hinson
Houchin
Hudson
Huizenga
Issa
Jackson (TX)
James
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kean (NJ)
Kelly (MS)
Kelly (PA)
Kiggans (VA)
Kiley
Kim (CA)
Kustoff
LaHood
LaLota
Lamborn
Langworthy
Latta
LaTurner
Lawler
Lee (FL)
Lesko
Letlow
Lucas
Luetkemeyer
Luna
Luttrell
Mace
Malliotakis
Maloy
Mann
Mast
McCaul
McClain
McClintock
McCormick
McHenry
Meuser
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Molinaro
Moolenaar
Mooney
Moore (AL)
Moore (UT)
Moran
Moylan
Nehls
Newhouse
Norman
Obernolte
Ogles
Owens
Palmer
Pence
Perry
Pfluger
Posey
Reschenthaler
Rodgers (WA)
Rogers (AL)
Rogers (KY)
Rose
Rosendale
Rouzer
Roy
Rutherford
Salazar
Schweikert
Scott, Austin
Self
Sessions
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Stauber
Steel
Stefanik
Steil
Steube
Strong
Tenney
Thompson (PA)
Tiffany
Timmons
Turner
Valadao
Van Drew
Van Duyne
Van Orden
Wagner
Walberg
Waltz
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams (NY)
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NOT VOTING—23

Blumenauer
Costa
Davidson
Evans
González-Colón
Grijalva
Hunt
Jackson Lee
LaMalfa
Landsman
Loudermilk
Magaziner
Massie
Moore (WI)
Murphy
Nunn (IA)
Radewagen
Sablan
Scalise
Spartz
Stansbury
Velázquez
Wilson (FL)

□ 1721

Messrs. ZINKE, WILLIAMS of Texas, ROGERS of Kentucky, BUCSHON, GRAVES of Missouri, Ms. VAN DUYNE, Messrs. OBERNOLTE, DUNN of Florida, ROSE, and Ms. GREENE of Georgia changed their vote from ''aye'' to ''no.''

Mrs. WATSON COLEMAN, Ms. TLAIB, and Mr. CUELLAR changed their vote from ''no'' to ''aye.''

Ms. GRANGER changed her vote from ''present'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. NORMAN

The Acting CHAIR. The unfinished business is the demand for a recorded vote on amendment No. 3, printed in part B of House Report 118–516, offered by the gentleman from South Carolina (Mr. NORMAN), on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 411, noes 0, not voting 25, as follows:

[Roll No. 224]

AYES—411

Adams
Aderholt
Aguilar
Alford
Allen
Allred
Amo
Amodei
Armstrong
Arrington
Auchincloss
Babin
Bacon
Baird
Balderson
Balint
Banks
Barr
Barragán
Bean (FL)
Beatty
Bentz
Bera
Bergman
Beyer
Bice
Biggs
Bilirakis
Bishop (GA)
Bishop (NC)
Blunt Rochester
Boebert
Bonamici
Bost
Bowman
Boyle (PA)
Brecheen
Brown
Brownley
Buchanan
Bucshon
Budzinski
Burchett
Burgess
Burlison
Bush
Cammack
Caraveo
Carbajal
Cárdenas
Carey
Carson
Carter (GA)
Carter (LA)
Carter (TX)
Cartwright
Casar
Case
Casten
Castor (FL)
Castro (TX)
Chavez-DeRemer
Cherfilus-McCormick
Chu
Ciscomani
Clark (MA)
Clarke (NY)
Cleaver
Cline
Cloud
Clyburn
Clyde
Cohen
Cole
Collins
Comer
Connolly
Correa
Courtney
Crane
Crawford
Crenshaw
Crockett
Crow
Cuellar
Curtis
D'Esposito
Davids (KS)
Davis (IL)
Davis (NC)
De La Cruz
Dean (PA)
DeGette
DeLauro
DelBene
Deluzio
DeSaulnier
DesJarlais
Diaz-Balart
Dingell
Doggett
Donalds
Duarte
Duncan
Dunn (FL)
Edwards
Ellzey
Emmer
Escobar
Eshoo
Espaillat
Estes
Ezell
Fallon
Feenstra
Ferguson
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Fletcher
Flood
Foster
Foushee
Foxx
Frankel, Lois
Franklin, Scott
Frost
Fry
Fulcher
Gaetz
Garamendi
Garbarino
García (IL)
Garcia (TX)
Garcia, Mike
Garcia, Robert
Gimenez
Golden (ME)
Goldman (NY)
Gomez
Gonzales, Tony
Gonzalez, Vicente
Good (VA)
Gooden (TX)
Gosar
Gottheimer
Granger
Graves (LA)
Graves (MO)
Green (TN)
Green, Al (TX)
Greene (GA)
Griffith
Grothman
Guest
Guthrie
Hageman
Harder (CA)
Harris
Harshbarger
Hayes
Hern
Higgins (LA)
Hill
Himes
Hinson
Horsford
Houchin
Houlahan
Hoyer
Hoyle (OR)
Hudson
Huffman
Huizenga
Issa
Ivey
Jackson (IL)
Jackson (NC)
Jackson (TX)
Jacobs
James
Jayapal
Jeffries
Johnson (GA)
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kamlager-Dove
Kaptur
Kean (NJ)
Keating
Kelly (IL)
Kelly (MS)
Kelly (PA)
Kennedy
Khanna
Kiggans (VA)
Kildee
Kiley
Kilmer
Kim (CA)
Kim (NJ)
Krishnamoorthi
Kuster
Kustoff
LaHood
LaLota
LaMalfa
Lamborn
Langworthy
Larsen (WA)
Larson (CT)
Latta
LaTurner
Lawler
Lee (CA)
Lee (FL)
Lee (NV)
Lee (PA)
Leger Fernandez
Lesko
Letlow
Levin
Lieu
Lofgren
Lucas
Luetkemeyer
Luna
Luttrell
Lynch
Mace
Malliotakis
Maloy
Mann
Manning
Mast
Matsui
McBath
McCaul
McClain
McClellan
McClintock
McCollum
McCormick
McGarvey
McGovern
McHenry
Meeks
Menendez
Meng
Meuser
Mfume
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Molinaro
Moolenaar
Mooney
Moore (AL)
Moore (UT)
Moran
Morelle
Moskowitz
Moulton
Moylan
Mrvan
Mullin
Nadler
Napolitano
Neal
Neguse
Nehls
Newhouse
Nickel
Norcross
Norman
Norton
Obernolte
Ocasio-Cortez
Ogles
Omar
Owens
Pallone
Palmer
Panetta
Pappas
Pascrell
Pelosi
Peltola
Pence
Perez
Perry
Peters
Pettersen
Pfluger
Phillips
Pingree
Plaskett
Pocan
Porter
Posey
Pressley
Quigley
Ramirez
Raskin
Reschenthaler
Rodgers (WA)
Rogers (AL)
Rogers (KY)
Rose
Rosendale
Ross
Rouzer
Roy
Ruiz
Ruppersberger
Rutherford
Ryan
Salazar
Salinas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schiff
Schneider
Scholten
Schrier
Schweikert
Scott (VA)
Scott, Austin
Scott, David
Self
Sessions
Sewell
Sherman
Sherrill
Simpson
Slotkin
Smith (MO)
Smith (NJ)
Smith (WA)
Smucker
Sorensen
Soto
Spanberger

Spartz
Stanton
Stauber
Steel
Stefanik
Steil
Steube
Stevens
Strickland
Strong
Suozzi
Swalwell
Sykes
Takano
Tenney
Thanedar
Thompson (CA)
Thompson (MS)
Thompson (PA)
Tiffany
Timmons
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Trone
Turner
Underwood
Valadao
Van Drew
Van Duyne
Van Orden
Vargas
Vasquez
Veasey
Wagner
Walberg
Waltz
Wasserman Schultz
Waters
Watson Coleman
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Wexton
Wild
Williams (GA)
Williams (NY)
Williams (TX)
Wilson (FL)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NOT VOTING—25

Blumenauer
Calvert
Carl
Costa
Craig
Davidson
Evans
Gallego
González-Colón
Grijalva
Hunt
Jackson Lee
Landsman
Loudermilk
Magaziner
Massie
Moore (WI)
Murphy
Nunn (IA)
Radewagen
Sablan
Scalise
Smith (NE)
Stansbury
Velázquez

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). There is 1 minute remaining.

□ 1726

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 4 OFFERED BY MR. PERRY

The Acting CHAIR. The unfinished business is the demand for a recorded vote on amendment No. 4, printed in part B of House Report 118–516, offered by the gentleman from Pennsylvania (Mr. PERRY), on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This is a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 225, noes 191, not voting 20, as follows:

[Roll No. 225]

AYES—225

Aderholt
Alford
Allen
Amodei
Armstrong
Arrington
Babin
Bacon
Baird
Balderson
Banks
Barr
Bean (FL)
Bentz
Bergman
Bice
Biggs
Bilirakis
Bishop (NC)
Boebert
Bost
Brecheen
Buchanan
Bucshon
Budzinski
Burchett
Burgess
Burlison
Calvert
Cammack
Caraveo
Carey
Carl
Carter (GA)
Carter (TX)
Chavez-DeRemer
Ciscomani
Cline
Cloud
Clyde
Cole
Collins
Comer
Craig
Crane
Crawford
Crenshaw
Curtis
D'Esposito
Davidson
De La Cruz
DesJarlais
Diaz-Balart
Donalds
Duarte
Duncan
Dunn (FL)
Edwards
Ellzey
Emmer
Estes
Ezell
Fallon
Feenstra
Ferguson
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Flood
Foxx
Franklin, Scott
Fry
Fulcher
Gaetz
Garbarino
Garcia, Mike
Gimenez
Golden (ME)
Gonzales, Tony
Good (VA)
Gooden (TX)
Gosar
Granger
Graves (LA)
Graves (MO)
Green (TN)
Greene (GA)
Griffith
Grothman
Guest
Guthrie
Hageman
Harder (CA)
Harris
Harshbarger
Hern
Higgins (LA)
Hill
Hinson
Houchin
Hudson
Huizenga
Issa
Jackson (TX)
James
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kean (NJ)
Kelly (MS)
Kelly (PA)
Kiggans (VA)
Kiley
Kim (CA)
Kuster
Kustoff
LaHood
LaLota
LaMalfa
Lamborn
Langworthy
Latta
LaTurner
Lawler
Lee (FL)
Lesko
Letlow
Lofgren
Lucas
Luetkemeyer
Luna
Luttrell
Mace
Malliotakis
Maloy
Mann
Mast
McCaul
McClain
McClintock
McCormick
McHenry
Meuser
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Molinaro
Moolenaar
Mooney
Moore (AL)
Moore (UT)
Moran
Moylan
Nehls
Newhouse
Norman
Obernolte
Ogles
Owens
Palmer
Peltola
Pence
Perez
Perry
Pfluger
Posey
Reschenthaler
Rodgers (WA)
Rogers (AL)
Rogers (KY)
Rose
Rosendale
Rouzer
Roy
Rutherford
Salazar
Schweikert
Scott, Austin
Self
Sessions
Sherrill
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Sorensen
Spartz
Stanton
Stauber
Steel
Stefanik
Steil
Steube
Strong
Tenney
Thompson (PA)
Tiffany
Timmons
Turner
Valadao
Van Drew
Van Duyne
Van Orden
Veasey
Wagner
Walberg
Waltz
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams (NY)
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NOES—191

Adams
Aguilar
Allred
Amo
Auchincloss
Balint
Barragán
Beatty
Bera
Beyer
Bishop (GA)
Blunt Rochester
Bonamici
Bowman
Boyle (PA)
Brown
Brownley
Bush
Carbajal
Cárdenas
Carson
Carter (LA)
Cartwright
Casar
Case
Casten
Castor (FL)
Castro (TX)
Cherfilus-McCormick
Chu
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Connolly
Correa
Courtney
Crockett
Crow
Cuellar
Davids (KS)
Davis (IL)
Davis (NC)
Dean (PA)
DeGette
DeLauro
DelBene
Deluzio
DeSaulnier
Dingell
Doggett
Escobar
Eshoo
Espaillat
Fletcher
Foster
Foushee
Frankel, Lois
Frost
Garamendi
García (IL)
Garcia (TX)
Garcia, Robert
Goldman (NY)
Gomez
Gonzalez, Vicente
Gottheimer
Green, Al (TX)
Hayes
Himes
Horsford
Houlahan
Hoyer
Hoyle (OR)
Huffman
Ivey
Jackson (IL)
Jackson (NC)
Jacobs
Jayapal
Jeffries
Johnson (GA)
Kamlager-Dove
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kildee
Kilmer
Kim (NJ)
Krishnamoorthi
Larsen (WA)
Larson (CT)
Lee (CA)
Lee (NV)
Lee (PA)
Leger Fernandez
Levin
Lieu
Lynch
Manning
Matsui
McBath
McClellan
McCollum
McGarvey
McGovern
Meeks
Menendez
Meng
Mfume
Morelle
Moskowitz
Moulton
Mrvan
Mullin
Nadler
Napolitano
Neal
Neguse
Nickel
Norcross
Norton
Ocasio-Cortez
Omar
Pallone
Panetta
Pappas
Pascrell
Pelosi
Peters
Pettersen
Phillips
Pingree
Plaskett
Pocan
Porter
Pressley
Quigley
Ramirez
Raskin
Ross
Ruiz
Ruppersberger
Ryan
Salinas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schiff
Schneider
Scholten
Schrier
Scott (VA)
Scott, David
Sewell
Sherman
Slotkin
Smith (WA)
Soto
Spanberger
Stevens
Strickland
Suozzi
Swalwell
Sykes
Takano
Thanedar
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Trone
Underwood
Vargas
Vasquez
Wasserman Schultz
Waters
Watson Coleman
Wexton
Wild
Williams (GA)
Wilson (FL)

NOT VOTING—20

Blumenauer
Costa
Evans
Gallego
González-Colón
Grijalva
Hunt
Jackson Lee
Landsman
Loudermilk
Magaziner
Massie
Moore (WI)
Murphy
Nunn (IA)
Radewagen
Sablan
Scalise
Stansbury
Velázquez

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). There is 1 minute remaining.

□ 1730

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The Acting CHAIR. There being no further amendment, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. BICE) having assumed the chair, Ms. MALLIOTAKIS, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 4763) to provide for a system of regulation of digital assets by the Commodity Futures Trading Commission and the Securities and Exchange Commission, and for other purposes, and, pursuant to House Resolution 1243, she reported the bill back to the House with sundry further amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any further amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Ms. WATERS. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 279, noes 136, not voting 15, as follows:

[Roll No. 226]

AYES—279

Aderholt
Aguilar
Alford
Allen
Allred
Amodei
Armstrong
Arrington
Auchincloss
Babin
Bacon
Baird
Balderson
Banks
Barr
Bean (FL)
Bentz
Bera
Bergman
Beyer
Bice
Bilirakis
Bishop (NC)
Boebert
Bost
Boyle (PA)
Brecheen
Buchanan
Bucshon
Budzinski
Burchett
Burgess
Burlison
Calvert
Cammack
Caraveo
Carey
Carl
Carter (GA)
Carter (TX)
Chavez-DeRemer
Ciscomani
Clark (MA)
Cline
Cloud
Clyde
Cole
Collins
Comer
Costa
Craig
Crane
Crawford
Crenshaw
Crockett
Cuellar
Curtis
D'Esposito
Davidson
Davis (NC)
De La Cruz
DelBene
DesJarlais
Diaz-Balart
Donalds
Duarte
Duncan
Dunn (FL)
Edwards
Ellzey
Emmer
Eshoo
Estes
Ezell
Fallon
Feenstra
Ferguson
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Flood
Foxx
Franklin, Scott
Fry
Fulcher
Gaetz
Gallego
Garbarino
Garcia, Mike
Garcia, Robert
Gimenez
Goldman (NY)
Gomez
Gonzales, Tony
Gonzalez, Vicente
Good (VA)
Gooden (TX)
Gosar
Gottheimer
Granger
Graves (LA)
Graves (MO)
Green (TN)
Greene (GA)
Griffith
Grothman
Guest
Guthrie
Hageman
Harder (CA)
Harris
Harshbarger
Hern
Higgins (LA)
Hill
Himes
Hinson
Horsford
Houchin
Houlahan
Hudson
Huizenga
Issa
Jackson (IL)
Jackson (NC)
Jackson (TX)
James
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kamlager-Dove
Kean (NJ)
Kelly (MS)
Kelly (PA)
Kennedy
Khanna
Kiggans (VA)
Kiley
Kim (CA)
Kim (NJ)
Krishnamoorthi
Kuster
Kustoff
LaHood
LaMalfa
Lamborn
Langworthy
Latta
LaTurner
Lawler
Lee (FL)
Lee (NV)
Lesko
Letlow
Levin
Lieu
Lofgren
Lucas
Luetkemeyer
Luna
Luttrell
Mace
Malliotakis
Maloy
Mann
Mast
McBath
McCaul
McClain
McClintock
McCormick
McHenry
Menendez
Meuser
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Molinaro
Moolenaar
Mooney
Moore (AL)
Moore (UT)
Moran
Moskowitz
Moulton
Mullin
Nehls
Newhouse
Nickel
Norman
Obernolte
Ogles
Owens
Palmer
Panetta
Pelosi
Peltola
Pence
Perry
Peters
Pettersen
Pfluger
Phillips
Posey
Quigley
Reschenthaler
Rodgers (WA)
Rogers (AL)
Rogers (KY)
Rose
Rouzer
Roy
Rutherford
Ryan
Salazar
Schiff
Schneider
Scholten
Schweikert
Scott, Austin
Self
Sessions
Sherrill
Simpson
Slotkin
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Sorensen
Soto
Spanberger
Spartz
Stanton
Stauber
Steel
Stefanik
Steil
Steube
Stevens
Strickland
Strong
Suozzi
Swalwell
Tenney
Thanedar
Thompson (CA)
Thompson (PA)
Tiffany
Timmons
Titus
Torres (NY)
Turner
Valadao
Van Drew
Van Duyne
Van Orden
Veasey
Wagner
Walberg
Waltz
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Wild
Williams (NY)
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NOES—136

Adams
Amo
Balint
Barragán
Beatty
Biggs
Bishop (GA)
Blunt Rochester
Bonamici
Bowman
Brown
Brownley
Bush
Carbajal
Cárdenas
Carson
Carter (LA)
Cartwright
Casar
Case
Casten
Castor (FL)
Castro (TX)
Cherfilus-McCormick
Chu
Clarke (NY)
Cleaver
Clyburn
Cohen
Connolly
Correa
Courtney
Crow
Davids (KS)
Davis (IL)
Dean (PA)
DeGette
DeLauro
Deluzio
DeSaulnier
Dingell
Doggett
Escobar
Espaillat
Fletcher
Foster
Foushee
Frankel, Lois
Frost
Garamendi
García (IL)
Garcia (TX)
Golden (ME)
Green, Al (TX)
Hayes
Hoyer
Hoyle (OR)
Huffman
Ivey
Jacobs
Jayapal
Jeffries
Johnson (GA)
Kaptur
Keating
Kelly (IL)
Kildee
Kilmer
LaLota
Larsen (WA)
Larson (CT)
Lee (CA)
Lee (PA)
Leger Fernandez
Lynch
Manning
Matsui
McClellan
McCollum
McGarvey
McGovern
Meeks
Meng
Mfume
Morelle
Mrvan
Nadler
Napolitano
Neal
Neguse
Norcross
Ocasio-Cortez
Omar
Pallone
Pappas
Pascrell
Perez
Pingree
Pocan
Porter
Pressley
Ramirez
Raskin
Rosendale
Ross
Ruiz
Ruppersberger
Salinas
Sánchez
Sarbanes
Scanlon
Schakowsky
Schrier
Scott (VA)
Scott, David
Sewell
Sherman
Smith (WA)
Sykes
Takano
Thompson (MS)
Tlaib
Tokuda
Tonko
Torres (CA)
Trahan
Trone
Underwood
Vargas
Vasquez
Wasserman Schultz
Waters
Watson Coleman
Wexton
Williams (GA)
Wilson (FL)

NOT VOTING—15

Blumenauer
Evans
Grijalva
Hunt
Jackson Lee
Landsman
Loudermilk
Magaziner
Massie
Moore (WI)
Murphy
Nunn (IA)
Scalise
Stansbury
Velázquez

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1738

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BLUMENAUER. Madam Speaker, had I been present for the vote today on Roll Call No. 221, Ordering the Previous Question on H. Res. 1243, I would have voted NAY.

Had I been present for the vote on Roll Call No. 222, H. Res. 1243, I would have voted "no."

Had I been present for the vote on Roll Call No. 223, Casar Amendment No. 1, I would have voted "aye."

Had I been present for the vote on Roll Call No. 224, Norman Amendment No. 3, I would have voted "aye."

Had I been present for the vote on Roll Call No. 225, Perry Amendment No. 4, I would have voted "no."

Had I been present for the vote on Roll Call No. 226, H.R. 4763, I would have voted "no."

PERSONAL EXPLANATION

Mr. LANDSMAN. Madam Speaker, for personal reasons, I was unable to make votes. Had I been present, I would have voted NAY on Roll Call No. 221, NAY on Roll Call No. 222, YEA on Roll Call No. 223, YEA on Roll Call No. 224, NAY on Roll Call No. 225, and YEA on Roll Call No. 226.

PERSONAL EXPLANATION

Mr. NUNN of Iowa. Madam Speaker, due to a natural disaster event in my district, I made an emergency trip back to Iowa to provide assistance to my constituents. Had I been present, I would have voted NAY on Roll Call No. 223, Casar Amendment No. 1 to H.R. 4763, YEA on Roll Call No. 224, Norman Amendment No. 3 to H.R. 4763, YEA on Roll Call No. 225, Perry Amendment No. 4 to H.R. 4763, and YEA on Roll Call No. 226, H.R. 4763.

HOUR OF MEETING ON TOMORROW

Mr. HILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore (Mr. SELF). Is there objection to the request of the gentleman from Arkansas?

There was no objection.

HONORING THE LIFE OF TIFFANY FERDON

(Mr. NEWHOUSE asked and was given permission to address the House for 1 minute.)

Mr. NEWHOUSE. Mr. Speaker, today, I rise to honor the life of a dedicated first responder from Okanogan, Washington, Tiffany Ferdon, who we tragically lost last month.

Tiffany was a volunteer firefighter, an EMT for the Tonasket Fire Department and Aeneas Valley Fire Department, as well as a member of the Samaritan Riders, a group of motorcycle enthusiasts who serve the medically challenged and socially disadvantaged children throughout our region. Her passion was making the world a better place, a quality which was clear in the work that she did.

Tiffany's death is a loss for the whole community, but her legacy will never be forgotten. May her family and community continue to be blessed with her memory, and may she rest in peace.

HONORING ROBERT L. FERRIS, JR.

(Mr. DAVIS of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of North Carolina. Mr. Speaker, with the American flag hanging, a white hearse traveled down the highway, returning the remains of Staff Sergeant Robert L. Ferris, Jr., home.

More than 80 years after his bomber crashed, Sergeant Ferris joined his family, and he was finally laid to rest.

He was a young gunner, 20 years old, during World War II when his B–17 was shot down.

This past week he was transported from Raleigh-Durham International Airport to New Bern, a journey that took him through Wilson.

Our local fire department and others came to show respect and pay special tribute to this incredible hero.

There are thousands of stories like Sergeant Ferris'. As we approach Memorial Day, let us honor our fallen soldiers, POWs, MIAs, and those killed in action.

BIDEN BORDER CRISIS

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, the Biden border crisis rages on, and American families are affected, including in their pocketbooks.

At the start of 2023, the cost of illegal aliens crossing with Biden was over $150 billion. The burden of illegal aliens costs each American taxpayer nearly $1,200 annually.

Corrupt Judge Merchan continues promoting the reelection of Donald Trump by relentlessly being bigoted and objectionable, earning an invitation as my guest to the Trump inauguration. The invitation was hand-delivered to New York to Merchan's office Monday by South Carolina Attorney General Alan Wilson.

The shameful bias and bigotry of Judge Merchan has been exposed this week by esteemed Harvard law professor Alan Dershowitz as ''unethical, unlawful, and petty.''

In conclusion, God bless our troops who successfully protected America for 20 years as the global war on terrorism moves from the Afghanistan safe haven to America. We do not need new border laws. We need to enforce the existing laws. Biden shamefully opens borders for dictators, as more 9/11 attacks across America are imminent, as repeatedly warned by the FBI.

NEW HAVEN PIZZA

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, I rise today to recognize a specially crafted food that draws people from across the country to my hometown of New Haven, Connecticut. It is called apizza—after the original way ''la pizza'' was pronounced in southern Italy.

For more than a century, New Haven has been home to some of the most famous pizzerias in the country, known for everything from a plain sauce to white clam to mashed potato. I proudly rise today to claim New Haven as the pizza capital of the United States.

While there are other States that have their own pizza traditions, Connecticut has the most pizzerias of any State per capita and the most family-owned pizzerias of any State in the country.

There is something special about New Haven apizza. Some say it is coal fire, some say brick ovens, some say it is char, some say it is the water used to make the dough. Personally, I believe it is the generation after generation of dedication to the craft.

Historic pizzerias in the New Haven area that continue this legacy include: Frank Pepe Pizzeria Napoletana, Modern Apizza, Zuppardi's Apizza, Sally's Apizza, Ernie's Apizza, Yorkside, BAR, Grand Apizza, and Zeneli Pizza, and Abate's Apizza just to name a few. They have helped to establish a uniquely American culinary and cultural experience, making New Haven one of the most respected and recognized pizza destinations in the country.

New Haven apizza is more than just a delicious meal—it is a part of who we are as New Haveners and Nutmeggers. Earlier today, I joined Connecticut pizza makers, legislators, veterans, and community leaders to celebrate New Haven and recognize it as the pizza capital of the United States.

RECOGNIZING FREDERICA ACADEMY GIRLS' SOCCER TEAM

(Mr. CARTER of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER of Georgia. Mr. Speaker, I rise today to celebrate the achievement of the girls soccer team at Frederica Academy with their back-to-back State title wins.

The team defended their State title with a final score of 1–0 against the Westminster Schools of Augusta. The goal was scored by freshman Sophia Gregg who outmaneuvered her defenders in the first half of the game. Gregg's goal was made possible by an assist from Mary Ford Fitzjurls.

Frederica's strong defense was also able to hold off every shot attempt made at their goal. This allowed them to go undefeated in the Georgia Independent Athletic Association AAA District 2 Region, making them the number one ranked team in the region.

Congratulations to the young women of the Frederica Academy soccer team. I know I speak for the whole First District when I say we are very proud of you.

PROJECT DIAMOND

(Ms. STEVENS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. STEVENS. Mr. Speaker, I rise today to highlight an extraordinary initiative in the heart of Michigan's 11th district, Project DIAMOnD, a groundbreaking program spearheaded by Troy's Automation Alley and the Oakland County Economic Development Office.

This project encapsulates not just the spirit of innovation but also the determination of our local communities and our industrious small to midsized manufacturers.

Project DIAMOnD is revolutionizing additive manufacturing with 3D printing, positioning Michigan as a global leader and delivering 250 3D printers to empower manufacturers in the automotive, aerospace, and defense sectors.

This technology allows rapid prototyping, reduces lead times, and integrates seamlessly into existing supply chains, advancing our national manufacturing agenda.

Mr. Speaker, as we look to future-proof our industries, let us support and expand initiatives like Project DIAMOnD.

CONGRATULATING ST. XAVIER HIGH SCHOOL SWIMMING AND DIVING TEAM

(Mr. WENSTRUP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WENSTRUP. Mr. Speaker, I rise today to celebrate the incredible success of the St. Xavier High School swimming and diving team and to congratulate them on winning their 44th State championship. The dedication and hard work of these talented athletes is second to none, as they have claimed 24 of the last 26 State championships, 4 of the last 5, and 44 out of the last 54.

The St. Xavier High School swimming and diving team, the Bombers, or Aqua Bombers as they are also known, won their most recent championship with a score of 302 points, beating out the runners–up by 73 points.

The Bombers were led by Ohio Second District native Max Ward, who brought home first place finishes in the 100-meter butterfly and the 200-meter freestyle.

As a member of the St. Xavier ''Long Blue Line'' and a swimmer alum, I want to congratulate the talented swimmers, divers, and coaches on this incredible feat.

If they made it look easy, it was because it wasn't. Go Bombers.

THE INSPIRING STORY OF ANTRONE WILLIAMS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise today to share the inspiring story of Antrone ''Juice'' Williams, a remarkable individual from Lucas County, Ohio.

I had the pleasure of meeting Mr. Williams 2 years ago, and since then, his journey has been nothing short of extraordinary.

Antrone is not just a dedicated athlete with the Special Olympics Lucas County Lightning, but also a relentless advocate for his community.

As the former president of the Central Resident Advisory Board, he tirelessly represented over 11,000 residents in Lucas Metropolitan Housing.

His entrepreneurial spirit led him to Ivy Entrepreneurs business school where he rose to new heights, becoming the CEO and founder of the H.O.W. Inc. Foundation, Helping Others Win.

Antrone's achievements are vast, but perhaps most notable is his pioneering accomplishment as the first physically challenged man to become an independent provider.

Antrone's story is a beacon of hope for those living with physical challenges. His story is a powerful reminder that our circumstances do not define us, our spirit and determination do. To Antrone I say: Onward. We are so proud of you.

REMEMBERING MARK WOODS

(Mr. LAWLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAWLER. Mr. Speaker, today I rise to remember the life of a true American hero, Mark Woods, who dedicated his life to public service in the military, in law enforcement, and in his local community.

A two-term U.S. Army combat veteran and a retired NYPD detective who served on the Joint Terrorism Task Force, Mark lived a life of service from the start.

His passion for supporting fellow veterans through his role as director of the Joseph P. Dwyer peer-to-peer veteran service program at BRIDGES and as a veteran service officer in Rockland County was revered by all in our region.

Mark was rightly recognized as Rockland County's 2024 Veteran of the Year thanks to his unparalleled efforts advocating for veterans and getting them the support and services they need and deserve.

Beyond his work for the veteran community, Mark was a councilman in the town of Clarkstown and a dedicated family man. We extend our deepest sympathies to his family, especially his wife, Jeanne, his son and daughter, who should know that Mark's legacy will continue to inspire and guide all of us.

On a more personal note, Mark was great friend, who I was honored to swear in as councilman in January, and I will miss him dearly. He was a humble and decent man whose work was rooted in service to the people of Rockland County.

May God rest his soul on behalf of a grateful Nation.

PAY THEM BACK

(Ms. SALINAS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SALINAS. Mr. Speaker, I rise today as the daughter of a Vietnam veteran and the Representative for Oregan's Sixth District, home to nearly 40,000 veterans.

These brave Oregonians served our country, and now I have the great honor of serving them in Congress. They are hardworking people, some of whom carry with them scars both visible and invisible of their service.

Returning to civilian life can be challenging. Mental health problems are all too common, and many veterans struggle to find stable jobs in housing. They put country first and their own comfort second.

As Members of Congress, the least we can do is to show them we care.

That is why I was shocked to see House Republicans proposing $30 billion in cuts to SNAP in their farm bill proposal.

Cutting SNAP was never on the table for Democrats, yet my Republican colleagues have chosen to move forward with this reckless plan and take away up to 2 days' worth of food every month from hungry veterans, kids, and seniors.

Why must my Republican colleagues deprive veterans of food when they fall on hard times? Why the unnecessary cruelty?

Instead, we need to protect SNAP and ensure that those who have sacrificed so much for our freedom will have healthy, nutritious food on the table. It is our job—no, our duty and responsibility to pay them back.

RECOGNIZING ROY SPRINGFIELD

(Mrs. SPARTZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPARTZ. Mr. Speaker, I rise today to recognize Sergeant Roy Springfield of Anderson, Indiana, who served in the U.S. Army for 3 years as a member of the elite Special Forces. Roy enlisted in the Army in 1961, where he completed his tour of duty in Vietnam and Laos.

While evacuating a Special Forces base in Laos under intense enemy attack, Sergeant Springfield managed to grab an American flag and keep it from falling into enemy hands. He has retained and treasured this flag for more than six decades.

After his time in the Army, Roy went on to serve his community for 27 years as a police officer with the Anderson Police Department. In 1973, he also started the Police Athletic League in Anderson for disadvantaged youth.

In recognition of his brave service to our Nation, it was my honor to present Sergeant Roy Springfield with a National Defense Service Medal and the Armed Forces Expeditionary Medal on January 26, 2024. I am extremely grateful for Roy's bravery and am humbled to express our appreciation on behalf of the American people in Indiana's Fifth Congressional District.

□ 1800

SNAP BENEFITS ARE NEEDED BY 42 MILLION AMERICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the gentlewoman from Connecticut (Mrs. HAYES) is recognized for 60 minutes as the designee of the minority leader.

GENERAL LEAVE

Mrs. HAYES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to submit extraneous material in the RECORD on the topic of this Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. HAYES. Mr. Speaker, I thank my colleagues who have joined me for this extremely special SNAP Special Order hour.

Hunger continues to be a pervasive issue in America. According to the USDA, in 2023, over 42 million people rely on the Supplemental Nutrition Assistance Program, also known as SNAP, and 41 percent of those households have children.

SNAP benefits are modest, averaging only about $6.20 per person per day or about $2 per person per meal.

The benefits of SNAP are highly targeted to focus on those with the greatest needs. Ninety-two percent of SNAP benefits go to households with income below the poverty line and 54 percent go to households at or below half of the poverty line.

Additionally, every dollar spent on SNAP benefits generates as much as $1.54 to the local economy. House Republicans are putting forward a farm bill which would end the USDA's authority to increase the Thrifty Food Plan. The Thrifty Food Plan is used to determine the amount of benefits a SNAP recipient receives.

USDA calculates the Thrifty Food Plan using a mathematical model based on the cost of food, the nutrients in the food, nutrition guidance, and what Americans are actually eating. The Thrifty Food Plan goes further than a simple adjustment for inflation to better ensure that people have access to food.

The 2018 bipartisan farm bill directed USDA to regularly reevaluate the Thrifty Food Plan and SNAP benefit adjustments as food prices, dietary guidance, and other scientific standards shifted over time. The farm bill put forth by House Republicans will result in roughly $30 billion in benefit cuts, according to the Congressional Budget Office. That would impact every SNAP household in future years, including children, older adults, and people with disabilities.

It would mean that the cost of the Thrifty Food Plan would be frozen no matter what the science says about the cost of a healthy, normal diet.

In the last 50 years, the Thrifty Food Plan has only been updated three times: in 1983, 1989, and 2006, but these updates did not increase SNAP benefits.

As a result of the 2021 update, the benefit amounts were increased and the purchasing power of the plan to 21 percent. This led to a $1.40 per person per day increase in SNAP's average benefits, or about 70 cents per meal.

This is not a lot of money to begin with; however, this update lifted over 2 million SNAP participants out of poverty or above the poverty line, including over 1 million children.

According to the Urban Institute, the 2021 Thrifty Food Plan reduced poverty for Black and Hispanic people, suggesting that reevaluation was addressing longstanding systemic racial issues. Additionally, a 2023 Data for Progress poll found that 66 percent have a favorable view of SNAP, including 83 percent of Democrats, 62 percent of Independents, and 52 percent of Republicans. All Americans benefit from this anti-hunger program. A majority of Americans support increasing funding for SNAP, not cutting it.

The total cut to SNAP and related nutrition programs under the House Republican proposal is roughly $30 billion. The average per person SNAP benefit would be roughly $7 less per month between 2027 and 2031 and jump to $15 less per month in 2032 and 2033.

According to the Center on Budget and Policy Priorities, this cut would affect nearly 6 million older adults, 4 million people with disabilities, and nearly 17 million children, including 5 million children under the age of 5.

Hunger is a policy choice and SNAP is our most effective anti-hunger program, and we must protect the Thrifty Food Plan in the farm bill.

Mr. Speaker, I include in the RECORD four letters in opposition to the House Republican farm bill from the American Federation of Teachers, the National Education Association, AFL–CIO, and ASFCME. All letters disapprove of the nearly $30 billion cut to SNAP.

AMERICAN FEDERATION OF TEACHERS,
May 22, 2024.

HOUSE OF REPRESENTATIVES,
Washington, DC.

REPRESENTATIVE: On behalf of the 1.7 million members of the AFT, I write in opposition to the Farm, Food, and National Security Act of 2024 (Farm Bill).

Simply put, this bill will only increase hunger and food insecurity for many Americans by cutting $30 billion in Supplemental Nutrition Assistance Program (SNAP) benefits over 10 years. This will have a devastating effect on the children, families, older Americans, college students and individuals with disabilities who rely on the program. SNAP is the nutritional safety net that families and individuals depend on to thrive. The AFT represents school food service workers and educators who know firsthand that SNAP is the guardrail, along with school meals, that ensures our most vulnerable students are receiving the food assistance needed to learn and excel in school. This proposal will be the largest cut to SNAP in 30 years. According to the Center on Budget and Policy Priorities, the Summer EBT (electronic benefit transfer) program, which provides families with school-age children a grocery benefit over the summer when students cannot receive their school meals, will also receive a cut of $500 million in this bill.

SNAP benefits are already limited, with the average benefit totaling approximately $6.20 per person, per day. And this is after the 2021 re-evaluation (the first adjustment in nearly 50 years), which provided SNAP recipients with an additional $1.40 per person, per day. According to the Urban Institute, this increase helped reduce poverty by 4.7 percent, impacting approximately 2.3 million Americans. Yet, in addition to the cuts, this is the adjustment the House Farm Bill wants to prevent from occurring again.

The Farm Bill is also proposing to eliminate the federal protections for merit staffing and privatize the workforce that conducts the essential work for the SNAP program. Merit staff are government workers who ensure the program is working effectively with transparency by providing eligibility screenings, application assistance and verification guidance. As a union of public employees, including those who process SNAP applications, the AFF opposes the proposal to outsource jobs and strip merit staffing that has protected public investment for more than 75 years. Not only will this eliminate public accountability for public investment, but it will also set the precedent to remove the merit staffing provisions in other critical federal programs.

Although the Farm Bill includes programs for rural communities that have bipartisan support, the funding for those programs is paid for with funding taken from SNAP. If a child is hungry, any positive gains of having additional funding for schools, broadband and other services in rural communities are nullified. This is not a time to borrow from Peter to pay Paul.

Many individuals and families are struggling to buy sufficient, healthy meals. Instead of focusing on real bipartisan solutions for families, children, workers and rural communities, the House Farm Bill is attempting to roll back nutrition and labor protections. I urge you to oppose the Farm, Food, and National Security Act of 2024 in committee.

Sincerely,

RANDI WEINGARTEN,
President, AFT.

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, May 20, 2024.

COMMITTEE ON AGRICULTURE,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 3 million members of the National Education Association, who teach and support nearly 50 million students in public schools across America, we urge you to vote NO on the Farm, Food, and National Security Act 2024, the reauthorization legislation for the farm bill. Votes related to this issue may be included in the NEA Report Card for the 118th Congress.

We oppose the bill because of proposed changes to the Thrifty Food Plan (TFP)—that will weaken the Supplemental Nutrition Assistance Program (SNAP) and erode benefits for participants.

NEA members are teachers and education support professionals in 14,000 communities throughout urban, suburban, and rural America. These educators know firsthand that hungry students cannot focus on learning. We urge you to strengthen SNAP so that it will improve low-income families' health and well-being and help prepare students for learning.

Approximately two-thirds of SNAP households include a child, an older person. or an individual with a disability, according to the Center on Budget and Policy Priorities (CBPP). Many working-age SNAP recipients hold multiple low-paying jobs with unreliable hours and paltry benefits, or no benefits at all. For them, any unexpected expense, health crisis, or other emergency could mean choosing between buying groceries and paying a bill. Among these recipients are approximately 10 percent of education support professionals and approximately 16 percent of school food service professionals—workers who are dedicated to nurturing students and providing them with healthy meals, but struggle to feed their own families. Like these hardworking education support professionals, 70 percent of adult SNAP recipients hold at least one job, according to a Government Accountability Office report.

Because SNAP is the first line of defense against childhood hunger, the NEA strongly opposes the bill's proposal to cut the program by approximately $30 billion over 10 years, through limiting the U.S. Department of Agriculture's authority to adjust the TFP. This proposal—which would impact as many as 17 million children in a typical month, according to the CBPP—would undercut the TFP's ability to accurately reflect the cost of a healthy diet, eroding benefits and narrowing families' access to fresh fruits and vegetables amid rising prices.

This change would further impact programs that are tied to the Thrifty Food Plan. NEA is particularly concerned about the impact on the new Summer EBT Program, which provides grocery benefits to children in low-income families during the summer when schools are closed. The summer program would be cut by more than $500 million over the 2027–2033 period due to the TFP change, the CBPP estimates.

While the bill contains some provisions that NEA supports, such as lifting the drug felony ban, improvements to the Food Distribution Program on Indian Reservations, and extending the Secure Rural Schools program, these are insufficient to make up for such a large and long-term cut to SNAP.

Instead of undermining SNAP, we ask you to be guided by NEA's priorities for reauthorization, which include strengthening the program by removing the shelter deduction cap and time limits on eligibility, enacting a standard deduction for medical expenses, and aligning SNAP's eligibility standards with the Affordable Care Act to allow lawfully present immigrants and permanent residents to participate in SNAP.

NEA also supports efforts to ensure that the work to cultivate, process, and secure the food supply chain is respected. NEA seeks a farm bill that ensures workers are paid a living wage, employers maintain safe working conditions, and employers support workers' right to organize in order to have a say in the conditions of their employment. This bill ignores these needs. In fact, the bill undermines labor. NEA further opposes the bill's privatization provision because it would permit the outsourcing of SNAP eligibility determinations, affecting the merit staff employees who administer SNAP.

SNAP is our nation's largest anti-hunger program. For many families, it means the difference between eating and going without. All students deserve important nutritional support to learn. Robust SNAP benefits not only provide struggling families with a crucial safety net; they are also instrumental in creating the conditions for academic engagement and achievement.

We must urge you to vote NO on the Farm, Food, and National Security Act 2024 as currently written. We also ask that you support amendments that would strengthen the Supplemental Nutrition Assistance Program and

oppose all amendments that would weaken the program.

Sincerely,

MARC EGAN,
Director of Government Relations, National Education Association.

AFL–CIO
May 20, 2024.

DEAR REPRESENTATIVE: On behalf of the 12.5 million workers and 60 affiliate unions represented by the AFL–CIO, I urge you to oppose the Farm, Food, and National Security Act of 2024 when it comes to a vote in the House Agriculture Committee, and to reject any amendments that further harm our nation's food programs.

This partisan bill proposes changes to the Thrifty Food Program, resulting in close to $30 billion in cuts to SNAP and other food benefits over the next decade, worsening food insecurity and hunger for over 42 million Americans. According to the Center for Budget and Policy Priorities, these cuts will affect 17 million children, 5 million children under age five, 6 million seniors, and 4 million people with disabilities. Among other things, according to this analysis, the bill will result in $500 million less funding for the Summer EBT program, depriving families of food benefits during the summer recess when school lunches are unavailable. Enacting this bill without dramatic changes would push more people below the poverty line and increase child hunger.

Additionally, we strongly oppose provisions like those in H.R. 5094, which strip the USDA of its oversight authority and eliminate federal protections for merit staffing within SNAP, potentially setting a dangerous precedent for other federal programs. Merit staff are essential for conducting SNAP eligibility screenings and maintaining program integrity. Privatization, as evident in failed experiments in Texas and Indiana, wastes taxpayer dollars and harms program beneficiaries.

Our unions represent workers across the entire food supply chain—from meat-cutting floors and school cafeterias to grocery store checkouts and agricultural fields. These workers are essential to our economy and community well-being. It is imperative that the Farm Bill supports good jobs and includes the voices of food workers in agricultural policy decisions.

We urge Congress to back agricultural policies that foster well-paying jobs, including the bipartisan Senate Farm Bill, the Rural Prosperity and Food Security Act of 2024, which seeks to protect and expand SNAP benefits, improving access for marginalized groups and offering a more effective approach to combating hunger and supporting workers.

Food safety, nutrition, and agricultural policies are vital to all Americans, especially our union members. We urge you to vote against this partisan Farm Bill and any further damaging amendments, and instead, work towards a more inclusive and effective solution.

Sincerely,

JODY CALEMINE,
Director, Government Affairs.

AFSCME,
May 21, 2024.

Hon. GLENN ''GT'' THOMPSON,
Chair
Hon. DAVID SCOTT,
Ranking Member,
Committee on Agriculture, House of Representatives, Washington, DC.

DEAR CHAIR THOMPSON AND RANKING MEMBER SCOTT: On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), we strongly oppose the Farm, Food, and National Security Act of 2024 pending before the committee because it would deeply cut future SNAP benefits by nearly $30 billion over the next decade, take away good union jobs and harm program integrity.

Tens of thousands of AFSCME members under merit-based personnel systems are proud to administer SNAP benefits because SNAP is the cornerstone of the nation's nutrition and food security safety net, helping to put food on the table for 41.2 million low-income participants each month. Cuts to SNAP would harm families, young children, college students, seniors, veterans, active-duty military families and people with disabilities in all U.S. states and territories. SNAP is a lifeline for low-wage workers, child care providers and school employees, including school food service workers and classroom assistants.

AFSCME strongly opposes Sections 4105 and 4111, and any other SNAP provisions which undermine, erode or eliminate the current federal requirements for SNAP to be administered by workers under a merit-based personnel system.

Merit-based personnel systems at the federal, state and local levels require hiring, advancement, demotion and discipline be based on merit and competence.

Federal law requires that merit staff public employees conduct the essential work of SNAP to screen for eligibility and determine benefit levels, including providing application assistance, answering client questions about missing information, pursuing missing information, providing verification guidance and to thoroughly explore and certify whether an individual meets the state's criteria for participation in Employment and Training (E&T).

Merit staffing ensures that all important SNAP determinations are unbiased, high quality, free from political influence and without fear of arbitrary management action or retaliation.

Merit staffing protects program integrity and ensures that SNAP beneficiaries receive the help they need from a professional workforce, that recipient data remains private, and determinations are based on qualifications rather than profit or other motives.

Section 4111 is based upon H.R. 5094, which we oppose. and despite its misleading title, this provision would not provide ''flexibility'' but would dismantle longstanding federal merit-staffing requirements that protect program integrity. States and counties currently have significant flexibility to administer SNAP. Experiments with the outsourcing of merit-staffed work in Texas and Indiana, in particular, have proven to be a waste of taxpayer dollars and a programmatic nightmare, as well as a drain on good, local jobs that pay better than private for-profit companies who rarely provide essential benefits, including health care and retirement.

Outsourcing has resulted in none of the promises of improved performance, efficiency or cost savings. In fact, it has harmed struggling families, seniors and the disabled, and compromised the integrity of the program itself.

Section 4105 is an additional attack on merit staffing, unwarranted by current merit staff performance, and inefficient. This provision would allow a state to hire for profit contractors to screen SNAP beneficiaries for E&T referral after merit staff have already reviewed an applicant for benefit determination. Merit staff responsibilities are designed to be ''one stop,'' designating one staff point of contact to screen and refer potential beneficiaries to needed programs. Dividing screening and referral responsibilities creates duplicative work for the multiple screeners and additional points of contact and likely duplicative document submissions for people in need of assistance who are already navigating a complex system. This duplication would likely delay referrals for employment and training, create needless backlogs, and compromise the quality of services.

Both proposed privatization provisions (Sections 4105 and 4111) do not allow the U.S. Department of Agriculture (USDA) to stop states from privatizing important work, nor would USDA have authority to oversee the actions of for-profit contracts. This lack of oversight and accountability would threaten access to essential SNAP benefits as a direct result of the actions of private companies whose past performance has been proven to result in increased backlogs, costs and error rates. Furthermore, the reference to collective bargaining agreements (CBAs) in Section 4111 is misleading and ineffective, providing no real protection to union workforces, and absolutely no protection to workers in states where there are no public sector CBAs.

AFSCME is relying on you to vote ''no'' on this partisan farm bill and any harmful amendments that compromise the SNAP program. We are counting on you to protect SNAP from deep benefit cuts and maintain current SNAP public sector merit-staffed employment requirements, which allow the program to continue to serve our nation's most vulnerable individuals and families.

Sincerely,

EDWIN S. JAYNE,
Director of Federal Government Affairs.

Mrs. HAYES. Mr. Speaker, I yield to the gentlewoman from Ohio (Ms. BROWN).

Ms. BROWN. Mr. Speaker, I thank Representative HAYES for organizing this Special Order hour on SNAP.

Today, I rise because tomorrow the House Agriculture Committee will vote on the GOP's partisan farm bill. If passed, it will force severe cuts to the SNAP program that would risk benefits for years to come.

SNAP, the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp program, is a vital resource to families and individuals who have fallen on hard times. In Ohio's 11th Congressional District, almost one in four households rely on SNAP benefits to put food on the table.

These are our friends, our family, neighbors, and my constituents. It shouldn't be controversial to want members of your community fed.

On the House Agriculture Committee, I am committed to making that known, but this farm bill will see the largest cut to SNAP benefits in over 30 years, taking nearly $30 billion in food out of the mouths of people who really need it.

Being poor isn't a condemnation of morals, but Republicans have shown they want to treat it that way, which is why I urge my Republican colleagues to reconsider their extreme proposal and to join Democrats as we continue to put people over politics.

Mrs. HAYES. Mr. Speaker, I yield to the gentlewoman from Pennsylvania (Ms. WILD).

Ms. WILD. Mr. Speaker, I am grateful to the gentlewoman from Connecticut for convening us this evening

to discuss an issue that affects every corner of our Nation: food insecurity.

In blue, red, and purple districts alike, too many families struggle to afford the food that they need to keep themselves and their families healthy and fed. Throughout my time in Congress, I have used my voice and my vote to support nutrition programs because I am determined to ensure that in our Nation, the richest in the history of the world, no one goes hungry.

As part of this effort, I have prioritized key nutrition programs. In 2018, my very first vote was to reauthorize the farm bill, which funds many critical nutrition assistance programs that people in our community rely on. These programs include the Supplemental Nutrition Assistance Program, known as SNAP; Meals on Wheels; The Special Supplemental Nutrition Program for Women, Infants and Children; nutrition assistance, school breakfast programs, and summer meal programs.

Now, extreme Members of the House have put forward a farm bill that includes devastating cuts for SNAP participants that so many in our community rely on to feed their families. Their proposed bill would cut nearly $30 billion in SNAP benefits that families rely on to put food on the table every night.

In 2023, one in eight households, roughly 44.2 million Americans, experienced food insecurity or lack of access to an affordable, nutritious diet. In my district, Pennsylvania's Seventh, the Greater Lehigh Valley area, nearly 40,000 households, or 13 percent of the households in our community, rely on SNAP to feed themselves and their families.

In the richest Nation in the world, no one should go to bed hungry because they can't afford to eat, and no one should have to worry about having enough food for their kids because politicians decided to play games with the necessary benefits that they rely on every single day.

This is a moral imperative of the highest priority. Children's physical and cognitive development depends on proper nutrition. Quite simply, adequate food sets them up for success in school and throughout life.

We cannot, we must not abandon families in our communities that struggle with food insecurity. This should not be a partisan issue and it is deeply disappointing to me that Members on the other side of the aisle would put forth a bill that so severely cuts SNAP benefits.

I will always stand up to efforts to strip benefits away from the most vulnerable members of our society, children. I hope to work with my colleagues on both sides of the aisle on a bipartisan path forward that protects critical nutrition programs, including SNAP, in the upcoming farm bill reauthorization.

Mrs. HAYES. Mr. Speaker, I thank Ms. WILD for those powerful words.

Mr. Speaker, I yield to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, let me thank my colleague, Congresswoman HAYES, for bringing us together today to talk about something so important.

We do live in the richest country in the world at the richest moment in history, and the very idea that we would tolerate and even think about adding to hunger in America is beyond belief.

It is a moral issue, but how could we even think about cutting the opportunity for our children, for our families, for older Americans, for people with disabilities, for people who simply can't afford to put food on the table. This is not because we have a shortage of the food that is available. It is not because there is not the funding to make sure that we take care of those in need.

This is the beginning, pretty soon, of the hunger season because many schools that have provided school lunch programs and school breakfast programs may not be available in the summer months, and yet these children and families need to eat.

How can anyone think about cutting the SNAP program, 60 million people in the United States, half of whom are children? No. It is just not tolerable.

I beg that we are going to make sure that everyone in the United States of America who is hungry will have food on the table.

Mrs. HAYES. Mr. Speaker, I yield to the gentleman from California (Mr. VARGAS).

Mr. VARGAS. Mr. Speaker, I sincerely thank the gentlewoman from Connecticut for bringing us together tonight to defend the SNAP program.

In America, no child should go to bed hungry. No family should have to worry about where their next meal is coming from. SNAP is the most important and effective tool we have to stave off hunger in our country. It is our first line of defense, and yet House Republicans have proposed the largest cut to the program in decades. This is cruel, plain and simple.

These proposed cuts stand to harm more than 40,000 families in my district in California and over 40 million families nationwide who benefit from this program. Almost 80 percent of the people who benefit from SNAP are children, seniors, people with disabilities, and veterans.

SNAP also boosts our local economies. Every dollar spent on SNAP benefits generates roughly $1.50 in economic activity. For too many people in our country, making ends meet is a daily battle. Programs like SNAP are vital tools for ending hunger and helping those who are most in need. They provide Americans with the help they need to find the footing in tough times and to make life better for themselves and their children. We should be expanding these programs, not cutting them.

□ 1815

Mrs. HAYES. Mr. Speaker, I would add that $18 billion of the cuts would affect households with children, which, in a typical month, would include nearly 17 million children.

Mr. Speaker, I yield to the gentlewoman from California (Ms. BARRAGÁN).

Ms. BARRAGÁN. Mr. Speaker, House Republicans are coming after the food benefits of disabled veterans who receive food assistance or SNAP, part-time college students and single moms on SNAP. House Republicans' farm bill would make the largest cuts to SNAP and food assistance programs in 30 years.

Many American families are on the brink. They rely on SNAP to put food on the table. Eighty-six percent of all SNAP benefits go to households that have children or households with older Americans or individuals with disabilities.

As chair of the Congressional Hispanic Caucus, I am also concerned about the harm SNAP cuts will bring to communities of color, including Latinos. Forty percent of Latino adults report not having enough food to eat, more than any other ethnic or racial group. Over 5 million Latinos in the United States receive SNAP to put food on the table.

Right now, a single person will receive at most $9 in SNAP assistance for food per day. To those in need, $9 can determine whether they can eat that day.

Three square meals a day should not be a partisan debate. Without SNAP, hungry Americans will be forced to choose between food to eat and necessities like electricity, running water, or medication. It is a cruel and inhumane choice we should not force on the American people.

House Democrats will continue to fight to preserve and expand access to SNAP so that no family goes hungry.

Mr. Speaker, I urge my Republican colleagues to put people over politics and join House Democrats to protect SNAP. We must stand together for compassion, dignity, and the well-being of all Americans.

Mrs. HAYES. Mr. Speaker, I would add for the record that $9 billion of the cuts would affect households with preschool-aged children or children under 5, which, in a typical month, would include about 5 million young children.

Mr. Speaker, I yield to the gentlewoman from Michigan (Ms. TLAIB).

Ms. TLAIB. Mr. Speaker, I thank my wonderful, amazing, dedicated, committed colleague from Connecticut, who is today, as we say in Detroit, speaking truth to power when it comes to our most vulnerable in the United States.

We have heard over and over again that we are the richest country in the world. Even though we live in the richest country, millions of children live in poverty, lacking access to necessities like food, housing, and healthcare. It is shameful.

More than 44 million people in our country face hunger, including over 15 percent in one of the largest counties in my district, Wayne County. SNAP is an essential food assistance program that has been a key tool in combating hunger in our most vulnerable communities.

Now, my Republican colleagues want to cut this essential program that so many of our families rely on to feed their children. It is shameful. The GOP farm bill would make the largest cut to SNAP in nearly 30 years. The bill threatens $27 billion in SNAP benefits for low-income families. It is utterly shameful.

We must stand together strongly in support of expanding the social safety net and increasing funding programs for SNAP and other child nutrition programs. They are essential in creating healthy, thriving communities.

It is time to protect programs to combat hunger, not make extremist cuts. Working families in our country should not have to worry about where their next meal is coming from.

In this body, we see over and over again that we seem to find money for endless wars like this, but we can't seem to find the same resources to end child hunger in our country.

The first African-American woman ever to serve in our Congress was Shirley Chisholm. She used to say children can't learn if they are hungry.

Children should and must have access to SNAP benefits to experience long-term positive outcomes like better health, improved learning, and higher success as adults.

I don't think people realize the trauma of what the most vulnerable people among us go through in going to sleep hungry. Access to nutritious meals is essential for every child's health and development. We know this.

Why make these extremist cuts? We must continue to invest in universal school meals and so much more.

I am proud to cosponsor the Universal School Meals Program Act and proud to say to all my folks in the 12th Congressional District that I am not going to back down. I am not going to back down until we fully fund SNAP benefits.

Mr. Speaker, it is the least we can do in this Congress. It is not just our children. It is our disabled neighbors, our seasoned residents, our veterans, and working-class folks who are working hours and hours a day but still can't put food on the table. We must do better.

Mr. Speaker, I again thank my colleague from Connecticut for bringing us together today to discuss the importance of protecting SNAP.

Mrs. HAYES. Mr. Speaker, $5 billion of the cuts will affect households with older adults, which, in a typical month, would include more than 6 million individuals age 60 or older whose benefits would be cut.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Speaker, I rise because it is imperative that this body move with all deliberate speed to pass a farm bill that is both responsible and enriching for the American people.

The farm bill is one of the most fundamental pieces of legislation that we enact as a government, not simply because of the dollars we dedicate, but more so because of the number of people who are supported by the passing of this indispensable law.

Unlike most of the bills we pass, the farm bill is not a dry and depersonalized legislative act. There are names and faces attached to food. There are real people in dire situations associated and connected to the success of this bill.

Unlike most of the appropriations we allocate in this body, the farm bill is a moral document that reminds us that we owe each other as human beings.

It brings us back to the fundamental things. It reminds us that the politics of the future mean nothing in the stomach of a child who is hungry.

To be sure, this bill compels us to move forward. This bill moves us beyond politics of blame so that we might embrace a more excellent way. In fact, I would go so far as to say that the farm bill is one of the few manifestations of the social contract this government makes with the American people. The SNAP program alone is a moral accomplishment that we have to reach for.

Over 300,000 people make up my district in Illinois. Almost 73,000 of those households receive SNAP benefits. Almost 40 percent of these households have a child in them, and almost 45 percent of those children have some sort of disability.

In fact, I would go so far as to say that the bill is one of the few manifestations of the social contract of this government that the American people deserve. The SNAP program alone is our moral achievement, and I say this because all of us know that 86 percent of the SNAP benefits go to the households of women and children.

Mr. Speaker, we have to move with speed. Ask not what you can do for your country but what your country can do for you. Let me tell you, there is a mutuality in this contract. We also have to understand that the state has to support the people, not simply the people supporting the state. The farm bill helps those who are in need when their backs are against the wall.

Does this bill achieve that? No, Mr. Speaker. Taking food off of children's plates is not the best of the American ideal. We say our prayers, and we pray for the food we are about to receive. We do not pray for the food that has now been removed from our table by our government.

We must, indeed, fight for the rights of all those women and children and disabled families that need our help.

This is important because the time when we ignore cities and emerging farming centers is over. In the district that I represent, we celebrate community gardens and urban farms because inasmuch as I believe that access to healthy food is a right that all human beings should enjoy, it is also a responsibility that each of us must take into our own hands. Each of us must do whatever we can to ensure that our families have the sustenance and nutrition they require for flourishing and the possibility of a great life.

We need a farm bill that is responsible. Taking food out of the mouths of the most desperate and those of the least, the lost, and the left behind cannot stand. I will be opposing this farm bill until it is more responsive and we leave SNAP alone and ensure that every family is well fed in America.

I thank Mrs. HAYES for picking up this fight.

Mrs. HAYES. Mr. Speaker, I appreciate everything Representative JACKSON said, and I thank him for his words.

Mr. Speaker, I yield to the gentleman from Mississippi (Mr. THOMPSON), the chairman of the Task Force on Agriculture and Nutrition in the 21st Century.

Mr. THOMPSON of Mississippi. Mr. Speaker, first of all, I am one of those Members who represent a significant agricultural district which actually has its economy based on agriculture. I also represent the district that former Congressman Jamie Whitten represented. Ultimately, he framed the farm bill such that it did not pit rural America against urban America.

This bill pits rural America against urban America, and that is not the purpose of a farm bill. Let's talk a little bit about it.

Mr. Speaker, you can't penalize the needy for the greedy. What I am saying in that respect is, so many people in this country are in need of nutrition benefits. That is why we have a farm bill. A substantial majority of the farm bill is devoted to nutrition, and rightfully so.

Let's talk a little bit about where I am with it. This is my fourth farm bill. I have gone through all of it. I have seen everything that has been had with it, but the important part is that I serve as the chair of the Task Force on Agriculture and Nutrition in the 21st Century, appointed by Leader Jeffries.

We went all over the country. We heard from people saying, look, there are important things for the farm bill, but it is all about compromise and working together.

What did we hear people say? The first thing they said: Food is medicine. If you are worried about healthcare in this country, if people don't have nutrition, that is a problem.

Today, the cost of food is steadily rising, which means Americans cannot afford to purchase healthy and nutritious meals.

In going around the country, there were a number of things that we heard from east, west, north, and south. People said that we must eliminate the hot

food ban for SNAP recipients. SNAP recipients should have the benefit of hot meals. We must address the hunger among college students. We should protect SNAP against harmful cuts to eligibility requirements.

Talking about eligibility requirements, most people don't know that if you are on Social Security and Medicare, that counts against seniors' eligibility for SNAP benefits. By doing that, veterans are also penalized in the qualification for SNAP benefits.

We also have those individuals who have made a mistake. They have come out, but they are ineligible for SNAP benefits. We always talk about second-chance people, so why shouldn't formerly incarcerated people be eligible for food stamps?

Those are the things that we heard.

More importantly, this $30 billion cut is totally unreasonable. It makes no sense, and again, it penalizes people by putting politics over people. I hope when this issue is taken up tomorrow, Democrats will stand firm in their opposition against it.

If Republicans are genuinely interested in making this work, we can do that, but from the nutritional standpoint, don't penalize people who need help. The demonstration of their help is already here.

Mr. Speaker, I look forward to, after this issue is defeated, coming back together, pulling people together, working through all the logistics, and not being cute about how we fund certain programs and defund other programs.

Mrs. HAYES. Mr. Speaker, I want to amplify the point that we have to have a farm bill that works for everyone. I often hear people say that we need a farm bill that represents farmers. I would challenge that. We need a farm bill that represents everyone.

Members often ask me whether I represent a farming community. My response is that we all represent communities where people eat, and that has to be a part of the conversation, as well.

Mr. Speaker, I yield to the gentlewoman from Massachusetts (Ms. PRESSLEY).

Ms. PRESSLEY. Mr. Speaker, before we began this Special Order hour, I approached Congresswoman HAYES to thank her for her leadership in pulling this together. She said: You are welcome, but I am so sorry we have to do this at all.

I am also sorry, as are we all. It is such a shame.

I thank Congresswoman HAYES for her leadership and partnership in our fight to eradicate hunger and for convening us this evening.

Mr. Speaker, I rise in solidarity with the over 50,000 SNAP beneficiaries in Massachusetts' Seventh Congressional District, as well as the 41-plus million across our country.

□ 1830

Parents who choose to go hungry because there isn't enough to feed both themselves and their children, they would rather make that sacrifice than threaten the cognitive development and nutrition that their children need to thrive and, certainly, to support their readiness to learn.

I rise in solidarity with those families who, given the high cost of housing and food, are struggling because incomes are not keeping pace.

Mr. Speaker, food insecurity is on the rise, but it doesn't have to be. Congress should not advance a farm bill that cuts $30 billion in SNAP funding.

Now, to be clear, we are not here due to a deficit of resources for SNAP. We are here due to a deficit of empathy, a deficit of empathy for those who are food insecure, a lack of empathy for our most vulnerable and marginalized neighbors.

This Republican cut to our Nation's largest nutrition program will disproportionately harm our seniors, veterans, children, adults with disabilities, and working families.

In my home State of Massachusetts, this cut will impact one in six residents, over 1 million people, people who depend on SNAP to put healthy food on the table.

That alarming statistic is worse for Black and Latino families who are twice as likely to face food insecurity.

For decades, SNAP has been a critical tool in reducing hunger for low-income people, lifting millions out of poverty, and improving health and well-being.

To make it plain, food is medicine. Food is life. We should not tolerate the suffering of our neighbors as they live in anxiety and fear, wondering where their next meal will come from.

Republicans need to stop playing with people's lives. Hunger is a humanitarian crisis, a moral failing, and a policy choice.

I urge my colleagues to choose compassion and care over cruelty and callousness and support full funding of SNAP.

Mrs. HAYES. Mr. Speaker, I thank Representative PRESSLEY for her remarks. I add that children in some of our most vulnerable communities don't have lobbyists, but they do have Members of Congress, and it is our job to make sure that we are actively working to improve their lives.

Mr. Speaker, I yield to the gentlewoman from Minnesota (Ms. OMAR).

Ms. OMAR. Mr. Speaker, I thank Representative HAYES for her tireless efforts, and, yes, she is right. Children, the poor, the elderly, and the downtrodden do not have lobbyists, but they have us.

Mr. Speaker, I rise in opposition to Chairman THOMPSON's partisan farm bill. Hunger is rising at an alarming rate among U.S. households. In Minnesota alone, over 500,000 people are facing hunger, including over 180,000 children.

SNAP serves as the first line of defense against hunger for children, for the elderly, for veterans, and for those who have disabilities.

Yet, last week, Republicans unveiled the largest cuts to SNAP in nearly 30 years. This extreme proposal would slash SNAP funding, which provides food benefits for low-income families by approximately $30 billion over the next decade, impacting every participant.

Instead of proposing this unacceptable policy, we should be passing my universal school meals program. We should be fully funding SNAP. We should be fully funding WIC.

Enacting this bill without dramatic changes would push more people below the poverty line and exacerbate hunger. I urge my colleagues to reject this proposal and prioritize our constituents over making political points.

Mrs. HAYES. Mr. Speaker, I would add that in 2023, 1.2 million veterans participated in the SNAP program. I really don't understand why in this Congress whenever we have to make tough policy choices, these are the people that are always targeted.

Last year during the debt ceiling negotiations, the program that was targeted and cut was SNAP and nutrition programs.

In September when we went back for the appropriations budget, the program and the hard lines that were targeted were, once again, feeding and nutrition programs. When will this end?

I yield to the gentlewoman from Vermont (Ms. BALINT).

Ms. BALINT. Mr. Speaker, my colleague, the gentlewoman from Connecticut, has been a champion on this issue, and I am so glad she has convened us here tonight.

Over 41 million Americans depend on nutrition assistance to feed themselves and their families, and SNAP benefits reach millions of rural Americans every day.

No State, no community, and no Congressional District in our Nation is immune to hunger and food insecurity.

Paradoxically, in rural areas that grow most of our Nation's food, many households face real struggles with hunger. It is not just in metropolitan areas.

We know poverty is the root cause of hunger, and it is often acute in rural communities, like in my home State of Vermont, with 15 percent of households in rural areas facing food insecurity.

Millions of working families, veterans, people with disabilities, seniors, and children in rural communities cannot always afford enough food to keep themselves and their families healthy.

Simply put, too many Americans are going hungry every day, but we have a vital program that actually helps to address this problem, the SNAP program. It provides monthly benefits to low-income families and individuals to help them to buy food.

The Republicans' attack, and it is just the latest attack on this essential program, would slash the program by $30 billion over the next decade.

If enacted, the bill would make the largest cuts to SNAP benefits in 30

years at a time when we have gross wealth inequality in this country. Slashing anti-hunger programs that we know work is stupid, it is inhumane, and it is also shortsighted.

Even if you don't think we have a moral responsibility to feed the children of this Nation and make sure they don't go hungry every night, even if you don't think it is a moral imperative, which I do, but if you don't, there are real consequences for individual Americans and for our healthcare system.

When Americans don't have enough food, this greatly impacts the health of those who go hungry. Food insecurity can lead to Type 2 diabetes, high blood pressure, heart disease, and obesity.

The gentlewoman from Connecticut and I are both former teachers. We know children who go hungry struggle in school. They have health problems. Americans who are food insecure are more likely to struggle with psychological and behavioral health issues.

This year's farm bill should be providing more benefits to Americans. We should be expanding and protecting SNAP benefits.

Instead, what are we doing? Once again, demonizing the poor. It is time that House Republicans drop their partisan extremism and work alongside Democrats to pass a truly bipartisan farm bill and actually help feed the American people.

Mrs. HAYES. Mr. Speaker, I thank Representative BALINT for her remarks. As my colleague stated, she and I are both former educators, and I really wish that before Members of Congress cast their vote on these cuts to programs like SNAP that they were forced to sit in a classroom on a Tuesday morning after a long weekend and count the number of kids who have their heads down on their desk.

I wish that Members were forced to sit in a classroom on any given day as a kid said they had a headache third period, and you realize it is because they haven't had breakfast.

I wish that Members of Congress were forced to stand with you at the after-school program when a kid hung behind and asked if they could take something home for their little brother who has been home all day, and they know they haven't eaten.

I wish every Member of Congress and everyone in this Chamber were forced to do that before these proposals were put into a bill like the farm bill and before Members voted on these things.

Mr. Speaker, I yield to the gentlewoman from Michigan (Ms. STEVENS).

Ms. STEVENS. Mr. Speaker, I thank my good colleague, the gentlewoman from Connecticut, for yielding time, and I reflect on this farm bill from the standpoint that at this period in time, Americans are paying more of their earned income for food than they have in the last 30 years.

Our President's FTC chair has notified us that grocery stores, big grocers, some food manufacturers, but mostly the grocers are price gouging.

If you are middle class, if you are poor, if you are trying to save for college for your kid, or if you are trying to save up for an unexpected occurrence, food is squeezing the middle class and working families of this country.

We have a responsibility to pass a farm bill that addresses the needs of the hungry and addresses the needs of our middle class.

We have to get real because what we do is we say, oh, you know what? We are going to cap you at this income level. If you are a single mom, and you are raising your kid, and you are $500 over that income level, you don't get the SNAP benefits.

I am sick of this type of governance. I am sick of this type of means testing. We did this in the pandemic. It wasn't hard.

Steve Mnuchin was able to give everybody a capped unemployment level, but when it comes to food, you have a Democratic Caucus over here fighting over and over and over again.

We have free and reduced lunch in our schools. Thanks to the Governor of Michigan for actually getting that done. We would like to see that in the United States of America.

This is real stuff, and kids are going to school hungry, and kids are ashamed when they are carrying in those meal cards, and parents are worried.

Do you know what we have? We have over a trillion dollars of credit card debt because people can't go to the grocery store.

They can't take their kids out to eat because it costs $50 for a family of four. You can't get lunch for under $15.

What are we litigating here? We are just filling the pockets of the grocers and the big business and the this and the that when we don't actually have a real North Star here in this Chamber.

Just one last fact: The maximum benefits of SNAP right now fell 19 percent short of covering basic meal costs.

One study revealed that in 98 percent of counties, SNAP benefits did not cover the cost of a modestly priced meal, so we are not even meeting the bare minimum, my friends. We are not even doing the bare minimum.

The House Democrats are going to continue to stand up to this wrong-minded package that will not be serving the American people.

Mrs. HAYES. Mr. Speaker, I can't help but reflect on the irony of us hearing every day about inflation and the rising cost of food and basic things that people need while also proposing cuts to the most vulnerable people on an anti-hunger, antipoverty program.

I yield to the gentleman from New York (Mr. KENNEDY), the newest member of our Democratic Caucus.

Mr. KENNEDY. Mr. Speaker, I will start by thanking Congresswoman HAYES for leading this effort.

Mr. Speaker, on behalf of the 62,000 households in New York's 26th Congressional District that rely on the SNAP program, I rise to urge my colleagues to oppose the changes in the Thrifty Food Plan in the farm bill.

In New York State alone, these cuts would result in the loss of $2 billion in SNAP benefits over 10 years and the loss of over $3.5 billion in total local economic activity.

□ 1845

At a time when overall food insecurity in New York State has increased from 11.4 percent to 13.5 percent and child food insecurity increased from 15.4 percent to 18.8 percent, the absolute last thing we should be doing is cutting SNAP benefits.

These changes to the Thrifty Food Program will negatively impact benefit levels for Summer EBT and funding for food banks. This is simply unacceptable.

Instead, Congress should pass legislation to expand access to SNAP. That is why I cosponsored the Enhanced Access to SNAP Act, which would eliminate work-for-food requirements and expand benefits for millions of college students.

In my district, our primary food bank, FeedMore Western New York, has seen the need for food assistance in the community triple since the pandemic. The number of people served today has already exceeded 10-year growth projections.

As a Nation, we have an obligation to eradicate hunger. This bill will do just the opposite. I urge my colleagues to oppose this legislation as written.

Mrs. HAYES. Mr. Speaker, I yield to the gentlewoman from New Mexico (Ms. LEGER FERNANDEZ), a leader on the Rules Committee.

Ms. LEGER FERNANDEZ. Mr. Speaker, I thank Representative HAYES so very much for organizing and for giving me this time, because I am here on behalf of my good friend and the ranking member of the Rules Committee, JIM MCGOVERN, who Republicans silenced today for simply telling the truth about a criminal trial.

Imagine that, on this House floor, we cannot state a fact about a trial. Here is another fact about the former President that represents a policy choice Democrats oppose. President Trump supported cutting SNAP by nearly 30 percent within 10 years.

Mr. MCGOVERN stands for the opposite. He stands up every week on this House floor with his poster ''end hunger now.'' If Republicans hadn't silenced him, he would have spoken tonight against the farm bill because of its impact on farmers. If Republicans hadn't silenced him, he would have spoken up for families who do not have enough food to eat.

Similar to me, Mr. MCGOVERN represents a district that includes thousands of farms and farmers who benefit from SNAP because they sell their produce to the program, but also farmers need to use SNAP because they don't make enough money. We are starving the people who are raising the food for us.

In my district, one in five New Mexicans receive SNAP benefits, the highest of any State. This Republican majority silenced him, so I am here to read the remarks that the Republican majority might not want to hear from Mr. MCGOVERN. These are his remarks:

Mr. Speaker, Republicans are advancing a bill that cuts SNAP, our Nation's first line of defense against hunger, by an astounding $30 billion.

He would have probably raised his hands and said: You can't make this up.

MAGA Republicans included a provision in their extremely partisan farm bill that will prevent SNAP benefits from ever being increased, even if a scientific review says they should be.

The last reevaluation, in 2021, which was the first update in 50 years, gave families an extra—wait for it—$1.40 per person per day to purchase food. That extra help has meant families can access more nutritious food. It has meant fewer skipped meals. It has meant better food security.

Mr. Speaker, I urge all of my colleagues to oppose this MAGA Republican farm bill which would cut future benefits and increase hunger for kids, seniors, people with disabilities, and other vulnerable adults.

Those are JIM MCGOVERN's remarks. While House Republicans silenced him today, they will never silence the truth that he speaks. We must end hunger now. We must answer the call: ''When I was hungry you gave me to eat; when I was thirsty you gave me to drink.''

I thank Representative JAHANA HAYES for her advocacy in bringing us together to heed this call.

Mrs. HAYES. Mr. Speaker, I yield to the gentleman from New York (Mr. GOLDMAN).

Mr. GOLDMAN of New York. Mr. Speaker, I thank my colleague from Connecticut very much for yielding.

I rise today, alongside so many of my colleagues, to make one thing very clear. Republicans' proposed funding cuts to SNAP are unconscionable and will send millions into poverty and food insecurity.

SNAP is an essential lifeline that working families across America rely on to put food on the table. In New York City alone, where I come from, more than 1.7 million people rely on SNAP benefits to help them feed their families. Nationwide, there are more than 41 million SNAP recipients.

According to the Center on Budget and Policy Priorities, 92 percent of SNAP benefits go to households with income below the poverty line and a shocking 54 percent go to households at or below half of the poverty line.

It begs the question: What do my colleagues on the other side of the aisle have against working families doing their best to succeed? Do you not care if our children go without food?

It is just simply unacceptable. Food is a basic necessity. In the wealthiest country in the world, it should not even be a question whether our government is going to make sure that everyone, especially innocent children, have basic necessities.

Our budgets show where our priorities lie. Let's reverse these draconian cuts to SNAP, let's not cut taxes on the wealthy, and let's put our families and our children first.

Mrs. HAYES. Mr. Speaker, I would like to take a moment to thank all of my colleagues who participated in tonight's SNAP Special Order.

I will close by saying that these cuts will affect Summer EBT, which is how most families feed their children over the summer, by $500 million in this farm bill.

I am not really sure if there is a full appreciation of who is affected by these cuts. I have been very transparent about my story and the fact that I grew up in a household that received food stamps. As a young college student and a single mom, I was working two jobs, attending community college, and still qualified for benefits.

I promise you that my story is the same as a constituent in the district of every single Member of Congress who just wants a shot, who just wants a chance at raising their children with dignity, who just wants a chance at moving their family from poverty into being contributors to society.

Every single one of you has someone in your district just like me, hundreds of families going through the same thing, working families that will be affected by the $11 billion in cuts that would affect their households and their earnings.

I urge my Republican colleagues to rethink these proposals, to come back to the table and let us work on a bipartisan farm bill that helps everybody in America. Of all the things that we can say that we have done, I don't want taking food out of the mouths of children to be one of them.

Tomorrow, we will go into a markup on this farm bill, and we will review it title by title. There are 12 titles. The Thrifty Food Plan, which is what many of us have spoken about tonight, which is a mathematical system by which benefits are evaluated and based upon, was moved from title IV, which is the nutrition title, to title XII, miscellaneous and others.

Nutrition is not miscellaneous. It is something that should be a priority in this country. It is something that we have the ability to do. Once again, it is a policy choice.

I held out until I saw the text because I prayed about it and I hoped and I wished that the cuts were not as bad as I had read about in the papers and heard talk about, but they are. Mr. Speaker, $30 billion in cuts are devastating to a program that is the most effective antihunger program that we have.

I urge my colleagues to really consider their votes on this farm bill and the impact that it will have on children and families.

Mr. Speaker, I yield back the balance of my time.

Ms. GARCIA of Texas. Mr. Speaker, I know what it is like to grow up hungry.

I know the feeling, as a young girl, opening the refrigerator, only to see the water jug.

I know what it's like growing up on government-provided commodity food—cheese, peanut butter, oatmeal.

This Farm Bill proposal cuts more than $30 Billion from SNAP for what?

I want my colleagues on the other side of the aisle to explain why.

I want them to explain to the single mom at the grocery store whose hours are being cut because the store isn't making enough revenue or to the farmer trying to keep the farm afloat for the next generation, who relies on the grocery store to make payments.

Most importantly, I want them to be able to explain this to the children in my district.

Texas ranks second worst in the nation for hunger, and if these cuts do become a reality, Texas will receive $2.3 billion less in SNAP benefits.

Let me repeat that: $2.3 billion.

In my district, SNAP serves over 57,000 households.

These cuts would have a devastating impact on children, seniors, and individuals with disabilities.

It's a shame that House Republicans are weakening our ability to feed the most vulnerable members of our communities.

Instead of attacking SNAP, we must improve and protect it.

I know that the dysfunction of this Congress can mess with our sense of reality. So let me remind you:

The Farm Bill has long been a way to connect Republicans and Democrats, rural and urban, to serve all Americans. It reminds us that small places can do big things.

So, it is very sad that Republicans are holding out on farmers, families, and our neighbors. I mean, why are we balancing budgets on the bellies of hungry children?

We must put people over politics. We must put kids over cruelty. We must feed our kids and our communities.

I oppose any cuts to SNAP. I oppose these harmful choices made by my colleagues on the other side of the aisle.

FINANCIAL FREEDOM IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the gentleman from Utah (Mr. MOORE) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. MOORE of Utah. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the topic of this Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. MOORE of Utah. Mr. Speaker, today and this week, House Republicans are advocating for the American people and protecting them from bureaucratic overreach. We are pushing legislation that will protect Americans' right to financial privacy and

create a regulatory framework for digital asset markets so American industries can thrive.

I am grateful to the Financial Services and Agriculture Committees for prioritizing this important issue, and I am grateful to have my friend and colleague from Arkansas here to share more about his work on this.

I think one interesting element to this is we had a very strong approach and bill on this regulatory framework regarding these various digital assets. We garnered an incredibly strong bipartisan vote today.

I think it is important to recognize this is not a messaging bill in any way, shape, or form. We are trying to make sure we do the thing that we are elected to do, and that is take care of this type of very important work legislatively and not cede this power to the bureaucratic state and the regulators.

That is something that we accomplished here, and we are accomplishing this week. It is incredibly important to recognize that we are doing this through legislation and not just through an administrative state.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. HILL), an authority on this topic.

Mr. HILL. Mr. Speaker, I thank my friend from Utah for sharing some of the time tonight to talk to the American people about some of the important priorities that House Republicans have put on the floor for consideration in the House this week.

House Republicans believe strongly that capital formation, jobs, careers, and opportunities are essential to economic growth in our Nation.

America's economic growth leads the world right now. We are so blessed to have relatively low unemployment and ample work, but we are also leading in technology. That is at the heart of what House Republicans have had on the floor today.

First, let's talk about the internet. What has been more forceful in our lives, all of our lives, for the past three decades? The internet.

Back in 1996, in this Chamber, in this House, former Congressman Chris Cox of southern California, later an SEC chairman, Securities and Exchange Commission chairman, was on this floor and he said: We should not try to regulate or tax the internet. The internet is just a computer program; it is a computer platform. Let's tax and regulate the kinds of activity that take place on the internet.

This House made the decision, and the Senate joined, to leave the internet as an open platform for collaboration. Think about that and the effect on the last three decades.

If we had not had the Telecommunications Act of 1996 and that resolution to not overregulate and hamstring the internet by Federal intervention, you wouldn't have the smartphone technology in your pocket. You would not be shopping and having your dog food delivered to your house every month. It has been amazing to see how the protocols written on the internet as open-source technology benefited our country.

After email, it allowed us to set up our own marketing platforms on the internet, so-called Web2, where we set up websites, we had interactivity with our customers, we sold products, we serviced products, and we took payments.

Now, it is time for people to have an opportunity to write applications on a blockchain, what we call Web3. We want to own our own data. We don't want our data to be owned by Google or by Facebook or by Big Tech. Ideally, we would like to own our own data, have our own data privacy, and all of that is made easier and more effective by writing applications on a blockchain.

Today, in the House, we had a big vote. We have 435 Members here in the House, and 279 Members voted in favor of the Republicans' proposal for a regulatory framework for digital asset technology. This is setting up the regulatory framework so that if you want to write an application on blockchain and you want to raise money around that, do venture capital effectively, right now there are no rules of the road for that, zero.

□ 1900

There is a regulatory gap, and that regulatory gap is in the purview of the Securities and Exchange Commission. Right now, we have people who want to do Web3 applications. They want to write programs for blockchain, they want to raise money for that and have that technology expand, but they are stymied by the existing laws and regulations of the Securities and Exchange Commission.

Our fit for purpose act that we passed today by an overwhelmingly bipartisan vote sets up that framework. It directs the SEC and it directs the Commodity Futures Trading Commission what to do and how to have the right laws and the right regulations so that people can trade digital assets. Like bitcoin is a digital commodity, it is a cryptocurrency, but this affects, as I say, the future of technology in developing new forms of financial services that will lower costs for consumers, give people more choice, let people own their own data and have greater privacy and have less intrusion from Big Tech, own more of what they create, and get paid for sharing what they create.

All of that, in my judgment, is at the heart of Web3 internet development. The bill today, supported overwhelmingly by the Republicans and 71 Democrats who joined us for a total vote of 279 votes on the House floor means that, once again, there is a bipartisan consensus that we want America to lead in technology.

It is just like that bipartisan consensus back in the 1990s led by Chris Cox so long ago that gave us the ability to have competitive new technology for cellular telephones and for an open internet so that we could creatively use it to build our businesses.

I want to thank some people who have helped make this a success over the past 1½ years working on this: G.T. THOMPSON of Pennsylvania, the chairman of the House Agriculture Committee, and PATRICK MCHENRY, the chairman of the House Financial Services Committee. If we didn't have PATRICK's and G.T.'s leadership then this wouldn't have been a priority in this House. Working with Majority Leader STEVE SCALISE and Speaker MIKE JOHNSON, it became a priority for this House.

My hat is off to Chair MCHENRY and Chair THOMPSON for their leadership.

It may sound like a small thing when you don't work here, Mr. Speaker, but to see two large authorizing committees of the U.S. House of Representatives, Agriculture and Financial Services, working seamlessly together, it is a big deal. They produced this bill. I was proud to work on it with them with my colleague on the Agriculture Committee who does digital assets on the Agriculture Committee, DUSTY JOHNSON of South Dakota.

The four of us led this effort, but we had help from our whip, TOM EMMER of Minnesota, and WARREN DAVIDSON who have been leaders in decentralized finance, Fintech, and blockchain for years, long before this bill came to the floor. They were essential to that effort.

Now for my friends on the other side of the aisle, JIM HIMES of Connecticut, RITCHIE TORRES of New York, JOSH GOTTHEIMER of New Jersey, BRITTANY PETTERSEN of Colorado, and Ms. CARAVEO of Colorado, these were outstanding leaders on the Democratic side of the aisle who worked tirelessly with Republicans to draft this law to convince the American people that we do work together on this House floor, we do put America first, and we do put American leadership in technology first. A vote of 279, as I say, is a big vote in the House on a bipartisan priority to set the right course for a regulatory framework for digital assets.

Who benefits?

Consumers, investors, inventors, and people who want to create new ways for you and me to do financial services and do healthcare together on a blockchain benefit. I think this is an exciting prospect. I think it was an important step for the House.

The second bill that we will be debating tomorrow is also led by Republicans. It, again, says that the private sector should lead, not the public sector, not Big Government when it comes to digital payments.

Many in the Democratic Party support something called a central bank digital currency where you would actually end up banking at the Federal Reserve bank, and your lack of privacy and your private information could be compromised because you would be embedded in this large digital payment

system called a central bank digital currency.

Republicans are opposed to that. We prefer the private sector innovate in payments, as you see today in your own life, Mr. Speaker, Venmo, Zelle, and peer-to-peer payments, those are products of the private sector. Writing a check is part of the private sector. Making a debit card payment or a credit card payment is a product of the private sector.

We believe that is also the case when it comes to a tokenized payment stablecoin. We believe that should be a product of the private sector and not of the Federal Reserve or the central government.

Tomorrow, Mr. Speaker, you will see House Republicans come to this floor and say that we do not want this administration, or any administration, to move forward with a central bank digital currency without a direct authorization of the Congress because we believe, as I say, so strongly in the private sector leading the way in payments and in the innovation for blockchain technology.

We will probably come to this House floor later in the year with a private-sector driven payment stablecoin bill led by Mr. MCHENRY of North Carolina.

To my friend from Utah, I say that those are some of the highlights today that I think show that on a bipartisan basis, the Republicans are leading in technology in this House.

Mr. MOORE of Utah. Mr. Speaker, I will echo the comments on much of the financial services packages that we are putting on the floor this week. The gentleman's comment that this is a big deal, I would hope that folks could recognize that we are at a time where it is unknown. There are no rules in place for this innovation that is taking place in the financial market, and there has to be. It is good for every American, it is good for our economy, and it is good for our industries to be able to have that structure, and we are putting that forward today.

The big deal about this is that this is something that should pass as soon it goes over to the Senate. It has strong bipartisan support, and folks can recognize the importance of this moment. House Republicans are leading to make that happen and to make that possible. We are not just engaging in messaging bills on this type of stuff. This is legitimate, and it had a really, really strong vote today. It was not as strong, I might mention, from my Committee on Ways and Means with the tax package, but this is not a competition. It is not a competition.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Speaker, I thank my friend from Utah for yielding.

I think that is an important comment that this vote of 279 sends a strong message to the Senate that this House has done their homework and that this House is prepared to advance technology that protects consumers, offers opportunities for investors, lets America lead, and brings capital back to the United States that has left the U.S. due to the uncertainty and lack of leadership from the Securities and Exchange Commission and the lack of authority in the Commodity Futures Trading Commission.

I hope this is a sign we can work together with our friends in the Senate and that we can make law in this financial technology advance and, as you say, not just have a messaging bill.

RECOGNIZING JULIE'S SWEET SHOPPE IN CONWAY, ARKANSAS

Mr. HILL. Mr. Speaker, small businesses are the heart of each of our communities.

I rise today to recognize the efforts of a good friend, a great entrepreneur, and one of my constituents, Julie Goodnight, and her bakery, Julie's Sweet Shoppe in Conway, Arkansas.

Julie began her career in the bakery industry at the age of 17 as she worked for her father's bakery, Ed's.

As the granddaughter of two World War II veterans, Julie loved how her father's shop provided a place for local veterans to meet and share their stories over a cup of coffee and a doughnut.

Beginning at Ed's in the 1990s, Julie worked to honor these local heroes by celebrating them with an annual Veterans Day event, and when Julie finally got that amazing opportunity that every American entrepreneur dreams of, opening her own shop on Veterans Day in 2013, she continued this amazing family tradition.

Since its founding, Julie's Sweet Shoppe has honored over 1,000 local veterans at its annual Veterans Day celebration.

I have had the honor of attending every Veterans Day event at Julie's, and I have seen firsthand the impact she makes on our community.

I thank Julie's Sweet Shoppe for their outstanding service to our veterans in central Arkansas and to wish them continued success in all of their endeavors.

SYRIAN EMERGENCY TASK FORCE, 2024 COMMUNITY PARTNER OF THE YEAR AWARD

Mr. HILL. Mr. Speaker, I rise today to congratulate the Syrian Emergency Task Force, a nonprofit based in central Arkansas.

In May, the University of Central Arkansas awarded SETF with the 2024 Community Partner of the Year Award for their work to relieve the suffering of those in Syria from Bashar al-Assad's deadly regime.

In 2011, the Syrian Emergency Task Force was created in response to the Syrian Government's war on its own citizens, many of the targets of which were innocent kids. It was called the Syrian Emergency Task Force because they thought it would be a short-term emergency in 2011. Here we are a decade later, and they are still hard at work on behalf of ordinary people in Syria.

Last summer, I was honored to visit the beautiful children at SETF's sponsored school for orphans, the Wisdom House, in northwest Syria. While there, I heard devastating stories from these children who endured continuous bombardment by the Assad regime and their Russian or Iranian coconspirators resulting in more orphans on the street and more families displaced.

Under UCA graduate and SETF executive director Mouaz Moustafa's leadership, SETF works with those in the region and beyond to bring the voices of the Syrian people to the international stage. They are determined to create a safe and free Syria, away from the Assad dictatorship.

I thank President Davis and many other leaders at the University of Central Arkansas for their support of SETF and their support of the organization's efforts to make a difference in the lives of the Syrian people who are suffering at the hand of the Assad regime's barbarism.

The SETF is more than deserving of this award. I am proud to continue to work alongside of them in Congress in combating the Assad regime and helping them to be a strong advocate for helping the innocent people regain their freedom and regain their country.

BSA 2024 SILVER BUFFALO AND ANTELOPE AWARDS

Mr. HILL. Mr. Speaker, I rise today to recognize these Scouters from the Natural State Council who have been awarded national recognition in 2024.

The Silver Antelope, created in 1942, honors Scouters who have demonstrated exceptional character and provided distinguished service within one of Scouting America's 16 territories across the country.

The Natural State Council is delighted to see the recognition of Ray Dillon of Little Rock and Anthony Sitz of Conway as the 2024 winners of the Silver Antelope Award.

The Boy Scouts of America would not exist without the foundational help of their volunteers. They make scouting successful. The responsibility for ensuring that our youth receive mentorship and guidance that they need to develop as strong leaders rests with volunteers like Ray and Tony. I congratulate them both on this national recognition of their decades of service.

NATIONAL GUARD PROFESSIONAL EDUCATION CENTER'S 50TH ANNIVERSARY

Mr. HILL. Mr. Speaker, I rise today to celebrate the 50th anniversary of the National Guard Professional Education Center in North Little Rock, Arkansas.

In 1974, then-Governor Dale Bumpers recognized the need for a place to train National Guardsmen and -women from across the country, and he knew Arkansas would make the perfect home for such a facility.

□ 1915

Beginning with an inaugural class of 30 soldiers from 12 States, the PEC now serves over 20,000 National Guard members from around the country every year at their base in North Little Rock, Arkansas.

For 50 years, the Professional Education Center has been committed to the important work of ensuring the readiness of our National Guardsman to respond to the challenges of today and the unknown challenges of tomorrow.

The PEC at Camp Robinson is a credit to Arkansas and the Nation, and I thank them for their service and dedication. I know the next 50 years of our Professional Education Center on Camp Robinson will be absolutely just as productive and successful.

Mr. MOORE of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my good friend and colleague from the great State of Arkansas for his words, more so for being able to encapsulate what you all have accomplished with the Financial Services packages we are putting on this week. They are a very big deal, as was mentioned.

Mr. Speaker, I look forward to sharing just a few thoughts of my own as we wrap up here.

Mr. Speaker, I thank the gentleman for his tireless work. These are meaty issues. They are hard for folks to truly understand, and it takes the real work of Congress to do stuff like this, so I thank the gentleman for his leadership there.

As I mentioned earlier, House Republicans are pushing legislation to protect consumers' and Americans' rights to financial privacy, values that I believe everyone can support. We witnessed that today with the strong bipartisan vote on this issue.

The Financial Innovation and Technology for the 21st Century Act, also known as FIT21, will protect consumers and encourage innovation by creating a regulatory framework for digital asset markets through legislation, not through regulators.

One of the most common frustrations that I hear back in the First District of Utah is this concept of why does the administrative state have so much influence? Why is there so much executive overreach?

This isn't just geared toward one administration. They are very frustrated with pretty much all of President Biden's policies and his executive actions, whether it be the student loan repayment stuff that he is doing or the inability to implement solid policy at the border and all the protections that he removed there.

They are so frustrated at executive overreach in general, and I think you see that play out in why Congress, oftentimes, has such low approval ratings.

Today was a day that we are pushing back against that. We can always blame the administration, but part of it is that we have to look at ourselves and say what we are doing to find a path forward and to find a way to get something accomplished.

We have actually had several of these moments in this House majority, in this Republican majority, in this 118th Congress. Today was definitely one of those days.

We are making it so the executive branch is going to work the way they are supposed to. This legislation should go to the Senate. It should get a vote that will garner the same type of bipartisan support that it got here in the House today, and it should be signed into law.

As digital assets and blockchain technologies continue to develop, FIT21 takes a critical step toward market certainty for consumers and innovators. Rather than regulation by enforcement, FIT21 will establish clear regulatory lines between the SEC and CFTC, as well as ensure digital asset providers have a pathway to raise funds.

FIT21 would also protect consumers and the broader ecosystem through measures that establish transparent disclosure requirements, including requiring digital asset developers to provide information about a digital asset project's ownership and operational structure; creating a comprehensive registration system for digital asset institutions to serve customers in the market; and, three, ensuring that customer-facing digital asset exchanges and brokers provide disclosures to their customers and take steps to reduce those conflicts of interests, Mr. Speaker.

We have seen what regulatory certainty and pro-growth policies can do to help American industry thrive. I commend Chairman THOMPSON of the Agriculture Committee, Chairman MCHENRY of the Financial Services Committee, and members of both of those committees for their hard work on this important legislation. As we heard earlier from Mr. HILL, this is hard work. Actually finding consensus to move something forward is the tough work of Congress.

House Republicans are also leading efforts this week legislatively in supporting the CBDC Anti-Surveillance State Act, which is critical to blocking Federal bureaucrats from creating a central bank digital currency. A CBDC could allow a China-like reality in which our financial system could be used against Americans as the government monitors transactions and tracks customer behaviors.

As I shared earlier today, implementing a central bank digital currency is simply un-American. There are few things that could totally infringe on our freedoms and autonomy more than currency. There are only a few things that could totally infringe on that more than a currency that can be closely tracked, withheld, and weaponized based on our behaviors, causes, and political leanings.

This bill ensures Congress maintains its authority over CBDCs so that if a CBDC were authorized, it will receive robust attention and vetting by elected officials.

Mr. Speaker, I can't stress enough that with the way that this digital currency is trending—and we see it from other nations—the ability to closely and quickly track directly offends our American right to privacy on this important aspect of our financial freedom.

Again, we are taking the steps today with the House Republican majority to find a path forward and do this the way that the Constitution envisioned we would actually work here, to find a way to make this into law and to actually address these issues.

It is a world that is, again, difficult to understand, and that is why this is such tough work. Again, I commend the members on the Financial Services and Agriculture Committees to get this right, put forth the legislation, receive the bipartisan support, send it over to the Senate, and, hopefully, get it passed into law soon.

Mr. Speaker, I thank my colleagues who participated in this and for the successful week that we are having back here in our legislative session, the last one in the month of May. We look forward to advancing more key legislation tomorrow.

Mr. Speaker, I yield back the balance of my time.

ISRAEL UNDER ATTACK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the Chair recognizes the gentleman from Texas (Mr. ROY) for 30 minutes.

Mr. ROY. Mr. Speaker, anybody who is watching the world events unfolding today is well aware that our dear friends in Israel are under attack, but they are not just under attack by Hamas. They are, in fact, under attack from the anti-Western civilization radical progressives across the globe and, in particular, at the International Criminal Court.

In all ways, with respect to this attack on Israel, on Western civilization, on our own values, on the abuse of an international organization with no real legitimacy, the international court, the United States should have Israel's back.

Let's look back for a second at October 7. Let's look at what Israel is dealing with in addition to a long history of being under attack, of facing foes in the Middle East, of having to live in constant fear of attack, of having to live under the technology provided in a mutual relationship between the United States and Israel, the Iron Dome, with David's Sling, and with all the technology to shoot missiles down.

How many Americans would like to be sitting in Manhattan, D.C., Austin, Dallas, San Francisco, or any other part of this country, knowing that the only reason they are safely sitting there is that the missiles that are constantly being fired at them are being taken down by technology? I don't think that would sit too well with most Americans. I don't think most Americans would sit back if rockets

were being fired into our Nation from Juarez into El Paso.

I don't think we would just sit back and say that is great, fine, keep firing missiles, and we will just put up a shield and shoot them down. I think we would do something about it, and I think it would be pretty violent. I think we would be right to do so.

Look at October 7 for our friends in Israel. Let's start with the fact that 22 American citizens were killed. Let's add to it that 1,000 Israelis or more were killed and almost 3,000 injured. Mr. Speaker, 4,500 rockets were fired from Gaza by Hamas into Israel, and 1,300 targets were struck. Not since the Holocaust has this large of a number of Jews been killed in a single day. That is the truth.

Hamas beheaded at least 40 babies. Let that sink in for a minute. Hamas beheaded at least 40 Israeli babies.

Hamas terrorists not only raped and murdered Israeli women, but they forced husbands, families, and friends to watch. That happened. We have documentary evidence. We know this occurred.

A compilation of those atrocities captured on video shows gunmen shooting the dead bodies of civilians in cars, militants in the process of beheading a body with a hoe, burnt corpses thrown in a dumpster.

An eyewitness on October 7 said: ''To be afraid for your kids' life and your wife, it is a whole new level of fearing.''

A survivor of the attacks in Israel on October 7 said: ''I just waited pretty much that they will come and murder me, my wife, and my kids inside our house. I thought maybe if the terrorists enter my house, I will go out so they will kill me and they will leave my family aside.''

Another one: ''It was the worst horrific war scenes that you see only in movies around us.''

Another: The gunfire ''was nonstop,'' and we were ''waiting and waiting, and it is continuing, and you hear only the weapons of Hamas,'' and realize ''no one is here to save us.''

''As a woman who was there, I can say that the fear is endless. It can't be described in words. To be a woman in captivity is to be in constant fear, but the men there also undergo abuse,'' said one woman who was abducted during the October 7 attack.

There remain today over 100 hostages being held. So now steps in the International Criminal Court, the ICC. When President Trump came into office, he rightfully recognized the threat of the International Criminal Court. The international court was created under the guise of investigating and prosecuting the world's most serious crimes, but it actually represents a significant threat to our Nation's sovereignty.

In 2020, when President Trump came into office, he issued an executive order punishing by way of sanctions anyone at the ICC who goes after the United States, United States servicemembers, or our allies, such as Israel.

What did President Biden do in all of his infinite wisdom? He revoked those sanctions as soon as he got in office, effectively giving the ICC a free pass to target United States citizens and our allies, such as Israel.

They made an escalatory and unprecedented step just recently threatening to issue illegitimate arrest warrants for Prime Minister Netanyahu and other Israeli officials for alleged war crimes in Gaza. The application marks the first time ICC has sought to prosecute a major United States ally or the leader of a democratic country.

What you are seeing happen is an unprecedented assault on Western civilization on Israel and, by extension, on our sovereignty as Americans.

I view this court as an illegitimate court. It has no authority over America. Technically, we are a signatory to the court because President Clinton signed on, but he did not submit it to the Senate for any kind of ratification, so it has no legal force in America. Do you think that the ICC will target Americans? You bet they will.

If we don't act right now to quash what is occurring with the ICC targeting the Prime Minister of Israel—think about that. An international court with no real legal authority in the United States is targeting the Prime Minister of Israel for responding with military force to the attacks—rockets, murders, rapes, beheadings—levied against the citizens he represents as the Prime Minister, levied against them directly from Hamas.

By the way, Israel is a nation that has taken the unprecedented step in history to give warnings to citizens, civilians in Gaza, up to 2 weeks' advance notice. In one case, it dropped 15 million leaflets across Gaza to warn them that they needed to clear out because Israel was going to take out Hamas facilities, leaving text messages and voicemails, taking every step possible to warn civilians to move away from Hamas targets.

□ 1930

This is going to be studied for years to come what Israel has been doing to keep the civilian to combatant casualty as low as it is. We believe it is somewhere between 1 and 2. That is, frankly, well below the norms and the standards the United Nations talks about, well below some of the historic norms even for the United States.

This must be stopped because when they are going after the Prime Minister of Israel they are going to go after us. Put that aside. We can't stand by and allow an international tribunal to be targeting our ally and friend Israel for simply defending itself against attack.

This is why I was proud to join with Representative MAST from Florida and Representative STEFANIK from New York to introduce the Illegitimate Court Counteraction Act to impose sanctions on the ICC officials who seek to go after U.S. citizens or our allies. It is modeled very similarly to the Trump executive order. It is also mirrored in legislation offered by Senator TOM COTTON from Arkansas over in the United States Senate.

As I have stated, the ICC, the International Criminal Court, is an illegitimate court. It represents a threat to the United States and our sovereignty. Frankly, we should be more aggressive than what we have put in this legislation. We are seeking to move quickly in a world in which the current administration is at war with Israel while they are trying to contend that they are allies.

In 2021, President Biden reportedly ignored a request for a phone call with the Israeli Foreign Minister. Earlier this month, President Biden threatened to cut off Israel's military aid while they are fighting a war against Hamas. Now, he is actively criticizing Israel's military strategy on the world stage.

In a Politico article it was stated: ''Top officials are publicly calling Israel's strategy in Gaza self-defeating and likely to open the door to Hamas' return—a level of criticism of the Middle East ally not seen since the war began in October.''

The Biden administration betrayed Israel, and frankly, our own well-being as a nation at the United Nations earlier this year when America abstained from a vote—abstained from a vote—when the United Nations was calling and demanding for an immediate ceasefire, which would have been a one-sided cease-fire, hamstringing Israel in its defense against Hamas.

The United Nations lowered its flag to mourn the recent death of the ''Butcher of Tehran,'' the President of Iran. The United States Deputy Ambassador to the United Nations, Robert Wood, stood for the moment of silence in honor of the former president of Iran.

This is what this administration is doing. They are taking steps directly to undermine Israel. We have never seen this kind of unprecedented undermining of one of, if not our closest, ally at a time when they most need our support.

I am not one to believe in blind support. I have, in fact, voted against funding here because I thought the funding was foolish and misguided because it included funding that would go to Hamas. We voted for, I think, about 15 or $16 billion of aid to Israel, something I generally supported, but it included $9 billion in humanitarian aid which we knew based on history, common sense, and experience would go to Hamas, and, in fact, it has.

We should not blindly support anybody. We should not just write blank checks. We should not pat ourselves on the back for support. When you have got an International Criminal Court that has no legal force in the United States, when you have got an International Criminal Court threatening to go after the Prime Minister of our very

close, if not closest, ally for defending itself when it is having rockets fired at itself from enemies that beheaded 40 of their own babies, I am sorry, that criminal court needs to be forcefully condemned by the United States.

At the same time this is all going on—and I hope we will bring forward this legislation forthwith. It is a good bill. It has, I think, 60 cosponsors and growing with a cross-section ideologically of the Conference. I hope we will bring this bill forward when we get back from Memorial Day recess.

I want to compliment the Speaker of the House, MIKE JOHNSON, for his work in trying to move this bill forward. I want to compliment the chairman of the Foreign Affairs Committee, MICHAEL MCCAUL, for his work in trying to get this moved forward and working with a broad cross-section of us to get legislation to condemn the International Criminal Court, pass sanctions, force them to understand that if they are going to act against our ally, if they are going to take an unprecedented step of issuing warrants against the Prime Minister for alleged war crimes, that we will sanction them and that they will have no welcome mat in the United States.

By sanctioning, we mean that all of the actors involved will not be welcome here. Their families will not be welcome here. Their visas would be revoked. Other penalties and measures, including any funds that potentially flow from the United States to get to the International Criminal Court, which are not supposed to occur but often do through these various NGOs, that we would take all the steps we can to undermine an International Criminal Court that has no basis.

While that is going on remember this: At every stage of the war from October 7, the regime of Egyptian President el-Sisi has undermined Israel's war effort in a bid to prevent the Jewish state from defeating Hamas.

Now, the financial interests of the el-Sisi family appeared to have been advanced significantly through cooperation with Hamas' efforts to build tunnels across the border with Egypt.

Now, how do we know that? Well, in the last 10 days or so, going back to May 11, Israel revealed that during early stages of the IDF's, the Israeli Defense Forces' operation in Rafah—now pause for a second. The world geniuses, all of the elites in the world body said, no, Israel can't go into Rafah. They were adamant about it. These are war crimes. You can't go into Rafah. There are civilians there.

Well, Israel has been going into Rafah. They need to root out the battalions there. They need to kill more Hamas. They need to destroy Hamas, leveling it to the ground, minimize civilian casualties and find every way they can to restore peace and well-being by destroying their enemy. We would want nothing less as Americans, I assure you.

Israel revealed that during the early stages of their operation in Rafah, IDF forces discovered more than 50 underground tunnels that traversed the international border between Egypt and Gaza. This story is not getting nearly the attention that it deserves.

What is it that the international bodies, what is it that the Palestinians in Gaza, the folks associated with Hamas and those that are enemies of Israel, what is it that they didn't want us to know?

The scope of the cross-border tunnel project indicates that Egyptian authorities were not merely aware of Hamas' operation, they were supporting it. They were partners. They were making money. By the way, there are all sorts of existing international agreements dating back to 1979 between Egypt and Israel.

How much American money is flowing to Egypt? How much American money is flowing to the very countries, the very entities that are attacking Israel? Yet, here they didn't want people to go into Rafah. They didn't want Israel to go in. Why? Because they knew that the game was going to be given up, that there was a concerted, coordinated effort throughout the Middle East region to find ways to dismantle, disrupt, attack, and destroy Israel.

That is the truth.

This President is effectively supporting it. He is pulling back on the resources given to Israel, undermining the diplomacy, calling for one-sided cease-fires, funding Iran, lifting sanctions on Iran, allowing billions of dollars of their oil money to flow to China, which is enriching Iran and empowering China and undermining our national security, undermining our ally, Israel. That is all occurring right now, all while the International Criminal Court is targeting the Prime Minister of Israel.

Now, this is nothing new. Egypt has tried to undermine Israel's military operations in Gaza every step of the way. Egypt has blocked the exit of Gazans from the war zone. Egypt has blocked humanitarian aid from entering Gaza while accusing Israel of genocide at the International Court of Justice.

Egypt has threatened to abrogate its peace treaty with Israel and tied the future of peace to Israel's bowing to pressure not to operate in Rafah. Egypt has undermined hostage talks and waged political warfare against Israel at the United Nations and other international arenas.

There is nothing new here, except we now know right in front of us the new information about Egypt reveals what we have known about the region's attack and assault on Israel.

There are 50 tunnels, and they keep counting them. Bodies of hostages have been found in the tunnels. It has been clear that there has been the movement of weaponry through the tunnels.

This is just more of the same from an administration that is endangering America on the world stage, undermining the safety and security of the American people, a disastrous, radical, progressive Democratic regime in the White House. Basically, all that regime is is propping up a President and using him as a puppet to carry out their radical leftist agenda.

There has been no accountability for the disastrous Afghanistan withdrawal. There has been no justice for the 13 servicemembers who died there. There has been no accountability for the billions in military equipment left behind.

This administration has created the worst border crisis in the history of our Nation and endangered our citizens. Authorities in this country apprehended an illegal alien just this week with a van they called a rape dungeon on wheels. They found children's toys inside with condoms and ropes.

This is your country.

This is happening in your backyard.

There are little girls getting sold into the sex trafficking trade as we speak. An illegal alien from Nicaragua is accused of restraining and blindfolding a 12-year-old girl while attempting to sexually assault her. The alien illegally crossed the Texas border in October of 2021 and was released—released. Mr. Speaker, 80 known or suspected terrorists have been encountered at the southwest border just in fiscal year '24—more than all of those encountered in FY '17 to '21 combined.

Meanwhile, we have sent $175 billion for a proxy war in Ukraine. We have no clear strategy and no defined objective, no oversight on spending. This administration is endangering the citizens it is supposed to be taking care of under the Constitution and defending our borders and securing us against enemies foreign and domestic.

That is the truth.

There is no defense.

If organizations like the ICC, the International Criminal Court, if organizations like the United Nations, if organizations like the World Health Organization, and the rest of them actually cared about human rights, they would be going after the real war criminals. They don't care about Hamas' crimes.

Yeah, the ICC says they are issuing warrants for Hamas, but they are trying to constrain Israel from going out and attacking and destroying Hamas.

What they care about is attacking and tearing down everything that is great and good about Western civilization that has done more for more people around this world than any other civilization in history.

Whether the President knows it is going on or not, that is what the Biden administration's actions have all been driving towards these past 3 years. They are destroying our sovereignty and weakening us on the outside while pushing chaos, economic ruin, and moral disintegration domestically.

I hope my colleagues will support the ICC sanctions bill. It is important. I hope we will all support it.

I have to address one other thing because while I think we will have unity among Republicans in pushing back on this International Criminal Court that is undermining our sovereignty and targeting our friend and ally Israel, and while I hope that we will be able to speak with one voice when we get back on that subject, there is another thing that is going on consistently here in this town.

Mr. Speaker, 18 months ago some of us set out to change the institution. We set out to change the rules and open up the process to be able to have more amendments, have more voice for the entirety of the majority in the decisionmaking of the leadership.

□ 1945

For a while that resulted in some changes. Last year, we were able to get Republican and broad support for what we called the Limit, Save, Grow Act in order to put forward a vision for limiting the increase in debt while expanding fiscal responsibility.

It was good legislation. We passed the strongest border security bill that we have ever passed. It had no amnesty in it. It had legitimate border security measures that have been rejected by Democrats, but would, by any objective measure, secure the border of the United States and almost assuredly would have meant that the killer who was paroled into the United States by the Biden administration would not have been able to be paroled and would not have been able to kill Laken Riley.

We passed that bill. We passed that bill as Republicans, uniting to do that. We passed seven appropriations bills. We processed about 1,100 amendments. We were able to move the ball forward in order to unite, in order to get this train back on track to see if we could do the appropriations process the right way.

There are many people in this body, particularly among my Republican colleagues, who want to hide behind rules and hide behind votes on rules, taking down rules, to say that we are not actually carrying out regular order.

Now, what does that mean for the average citizen out there? There are people in this town who want to have every excuse possible for blowing the budget of the United States, racking up debt, leaving the border wide open, sending more money overseas for endless wars, and then coming to us and crying about how, somehow, we don't get it. We don't get it.

We are supposed to all work as a team and agree to all the rules. Does it matter what is in the rule? What good is unity if your unity is for a terrible and stupid and destructive purpose? What good is unity if unity is going to rack up more debt and destroy our budget and destroy our children's futures and empower bureaucrats, empower tyrants, take away liberty, leave borders open, allow people to die, empower China, and send money to Ukraine?

What good are promises to say that you are going to secure the border of the United States before you deal with Ukraine and then do nothing of the sort? What good are rules that carry out that as a result?

When you hear a Republican decrying the fact that some of us want to say no and stand athwart history, yelling stop, to quote William F. Buckley, ask them what they have done. Ask them what they have done to limit spending, cut spending, secure the border. Ask them if they have done anything they said they would do. Ask them. Ask them to prove it. Ask them to show their votes, because nothing is going to change in this town as long as people bow down to the power brokers who tell you how it is.

I will again state on the floor of this Chamber, I answer to God, the Constitution, and the 750,000 people who sent me here. I answer to no committee chairman. I answer to no Speaker. I answer to no colleague. I answer to those Texans I represent and following the law.

My election certificate is every bit as valuable as anybody else's here. If they don't like it and want to go home and explain why they saddle up with Democrats for more Democrat support and majority Democrat support and they want to try to explain their votes, go ahead.

Explain the kill switches on cars that you voted for. Explain the Republicans who voted against defunding UNRWA last September 3 weeks before Israel was attacked by people funded by UNRWA. Explain that. The American people sent us here to change this place.

I had a colleague just a minute ago in a meeting who was just saying: Been here 14 years and we have done none of the things that we set out to do.

Amen.

We have an obligation as Members of this body to actually do the things we said we would do. I believe that the efforts that we set out to do 18 months ago resulted in positive change, and I am not going to let go of those things.

We did manage to hold nondefense spending flat. Defense spending that went up was paid for out of the hide of the IRS expansion and out of COVID money. We passed the best border security bill we could. We set the terms of the fight with the Limit, Save, Grow bill, for the defense spending bill. We put caps in place, which have already been busted. We started to push this place in the right direction and that is the direction we ought to go back to.

Over the next 5 or 6 months, the American people are going to have choices to make. I believe that they ought to return a Republican majority of the House and give us a Republican majority in the Senate, and I think they ought to put Donald Trump in the White House.

None of that will matter if Republicans aren't willing to come here and do what we said we would do and put every ounce of your election certificate on the line to do what you said you would do. We didn't come here to sit around for 2 years talking about how we get re-elected. We came here to save the country.

I hope that is what we will focus on doing. I hope most Americans will sit and watch my friend from Arizona's detailed explanations of where this country is headed if we do not seek, not just fiscal responsibility in the broadest sense, but, as he will no doubt say in a few minutes, smart ways that we go about doing what we can do to save this country with its mountains of debt piling up for a variety of reasons, all of which are things we can deal with if we just had the courage to do it instead of looking at each other talking about the next election. Once we get elected, we should do something with it.

Mr. Speaker, I yield back the balance of my time.

THE BENEFITS OF MORALITY AND REALLY GOOD MATH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the Chair recognizes the gentleman from Arizona (Mr. SCHWEIKERT) for 30 minutes.

Mr. SCHWEIKERT. Mr. Speaker, I say to my friend from Texas, your intro was actually brilliant because we are going to try to do something this evening that is going to make a whole bunch of people really cranky.

Mr. Speaker, let's see if I can frame this in a way that I don't sound too much like a jerk. Week after week after week after week, I have come to the floor here and walked people through saying, the blue here, that portion we get to vote on and that every dime a Member of Congress votes on is on borrowed money.

This is all borrowed, plus actually a portion of your Medicare, if you look at the math, is actually borrowed. Gross interest is going to be $1.2 trillion, making interest the second biggest expense in this government.

One of the arguments I deal with over and over is trying to find moral, effective ways that we can save ourselves; that you could actually impact this remarkable amount of debt where we are hovering around borrowing about $100,000 a second.

Every second of every day, we are just a little below that. Then the really uncomfortable is when you walk through the data, it is interest and healthcare. I am not a doctor; I am good at math.

The dear Lord gave me one thing, I am good at math, but I thought I would try something new and exciting. How about if I brought, A, my friend who just happens to be benefited with a medical school education. That is why we will call him Dr. HARRIS and talk about if healthcare is the primary driver of U.S. sovereign debt, why not engage in the morality of a society that is healthier, that could be more vibrant?

I have come here, and we have talked about diabetes being 33 percent of all U.S. healthcare, being 30 percent of Medicare spending, the cascade of conditions that come from obesity in America and the morality of loving our brothers and sisters and having a healthier society.

My economists right now, we are working on our reply to the President's budget. We are vetting all the math, and we are highlighting things. We are still about 2 more weeks from our publication. We estimate that obesity will result in anywhere between $8.2 and $9.1 trillion in excess medical expenditures over the next decade.

Maybe the most powerful thing you and I could do for U.S. sovereign debt and burying your retirement and our children and our great-grandchildren and our great-great-grandchildren in piles of debt would be to actually work on policies to make us a healthier society.

You get the benefits of the morality and really good math. I just happen to have a medical doctor who is a Member of Congress who is on the Appropriations Committee who has an expertise that I don't have and can talk about things that I can't say, but understand, we mean this from a portion of optimism.

There is a path here, but we have to do something that is brutally uncomfortable for us: We have to tell the truth.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. HARRIS).

Is that a fair set up?

Mr. HARRIS. Mr. Speaker, I thank the gentleman from Arizona for yielding me some time today.

Mr. Speaker, to those who see the gentleman virtually every week come up here and talk about the economics of the United States and our debt problems and things like that, today, we will take a little different view because we are going to talk about something that doesn't just have to do with economics; it has to do with providing a healthier America. An America where, yes, we would save money if we were healthier, but the other benefits are so tremendous.

We are not doing this just because we want to save money; we are doing this because we think this is actually the right approach for Americans. If you look at the cost of healthcare, about 70 percent is to take care of chronic diseases and the big chronic diseases are hypertension, diabetes, and obesity. They are the big chronic diseases.

Cancer is not a chronic disease. It is an acute disease. It is the chronic diseases that are costing literally hundreds of billions of dollars to the United States.

Today, we are going to focus on obesity. Now, hopefully in the future, we will focus on diabetes, maybe on hypertension. The reason why it is so important to start with these three is that the amount of spending, as the gentleman indicates, is tremendous.

I am going to pull some data from this study from the Milken Institute. It is called America's obesity crisis. It is from 2018, so 5½ years ago, October 2018, but it is subtitled, ''The Health and Economic Cost of Excess Weight.'' The health and economic costs because they are both costs.

Again, it is not just dollars and cents. They count, but the fact of life is just not as good for someone who has a chronic disease, so let's do something to prevent it.

However, the first thing you have to do is say, what is the history of obesity in the United States?

Look, I have been on this Earth 67 years. I will tell you that it has been noticeable that more Americans are obese or overweight. It is true throughout the world, but let's concentrate on America.

These are medical definitions. If you are higher than the normal range of weight, you are overweight, if you are slightly higher; then you are obese if you are higher than that; and then severe obesity or morbidly obese, as well.

Using these definitions, the same definitions in 1962, 3.4 percent of adults were considered obese. Again, it is not overweight; it is obese. If it is more than overweight; it is obese.

From 1962 to 2000, 30.5 percent. In 2016, 39.8 percent. Mr. Speaker, 8 years ago, it was 39.8 percent. The latest data the CDC has which is from 2017 to 2020, 41.9 percent. Mr. Speaker, 41.9 percent of Americans classified as obese.

Now, why is that classification important?

By the way, the demographic breakdown is very interesting because what we ought to be doing is, we ought to be looking at the demographics and paying attention to where it exists in the population: 49.9 percent of Black adults are obese, 45.6 percent of Hispanic adults, 41.4 percent of White adults, 16.1 percent of Asian adults.

□ 2000

It actually is overrepresented in the Black and Hispanic communities, but why is that important? By the way, that is adults.

The striking thing is for children in the last year that we have data: 16.1 percent overweight; 19.3 percent obese, one in five children are considered obese; one in 16, 6.1 percent, severe obesity in children. Again, that severe obesity in children number is actually higher at 6.1 percent than the entire adult population back in 1962.

It begs the question of why it is so important that we identify obesity. It is because I think a lot of people don't understand the broad range of diseases, including expensive healthcare diseases, in which the risk of that disease is higher if you are obese. It is not everybody who is obese who has these problems, but if you are obese, you are statistically more likely to have these problems.

I want to read the list so you understand why this is such a large economic problem. Alzheimer's and vascular dementia, most people don't realize obesity is a risk factor for that. We worry a lot about that because the cost of Alzheimer's in America and the treatment, again, is measured in the hundreds of billions of dollars. Other diseases include asthma and COPD; breast cancer—we know that cancers are; chronic back pain; colorectal cancer; congestive heart failure—again, a large consumer of healthcare dollars; coronary artery disease; diabetes, of course. Again, diabetes and obesity kind of go hand-in-hand, but only 20 percent of the cost of obesity, again, the approximately $1.7 trillion annual cost back in 2016, only 20 percent of that can be attributed to the coexistence of diabetes and obesity. Again, diabetes has to be handled by itself, but obesity is a risk factor for that.

Dyslipidemia, so people with high cholesterol and lipids; end-stage renal disease; endometrial cancer; esophageal adenocarcinoma; gallbladder cancer; gallbladder disease; gastric adenocarcinoma, so stomach cancer; hypertension; liver cancer; osteoarthritis; ovarian cancer; pancreatic cancer; prostate cancer; renal cancer; and stroke—all of these have a higher incidence in someone with obesity.

Scientifically, we say that if we can reduce obesity, we will reduce the incidence of all these diseases and the costs associated with them. The costs associated with them attributable to obesity are over $1.5 trillion a year, both direct costs, the cost to actually treat someone, and the indirect costs, the cost of decreased productivity and decreased contribution to the GDP and the economy by someone who is ill, all these indirect and direct costs. These numbers are just staggering.

Mr. SCHWEIKERT. Yet, I promise you, tomorrow, we will have things on our phone attacking us for telling the truth.

Mr. Speaker, I am going to argue our willingness to come here and tell the truth—I love people. I want them to flourish.

Doctor, we are about to have our fifth year of prime-age males where their life expectancy is shorter. You were actually walking me through some of the math earlier.

Does anyone care?

The concentration I see of the lack of family formation, productivity, the ability to participate in society, the healthcare costs—what would happen if we had a society where we were not afraid to talk about the stigma?

We are saying there are policies. I have the stacks of charts and these things, but there are policies we can engage in to make a difference.

This is on topic and uncomfortable, but one of the things I come here and talk about over and over—let's just use this chart down here. Medicare is singularly the primary driver of our debt. It is healthcare costs. It is an earned benefit. You paid your 40 quarters for Social Security, but the average couple

will have paid in $227,000 in FICA taxes, the portion that goes toward Medicare, but they get back $725,000. That differential right there is the primary driver of U.S. sovereign debt.

Do you do what some of the folks around here want to do, my Democratic colleagues, where they want to basically say Medicare for All? We are going to ration it. It is going to be government everything. The doctors you have are going to be government employees, that sort of model. Or should we actually take on something much more moral, much more creative, and much more, I would argue, doable?

Let's look at the government policies we engage in where we subsidize people's misery. Could we turn some of the very programs we have to make them more moral and help make our society healthier?

Doctor, I know that has been one of your fixations. You have been in front of committees over and over, talking about things we could do, everything from agricultural legislation, nutrition legislation—the things I do in Ways and Means, trying to finance access to therapies to make people healthier.

Mr. HARRIS. Sure. I chair the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee of the Appropriations Committee, and we are in charge of funding the Supplemental Nutrition Assistance Program, the SNAP program.

If you were paying attention about an hour ago, an hour and a half ago, to the folks from the other side of the aisle, all they wanted to do was push more money into the Supplemental Nutrition Assistance Program.

The second word there, by the way, is ''nutrition.'' If you go back to the original founding, the program was founded to provide nutrition. In the early days of the program, there was a significant number of people in the country who actually did not receive enough calories. Literally, they didn't receive enough calories. At that time, the emphasis was to get food of all kinds to these folks so that they are not calorie starved.

Again, I talked about the trend in obesity, and what we see is that something is happening. We have programs like the Supplemental Nutrition Assistance Program where the last time they looked at it was in 2016—it might have been earlier than that—where 10 percent of the funds went to sugary soda. Remember, this is a $122 billion a year program of taxpayer dollars. We ask taxpayers to pony up or to borrow $122 billion to put into the Supplemental Nutrition Assistance Program. Ten percent is on sugary soda, $12 billion, our best estimate, is spent on something that we now know—maybe 40 or 50 years ago when the obesity rate was 6 percent or 3-plus percent, we didn't know that.

We do know now what contributes to obesity. We do know that insulin resistance, the presence of sugars and processed foods in the diet, directly cause obesity. Of course, diabetes, which again we will get to in the future, and probably also hypertension to some extent, are all interrelated diseases. We actually know that that is bad.

I have proposed taking out nonnutritious—it is about 20 percent. It is 10 percent sugary soda beverages and another 10 percent salty snacks, ultra-processed food. Again, it raises your insulin levels. It does all the bad things that ultimately lead to an increased amount of fatty tissue and obesity.

Let's just say that we will allow States to restrict that in a program and take that money and spend it on fruits and vegetables or something. That sounds like a pretty novel idea. That sounds like a pretty good idea based on the scientific evidence.

The pushback has been tremendous, mainly from the other side of the aisle, which is: No, all we need to do is spend more money on this program.

I would suggest to the gentleman from Arizona that we have enough proof that what we have been doing hasn't been working. In fact, it has been making the problem worse because the data on people who receive Supplemental Nutrition Assistance Program shows they are more obese and more overweight.

Mr. SCHWEIKERT. And sicker.

Mr. HARRIS. Of course, they are sicker because we know these diseases relate to it. The studies were done against individuals who had the same socioeconomic status, same income, but were not getting SNAP benefits.

Mr. SCHWEIKERT. Doctor, the morality argument I really want us to make is the way we have designed these programs, as they were originally designed decades and decades and decades ago, we now understand, we are financing people's misery instead of financing the opportunity to be healthier, to be part of society, to actually live longer.

It is uncomfortable, but we have to have a moment of honesty. I don't understand the left's fixation on basically using borrowed money to finance misery.

Mr. HARRIS. I agree. This is not just about economics. It is using borrowed money to actually cause the need for more borrowed money in the future.

Mr. SCHWEIKERT. Yes. On the economic side, we call it knock-off effects, second-degree, third-degree effects. In some ways, they are not even that. They are just the principal effects.

Mr. HARRIS. It is direct. Again, even if this were economically neutral—but it is not—one would make the argument that the right thing to do for people is to give them a better, healthier life.

Mr. SCHWEIKERT. Yes.

Mr. HARRIS. In the hearing today, we had someone suggest that all we need to do is do public service announcements, that we will just do education.

Mr. SCHWEIKERT. And?

Mr. HARRIS. One of the experts said, quite accurately, that when you deal with an addiction—and we won't get into that today, but by the way, just so everybody understands, it is now pretty clear from brain chemistry that sugar—and when we say sugar, mostly it is fructose because the other sugar is cane sugar, which is sucrose, a combination of fructose and glucose. Fructose, basically, we understand that it is actually physically addictive in the brain because it results through the modifier of MGO, a chemical called MGO, which binds to receptors in the brain. It actually releases dopamine.

Mr. SCHWEIKERT. Yes. Would this explain my ice cream problem?

Mr. HARRIS. It could. Every single addictive issue in front of us involves—whether it is an addiction like opioid addiction, an addiction like sugar addiction, an addiction like gambling, or your cell phones and the fact that our youth now spend 7 hours a day on their cell phones, on the internet and playing games and things, it is because this is designed to release dopamine in the brain.

We understand it is the exact same mechanism, and it is up to us. People say to educate. Our government shouldn't be involved in this. Wait a minute, we are talking about regulating the industry for children with regard to apps, regulating the opioid industry because it is addictive, dealing with gambling because it is addictive. Why wouldn't we talk about a food addiction that leads to misery and huge economic costs?

Mr. SCHWEIKERT. Doctor, look, my personal philosophy, I am probably a little bit more libertarian here. Have what you want, but understand, A, should government finance things that make our population less healthy, and, as a matter of fact, make much of the population very sick? The reality of it is when the majority of healthcare partially is financed in some fashion through government, we have an interest. In some ways, it sickens me, but that is the reality we have to sort of mechanically deal with.

The statistics, the data, are just crashing on us since the pandemic, the curve of our brothers and sisters who are getting sicker and sicker. Now, I am dealing with some of the data we are looking at of those moving into their retirement benefits being also much sicker and trying to figure out how we finance that. We are financing it with partially borrowed money.

It is honestly a good economics and moral argument. Maybe we should change the way we do nutrition assistance in America. Maybe we should change even down to some of the agricultural policy of adding more variety. I have given presentations on the concentration of certain crops and the whole way commodity pricing works, and the black swan theory of that level of concentration, God forbid something ever happened to one of the crops, but

it all ties together. It is a unified theory. If I care about healthcare spending—and, understand, ObamaCare was a financing bill. It was about who got subsidized and who had to pay. Our Republican alternative was a financing bill.

□ 2015

We are right now doing the hardest thing in Congress. We are actually talking about what we pay for. Could we actually reduce healthcare spending by having a healthier country, a healthier population? That would actually be much more egalitarian with prosperity.

Mr. HARRIS. There is no question that that is true. The fact is that we can send a strong economic signal through our ability to modify what is available under food programs, not only direct payments but also the fact that, over the past 50 years, we have kind of funneled all the production, as you said, into only a handful of major crops.

In my district, for instance, they used to grow tomatoes. It used to be one of the tomato capitals of the country. I didn't even know this, but it is not anymore. It is just soybeans and corn, partly because we have a big poultry industry, but the variety of crops has just disappeared.

Again, everything comes together. Everything points in the same direction. We must address the obesity crisis. We know what causes it.

We actually have a pretty good idea of how to solve it, how to get there, but we have to decide that that is something we are going to do. I think the average American understands it. I think they do.

Mr. SCHWEIKERT. It is fascinating when I am home in Arizona, the number of folks I walk up to who will almost pull me aside and say: I can't believe you were willing to talk about that. You told the truth.

It is almost like they weren't ready to have those of us from the political class do something that is uncomfortable.

The math is the math. If you take a look at mortality statistics, is it moral to have a society, particularly working, prime-age males—I mean, you were actually quoting some of the statistics in our previous conversation. They are dying younger and younger.

What we have done to younger people in the country, what we are doing to seniors, we can fix this. We just have to be willing to do some difficult policy here—it is not difficult policy.

There are some experiments out there—and you and I have not talked about this before, so we are winging it—where it was the food box and saying that we are going to deliver to our brothers and sisters who need nutrition support a box. There was a problem. Sometimes, the fruits and those things were thrown away, so they experimented with other ways to deliver it.

It was in a microwave pouch, and it turned out that it was working. They were making people healthier, and then that pilot program disappeared.

We are talking billions and billions of dollars, which means there will be armies of lobbyists in the hallway here tomorrow really cranky about what we talked about.

Can we make the argument that we should do the right thing? Is this Republican or Democrat? It should be just the right thing.

Mr. HARRIS. That is right. You bring up a good point.

The first thing you start with is say that we don't have to change—let's do a few pilot programs. Let's get some data. Otherwise, it is incredibly difficult to see whether some of these ideas work to change the way people buy and their habits. Obviously, it will take a generation for the obesity that already exists to plateau.

Mr. SCHWEIKERT. I am more optimistic than you.

Mr. HARRIS. I mean, with Ozempic and Wegovy, maybe it is quicker, but these are not the solution. The solution is not to become obese and then take a drug to reduce the obesity. It is not to become obese in the first place, but your point is critical.

Right now, a 3-year-old has a lower life expectancy than a 60-year-old had at the same age. That is because our adults are getting these chronic diseases at an increasing rate. That 3-year-old, if we don't change the trajectory, will have much less of a chance to live to the same age as their grandfather did or their father did.

We cannot accept that in America. We are actually in a situation where our children have a lower life expectancy than us.

This is the opposite of everything anybody does anything for. As a father, you want to do everything for your children so they have it better than you.

We are kind of intentionally, because we are intentional in how we spend dollars, forcing our children to a lower, shorter life expectancy than we have. Shame on us if we don't fix this.

Mr. SCHWEIKERT. We are already crushing the next generation, the next three generations. My wife is my age, and I have an 8-year-old and a 23-month-old.

Mathematically, my 23-month-old, when he is 20 years old, U.S. taxes will have to be double what they are today to maintain baseline services.

This is what we are doing to our society. We are coming behind these microphones, and we have done the economic presentations. We can do the Democrats' tax scheme. You get about 1.5 percent of GDP if you were able to tax maximize everything.

For those of us who want to cut things, we get about a point of discretionary nondefense. That is $300 billion there if we could cut that much, so 2.5 percent.

This fiscal year so far, we were expecting to borrow about 5, 5.5 percent of GDP. We are closer to 9. Does anyone see a math problem there?

If this is the political rhetoric, that they want to raise taxes and we want to cut, and you only get this much, maybe we need to promote policies that disrupt the cost of government and the cost of healthcare.

A couple of weeks ago, I gave a series of presentations here on using technology, using AI, those things, to make government much smaller. We can do things like this. There are paths.

Mr. Speaker pro tempore, are we up against time?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SCHWEIKERT. Mr. Speaker, I thank Dr. HARRIS for joining me, and I yield back.

ENROLLED JOINT RESOLUTION SIGNED

Kevin F. McCumber, Clerk of the House, reported and found truly an enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 109. Joint Resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to ''Staff Accounting Bulletin No. 121''.

ADJOURNMENT

Mr. SCHWEIKERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 23, 2024, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

EC–4277. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus SAS Airplanes [Docket No.: FAA-2023-1883; Project Identifier MCAI-2023-00804-T; Amendment 39-22734; AD 2024-08-01] (RIN: 2120-AA64) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4278. A letter from the Acting Assistant Secretary, Office of Legislative Affairs, Department of the Treasury, transmitting the Department's annual report on material violations or suspected material violations of regulations relating to Treasury auctions and other offerings of securities during the period of January 1, 2023, through December 31, 2023, pursuant to 31 U.S.C. 3121 note; Public Law 103-202, Sec. 202(d)(1); (107 Stat. 2358); to the Committee on Financial Services.

EC–4279. A letter from the Secretary, Department of the Treasury, transmitting a six-month periodic report on the national emergency with respect to Nicaragua that was declared in Executive Order 13851 of November 27, 2018, pursuant to 50 U.S.C. 1641(c); Public Law 94-412, Sec. 401(c); (90 Stat. 1257) and 50 U.S.C. 1703(c); Public Law 95-223, Sec 204(c); (91 Stat. 1627); to the Committee on Foreign Affairs.

EC–4280. A letter from the Secretary, Department of the Treasury, transmitting a six-month periodic report on the national emergency with respect to the Western Balkans that was declared in Executive Order 13219 of June 26, 2001, pursuant to 50 U.S.C. 1641(c); Public Law 94-412, Sec. 401(c); (90 Stat. 1257) and 50 U.S.C. 1703(c); Public Law 95-223, Sec 204(c); (91 Stat. 1627); to the Committee on Foreign Affairs.

EC–4281. A letter from the Secretary, Department of the Treasury, transmitting a six-month periodic report on the national emergency with respect to North Korea that was declared in Executive Order 13466 of June 26, 2008, pursuant to 50 U.S.C. 1641(c); Public Law 94-412, Sec. 401(c); (90 Stat. 1257) and 50 U.S.C. 1703(c); Public Law 95-223, Sec 204(c); (91 Stat. 1627); to the Committee on Foreign Affairs.

EC–4282. A letter from the Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a determination under Sec. 36(b)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

EC–4283. A letter from the Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a Memorandum of Justification for the drawdown of defense articles and services and military education and training under Sec. 506(a)(1) of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

EC–4284. A letter from the Assistant Secretary of State, Bureau of Legislative Affairs, Department of State, transmitting Department Notification Number: RSAT cast 24-10259, pursuant to the reporting requirements of Section 3(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

EC–4285. A letter from the General Counsel, National Labor Relations Board, transmitting the Board's Inspector General Semiannual Report to Congress for the period October 1, 2023 through March 31, 2024, pursuant to section 405(c) of the Inspector General Act; to the Committee on Oversight and Accountability.

EC–4286. A letter from the Chairman, Labor Member, and Management Member, Railroad Retirement Board, transmitting the Board's 2023 calendar year annual report; to the Committee on Oversight and Accountability.

EC–4287. A letter from the Deputy Chief, National Forest System, Forest Service, Department of Agriculture, transmitting the final maps and perimeter boundary descriptions for Cottonwood Creek Wild and Scenic River, in California, added to the National Wild and Scenic River System, pursuant to 31 U.S.C. 9106(a)(1); Public Law 97-258 (as amended by Public Law 101-576, Sec. 306(a)); (104 Stat. 2854); to the Committee on Natural Resources.

EC–4288. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Revocation of Colored Federal Airway Blue 3 (B-3) in Western Alaska [Docket No.: FAA-2023-2103; Airspace Docket No.: 22-AAL-24] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4289. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D and Class E Airspace; Saginaw, MI [Docket No.: FAA-2024-0273; Airspace Docket No.: 24-AGL-4] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4290. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D and Class E Airspace; Lake Charles, LA [Docket No.: FAA-2024-0270; Airspace Docket No.: 24-ASW-3] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4291. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D Airspace and Amendment of Class E Airspace, Harrisburg, PA [Docket No.: FAA-2023-0214; Airspace Docket No.: 23-AEA-05] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4292. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of United States Area Navigation (RNAV) Routes Q-30 and T-370; Eastern United States [Docket No.: FAA-2024-0696; Airspace Docket No.: 23-ASO-54] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4293. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Dixon, IL [Docket No.: FAA-2024-0271; Airspace Docket No.: 24-AGL-2] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4294. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D and Class E Airspace; Beaumont/Port Arthur, TX [Docket No.: FAA-2024-0269; Airspace Docket No.: 24-ASW-2] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4295. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31545; Amdt. No.: 4112] received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4296. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31544; Amdt. No.: 4111] received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4297. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; General Electric Company Engines [Docket No.: FAA-2024-0771; Project Identifier AD-2023-01251-E; Amendment 39-22720; AD 2024-06-15] (RIN: 2120-AA64) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4298. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Bombardier, Inc., Airplanes [Docket No.: FAA-2023-2397; Project Identifier MCAI-2023-00601-T; Amendment 39-22730; AD 2024-07-09] (RIN: 2120-AA64) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4299. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Winder, GA [Docket No.: FAA-2023-2467; Airspace Docket No.: 23-ASO-42] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4300. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D and Class E Airspace; Huntington, WV [Docket No.: FAA-2023-2360; Airspace Docket No.: 23-AEA-24] (RIN: 2120-AA66) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

EC–4301. A letter from the Management Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Rolls-Royce Deutschland Ltd & Co KG [Docket No.: FAA-2024-0036; Project Identifier MCAI-2023-00731-E; Amendment 39-22739; AD 2024-08-06] (RIN: 2120-AA64) received May 17, 2024, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. RODGERS of Washington: Committee on Energy and Commerce. H.R. 7189. A bill to amend the Public Health Service Act to reauthorize a national congenital heart disease research, surveillance, and awareness program, and for other purposes; with an amendment (Rept. 118–517). Referred to the Committee of the Whole House on the state of the Union.

Mrs. RODGERS of Washington: Committee on Energy and Commerce. H.R. 7208. A bill to reauthorize the Traumatic Brain Injury Program; with an amendment (Rept. 118–518). Referred to the Committee of the Whole House on the state of Union.

Mrs. RODGERS of Washington: Committee on Energy and Commerce. H.R. 7224. A bill to amend the Public Health Service Act to reauthorize the Stop, Observe, Ask, and Respond to Health and Wellness Training Program (Rept. 118–519). Referred to the Committee of the Whole House on the state of the Union.

Mrs. RODGERS of Washington: Committee on Energy and Commerce. H.R. 6829. A bill to amend the Public Health Service Act to authorize and support the creation and dissemination of cardiomyopathy education, awareness, and risk assessment materials and resources to identify more at-risk families, to authorize research and surveillance activities relating to cardiomyopathy, and for other purposes; with an amendment (Rept. 118–520). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COMER (for himself and Ms. PORTER):

H.R. 8489. A bill to amend title 5, United States Code, to require additional ethics disclosures for the President, Vice President, and their family members, and for other purposes; to the Committee on Oversight and Accountability.

By Mr. BERA:

H.R. 8490. A bill to establish the Office of Social Connection Policy, to establish a national strategy on social connection, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CARTWRIGHT (for himself, Mr. HUFFMAN, and Mr. MOULTON):

H.R. 8491. A bill to amend the Mineral Leasing Act to make certain improvements in the laws relating to coal royalties, and for other purposes; to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, Financial Services, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COHEN (for himself, Mr. BLUMENAUER, Ms. BUSH, Mr. CONNOLLY, Ms. DEGETTE, Mr. DOGGETT, Mr. ESPAILLAT, Mr. GRIJALVA, Mr. HUFFMAN, Mr. LIEU, Ms. MCCOLLUM, Ms. MENG, Mr. NADLER, Ms. PORTER, Ms. STANSBURY, Ms. TITUS, and Ms. TLAIB):

H.R. 8492. A bill to prohibit wildlife killing contests on public lands, and for other purposes; to the Committee on Natural Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. CRAIG:

H.R. 8493. A bill to establish the Task Force to Stop Price Gouging, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Agriculture, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DAVIS of Illinois:

H.R. 8494. A bill to provide that certain local parks are eligible for E-Rate support, to provide that local parks are eligible for the loan, lease, or transfer of certain excess research equipment, and to direct the Secretary of Labor to carry out a program to make grants for conducting technology training programs in local parks, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committees on Energy and Commerce, and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUARTE (for himself, Mr. VAN ORDEN, and Mr. OWENS):

H.R. 8495. A bill to ensure electric vehicle companies do not use child or slave labor in the manufacture of, or sourcing of materials for, electric vehicles; to the Committee on Oversight and Accountability, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GALLEGO:

H.R. 8496. A bill to amend the Immigration and Nationality Act with respect to the definition of protection determination and protection merits interview; to the Committee on the Judiciary.

By Mr. GALLEGO:

H.R. 8497. A bill to provide the Secretary of Homeland Security certain direct hiring authorities; to the Committee on Homeland Security, and in addition to the Committee on Oversight and Accountability, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GARBARINO (for himself, Mr. SUOZZI, Mr. VALADAO, Mrs. KIGGANS of Virginia, Mr. LALOTA, Mr. D'ESPOSITO, Ms. MALLIOTAKIS, Mr. VAN DREW, Mr. FITZPATRICK, Mr. LAWLER, and Mr. MOLINARO):

H.R. 8498. A bill to authorize funding for necessary expenses for the rehabilitation, modernization, and construction of facilities and infrastructure at the United States Merchant Marine Academy; to the Committee on Armed Services.

By Mr. GROTHMAN:

H.R. 8499. A bill to amend the Help America Vote Act of 2002 to establish requirements for voting by absentee ballot in elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. HORSFORD (for himself and Mr. CLEAVER):

H.R. 8500. A bill to require the Secretary of Housing and Urban Development to collect and make publicly available data on properties receiving an allocation of credit under the low-income housing tax credit, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. JACOBS (for herself, Mr. CASTRO of Texas, Mr. MCGOVERN, Ms. LEE of California, Mr. JACKSON of Illinois, Mrs. CHERFILUS-MCCORMICK, Ms. KAMLAGER-DOVE, and Mr. KILDEE):

H.R. 8501. A bill to prohibit the issuance of licenses for the exportation of certain defense articles to the United Arab Emirates, and for other purposes; to the Committee on Foreign Affairs.

By Ms. KAMLAGER-DOVE (for herself, Ms. BARRAGÁN, Mr. JOHNSON of Georgia, Ms. NORTON, Mr. ESPAILLAT, Mrs. CHERFILUS-MCCORMICK, Ms. JACOBS, and Mr. MCGOVERN):

H.R. 8502. A bill to provide protections for children in immigration custody, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KELLY of Pennsylvania (for himself and Mr. BERA):

H.R. 8503. A bill to provide States with support to establish integrated care programs for individuals who are dually eligible for Medicare and Medicaid, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. MALLIOTAKIS (for herself, Mr. PASCRELL, Mr. MOYLAN, Mr. BILIRAKIS, Mr. LAWLER, Ms. VELÁZQUEZ, and Mr. KELLY of Pennsylvania):

H.R. 8504. A bill to amend the Internal Revenue Code of 1986 to establish the critical supply chains reshoring investment tax credit; to the Committee on Ways and Means.

By Ms. NORTON (for herself and Mr. EZELL):

H.R. 8505. A bill to amend title 49, United States Code, to expand the authority of the Administrator of the Federal Motor Carrier Safety Administration to assess penalties for violations of laws and regulations relating to the shipping of household goods, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. PASCRELL (for himself, Mr. DELUZIO, and Mrs. SYKES):

H.R. 8506. A bill to amend the Internal Revenue Code of 1986 to encourage domestic insourcing and discourage foreign outsourcing; to the Committee on Ways and Means.

By Mrs. PELTOLA:

H.R. 8507. A bill to provide for the designation of areas within which fishing activities carried out using bottom trawls may be carried out; to the Committee on Natural Resources.

By Mrs. PELTOLA (for herself, Mr. GRAVES of Louisiana, and Mr. HUFFMAN):

H.R. 8508. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to reauthorize the bycatch reduction engineering program and establish the Bycatch Mitigation Assistance Fund; to the Committee on Natural Resources.

By Ms. STRICKLAND (for herself, Mr. CARSON, and Mr. TORRES of New York):

H.R. 8509. A bill to reform pattern or practice investigations conducted by the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Ms. TOKUDA:

H.R. 8510. A bill to amend the Food Security Act of 1985 to encourage the use of native vegetation, and for other purposes; to the Committee on Agriculture.

By Mrs. TORRES of California:

H.R. 8511. A bill to direct the Secretary of Defense to submit to Congress a report on transitioning military acquired credentials to the civilian workforce; to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TURNER:

H.R. 8512. A bill to authorize appropriations for fiscal year 2025 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence (Permanent Select).

By Mr. VASQUEZ:

H.R. 8513. A bill to direct the Secretary of Agriculture to carry out a demonstration project to allow Tribal entities to purchase agricultural commodities under the commodity supplemental food program, and for other purposes; to the Committee on Agriculture.

By Mr. VASQUEZ:

H.R. 8514. A bill to amend title 38, United States Code, to provide for an annual increase in stipend for books, supplies, equipment, and other educational costs under Post-9/11 Educational Assistance Program of Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. WALTZ:

H.R. 8515. A bill to promote and recruit the United States maritime industry workforce, and for other purposes; to the Committee on Armed Services, and in addition to the Committees on Science, Space, and Technology, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GRIFFITH (for himself, Mrs. LESKO, Mr. ARMSTRONG, Mr. BOST, Mr. CARTER of Georgia, Mr. PALMER, Mrs. MILLER of West Virginia, Mr. LATTA, Mr. BAIRD, Mr. WEBER of Texas, Mr. JOYCE of Pennsylvania, Mr. DUNCAN, Mr. PERRY, Mr. BALDERSON, Mr. MEUSER, Mr. GROTHMAN, Mr. OGLES, Mr. GUTHRIE, Mr. PENCE, Mr. HUDSON, Mr. THOMPSON of Pennsylvania, Mr. RESCHENTHALER, Mr. WITTMAN, Mr. ALLEN, Mr. MOONEY, Mrs. MILLER of Illinois, and Mr. ELLZEY):

H.J. Res. 152. A joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Environmental Protection Agency relating to ''Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; Legacy CCR Surface Impoundments''; to the Committee on Energy and Commerce.

By Mr. ALLRED (for himself, Mr. DOGGETT, Mr. TONKO, Ms. GARCIA of Texas, Mrs. FLETCHER, and Mr. COSTA):

H. Res. 1250. A resolution commemorating the 60th anniversary of President Lyndon Baines Johnson's Great Society; to the Committee on Oversight and Accountability.

By Mr. CARTER of Georgia (for himself and Mrs. DINGELL):

H. Res. 1251. A resolution honoring Rosalynn Smith Carter's legacy in mental health advocacy; to the Committee on Energy and Commerce.

By Mr. GUEST (for himself, Mr. HUDSON, Mrs. DINGELL, Mr. FITZPATRICK, Mr. CRENSHAW, Ms. TENNEY, Mr. BACON, Mr. MCCORMICK, Mrs. CHAVEZ-DEREMER, Mr. THOMPSON of Pennsylvania, Mrs. MILLER of West Virginia, Mr. CAREY, Ms. WILD, Mr. DUNCAN, Mr. FLEISCHMANN, Mr. MOOLENAAR, Mr. JOYCE of Pennsylvania, Mr. LAHOOD, Ms. PETTERSEN, Mr. EZELL, Mr. LAWLER, Mr. KELLY of Mississippi, Mr. RYAN, Mr. LUETKEMEYER, Mr. ARMSTRONG, Mr. JOYCE of Ohio, Ms. STEFANIK, and Ms. BLUNT ROCHESTER):

H. Res. 1252. A resolution honoring the commitment and care of emergency medical services personnel; to the Committee on Energy and Commerce.

CONSTITUTIONAL AUTHORITY AND SINGLE SUBJECT STATEMENTS

Pursuant to clause 7(c)(1) of rule XII and Section 3(c) of H. Res. 5 the following statements are submitted regarding (1) the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution and (2) the single subject of the bill or joint resolution.

By Mr. COMER:

H.R. 8489.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18 of the U.S. Constitution, in that the legislation is ''necessary and proper for carrying into Execution the . . . Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.''

The single subject of this legislation is:

Presidential and Vice Presidential ethics reporting requirements.

By Mr. BERA:

H.R. 8490.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8 of the U.S. Constitution

The single subject of this legislation is:

Social Connection

By Mr. CARTWRIGHT:

H.R. 8491.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 3 (relating to the power of Congress to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.)

The single subject of this legislation is:

The Coal Royalty Fairness and Communities Investment Act of 2024 would close loopholes in the federal coal royalty payment system and use royalties to help diversify and strengthen economies of struggling coal communities. (Natural Resources)

By Mr. COHEN:

H.R. 8492.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1 of the Constitution of the United States

The single subject of this legislation is:

Environmental Protection

By Ms. CRAIG:

H.R. 8493.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8

The single subject of this legislation is:

FTC, DOJ and USDA task force to address costs affecting consumers.

By Mr. DAVIS of Illinois:

H.R. 8494.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18 of the Constitution: To make all laws which shall be necessary and proper for carrying into Execution the powers enumerated under section 8 and all other Powers vested by the Constitution in the Government of the United States, or in any Department or Officer thereof.

The single subject of this legislation is:

Technology

By Mr. DUARTE:

H.R. 8495.

Congress has the power to enact this legislation pursuant to the following:

Article 1 Section 8 of the United States Constitution

The single subject of this legislation is:

To ensure electric vehicle companies do not use child or slave labor in the manufacture of, or sourcing of materials for, electric vehicles

By Mr. GALLEGO:

H.R. 8496.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18: [The Congress shall have Power . . .] To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

The single subject of this legislation is:

Immigration

By Mr. GALLEGO:

H.R. 8497.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18: [The Congress shall have Power . . .] To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

The single subject of this legislation is:

Immigration

By Mr. GARBARINO:

H.R. 8498.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1

The single subject of this legislation is:

This legislation would authorize funds to support the implementation of the Full Speed Ahead infrastructure plan, created by The Maritime Security Infrastructure Council (MSIC) in order to address critical infrastructure needs at the USMMA. Funding would be authorized from FY24–FY34 in the amount of $54 million the first year, and $107,333,333 each subsequent year.

By Mr. GROTHMAN:

H.R. 8499.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8 of the US Constitution

The single subject of this legislation is:

Absentee Ballot Requirements

By Mr. HORSFORD:

H.R. 8500.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1 of the Constitution of the United States

The single subject of this legislation is:

Housing

By Ms. JACOBS:

H.R. 8501.

Congress has the power to enact this legislation pursuant to the following:

Section 8 of Article I of the Constitution

The single subject of this legislation is:

To prohibit the issuance of licenses for the exportation of certain defense articles to the United Arab Emirates until the President certifies to Congress that the UAE is no longer providing materiel support to the Rapid Support Forces in Sudan.

By Ms. KAMLAGER-DOVE:

H.R. 8502.

Congress has the power to enact this legislation pursuant to the following:

This bill is introduced pursuant to the powers granted to Congress under the General Welfare Clause (Art. 1 Sec. 8 Cl. 1), the Commerce Clause (Art. 1 Sec. 8 Cl. 3), and the Necessary and Proper Clause (Art. 1Sec. 8CI. 18).

The single subject of this legislation is:

To increase child protection in the immigration system

By Mr. KELLY of Pennsylvania:

H.R. 8503.

Congress has the power to enact this legislation pursuant to the following:

Article I Section 8

The single subject of this legislation is:

Health

By Ms. MALLIOTAKIS:

H.R. 8504.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8 of the Constitution gives Congress the power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

The single subject of this legislation is:

To amend the Internal Revenue Code of 1986 to establish the critical supply chains reshoring investment tax credit

By Ms. NORTON:

H.R. 8505.

Congress has the power to enact this legislation pursuant to the following:

clause 18 of section 8 of article I of the Constitution.

The single subject of this legislation is:

This bill would give the Federal Motor Carrier Safety Administration more authority to protect consumers from fraud in the interstate transportation of household goods.

By Mr. PASCRELL:

H.R. 8506.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

The single subject of this legislation is.

Taxation

By Mrs. PELTOLA:

H.R. 8507.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

The single subject of this legislation is:

To provide for the designation of areas within which fishing activities carried out using bottom trawls may be carried out.

By Mrs. PELTOLA:

H.R. 8508.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

The single subject of this legislation is:

To amend the Magnuson-Stevens Act to authorize the Bycatch Reduction Engineering Program and establish the Bycatch Mitigation Assistance Fund

By Ms. STRICKLAND:

H.R. 8509.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

The single subject of this legislation is.

This bill would bolster pattern-or-practice investigations into discrimination by police departments, prosecutors, judges, and certain other officials.

By Ms. TOKUDA:

H.R. 8510.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clauses 1 and 18 of the United States Constitution.

The single subject of this legislation is:

Encouraging the use of native plants in National Resource Conservation Service conservation programs.

By Mrs. TORRES of California:

H.R. 8511.

Congress has the power to enact this legislation pursuant to the following:

According to Article 1: Section 8: Clause 18: of the United States Constitution, seen below, this bill falls within the Constitutional Authority of the United States Congress.

Article 1: Section 8: Clause 18: To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers and all other Powers vested by this Constitution in

The single subject of this legislation is:

To direct the Secretary of Defense to submit to Congress a report on transitioning military acquired credentials to the civilian workforce.

By Mr. TURNER:

H.R. 8512.

Congress has the power to enact this legislation pursuant to the following:

Among other powers, those vested in Congress pursuant to Article I, Section 8 to: Provide for the common defense and general welfare for the United States; Regulate commerce; and Make all laws which shall be necessary and proper for carrying into execution Congress's other powers as provided under that Article.

The single subject of this legislation is:

To authorize appropriations for fiscal year 2025 for intelligence and intelligence related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

By Mr. VASQUEZ:

H.R. 8513.

Congress has the power to enact this legislation pursuant to the following:

Article 1, section 8, Clauses 1 and 18 of the United State Constitution, to provide for the general welfare and make all laws necessary and proper to carry out the powers of the Congress.

The single subject of this legislation is:

Tribal nutrition

By Mr. VASQUEZ:

H.R. 8514.

Congress has the power to enact this legislation pursuant to the following:

Article 1, section 8, Clauses 1 and 18 of the United State Constitution, to provide for the general welfare and make all laws necessary and proper to carry out the powers of the Congress. Funding

The single subject of this legislation is:

Veteran Education

By Mr. WALTZ:

H.R. 8515.

Congress has the power to enact this legislation pursuant to the following:

Article I Section 8

The single subject of this legislation is:

This bill enhances the U.S. maritime workforce and industry.

By Mr. GRIFFITH:

H.J. Res. 152.

Congress has the power to enact this legislation pursuant to the following:

Article I Section 8

The single subject of this legislation is.

Congressional disapproval of the Environmental Protection Agency's ''Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; Legacy CCR Surface Impoundments''.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions, as follows:

H.R. 14: Mr. KENNEDY.
H.R. 36: Mr. BACON.
H.R. 38: Mr. CARTER of Texas.
H.R. 211: Mr. GOOD of Virginia.
H.R. 234: Mr. PAPPAS.
H.R. 253: Mr. VASQUEZ.
H.R. 301: Mr. GOOD of Virginia.
H.R. 333: Mr. THOMPSON of Pennsylvania.
H.R. 392: Mr. GOOD of Virginia.
H.R. 396: Mrs. DINGELL.
H.R. 537: Ms. MANNING.
H.R. 756: Ms. CHU.
H.R. 789: Mr. MCGOVERN.
H.R. 838: Mr. DIAZ-BALART.
H.R. 860: Ms. Boebert.
H.R. 902: Ms. PORTER.
H.R. 932: Mr. NADLER.
H.R. 954: Mr. GARAMENDI.
H.R. 994: Ms. CLARKE of New York and Ms. NORTON.
H.R. 1015: Mr. ELLZEY, Ms. MALLIOTAKIS, Ms. DELBENE, and Ms. SLOTKIN.
H.R. 1088: Mr. CROW, Mr. STANTON, and Mr. MCGARVEY.
H.R. 1092: Mr. TONKO.
H.R. 1111: Mr. CARTER of Louisiana.
H.R. 1134: Mr. NADLER.
H.R. 1199: Mr. YAKYM.
H.R. 1321: Mr. KUSTOFF, Mrs. LESKO, Mr. BILIRAKIS, and Mr. RUTHERFORD.
H.R. 1526: Mrs. PELTOLA.
H.R. 1572: Mr. THOMPSON of California, Ms. DELBENE, Mr. MCGARVEY, Mr. BOYLE of Pennsylvania, and Mr. VEASEY.
H.R. 1591: Mr. GOTTHEIMER.
H.R. 1617: Mr. QUIGLEY.
H.R. 1624: Mr. SUOZZI.
H.R. 1638: Mrs. PELTOLA and Ms. NORTON.
H.R. 1666: Ms. NORTON.
H.R. 1668: Mr. SUOZZI.
H.R. 1692: Mr. JOHNSON of Georgia, Mr. CARTER of Louisiana, and Ms. NORTON.
H.R. 1776: Ms. BROWNLEY.
H.R. 1787: Mr. QUIGLEY.
H.R. 1806: Ms. TENNEY and Mr. ARMSTRONG.
H.R. 1822: Mr. LAWLER.
H.R. 1831: Mr. HUFFMAN.
H.R. 2394: Mr. SOTO.
H.R. 2407: Mr. WITTMAN and Mr. CALVERT.
H.R. 2501: Mr. NADLER.
H.R. 2708: Mr. GOLDEN of Maine.
H.R. 2874: Ms. SEWELL.
H.R. 2880: Mr. CARTWRIGHT and Mr. JACKSON of Illinois.
H.R. 2923: Mr. AMO, Mrs. FOUSHEE, and Mr. BOYLE of Pennsylvania.
H.R. 2955: Ms. BALINT.
H.R. 2957: Mr. BACON and Mrs. MCBATH.
H.R. 3086: Ms. NORTON.
H.R. 3112: Ms. TLAIB.
H.R. 3149: Mr. PAPPAS.
H.R. 3170: Ms. KELLY of Illinois.
H.R. 3240: Mr. SCHIFF.
H.R. 3312: Mr. TONKO.
H.R. 3350: Mr. SORENSEN and Ms. MATSUI.
H.R. 3418: Mr. GUTHRIE.
H.R. 3475: Mr. SUOZZI.
H.R. 3481: Mr. SABLAN.
H.R. 3503: Mr. TONKO.
H.R. 3596: Ms. BALINT.
H.R. 3646: Mr. LYNCH.
H.R. 3656: Mr. SUOZZI.
H.R. 3693: Mr. GUTHRIE.
H.R. 3853: Mr. EVANS.
H.R. 3940: Mr. VAN DREW, Mrs. KIM of California, Mr. MORAN, Mr. PANETTA, Mrs. DINGELL, Ms. SALAZAR, Mr. CARBAJAL, Mr. BERA, Mr. DAVID SCOTT of Georgia, Ms. STEVENS, Mr. GREEN of Texas, Ms. PINGREE, and Ms. BROWNLEY.
H.R. 4021: Ms. LOFGREN.
H.R. 4121: Mr. DAVIS of Illinois, Mr. KENNEDY, and Mr. LARSON of Connecticut.
H.R. 4275: Mr. YAKYM.
H.R. 4384: Mr. BACON.
H.R. 4438: Mr. MCHENRY and Mrs. FOUSHEE.
H.R. 4534: Mr. VAN DREW.
H.R. 4563: Mr. NEHLS.
H.R. 4572: Ms. MCCOLLUM, Ms. CRAIG, and Mr. PETERS.
H.R. 4582: Ms. STANSBURY.
H.R. 4646: Ms. NORTON.
H.R. 4731: Ms. WASSERMAN SCHULTZ.
H.R. 4745: Ms. DE LA CRUZ.
H.R. 4896: Mr. BACON.
H.R. 4974: Ms. BLUNT ROCHESTER and Ms. DELBENE.
H.R. 4975: Ms. LOFGREN.
H.R. 5077: Mr. BERA.
H.R. 5275: Mr. FERGUSON.
H.R. 5316: Ms. NORTON.
H.R. 5402: Mr. EVANS.
H.R. 5414: Ms. ROSS and Mr. LANDSMAN.
H.R. 5432: Mr. PASCRELL.
H.R. 5455: Mr. BACON.
H.R. 5480: Mr. EVANS.
H.R. 5526: Ms. ROSS.
H.R. 5530: Ms. BALINT.
H.R. 5577: Mr. RUTHERFORD.
H.R. 5744: Ms. NORTON.
H.R. 5761: Mr. CAREY.
H.R. 5778: Mr. WEBER of Texas.
H.R. 5813: Mrs. FOUSHEE.
H.R. 5840: Mr. SUOZZI and Mr. ROBERT GARCIA of California.
H.R. 6012: Mr. HUFFMAN.
H.R. 6049: Mrs. RAMIREZ.
H.R. 6103: Mr. TONKO and Mr. TORRES of New York.
H.R. 6123: Mr. GUTHRIE.
H.R. 6161: Mr. KRISHNAMOORTHI and Mr. ROGERS of Kentucky.

H.R. 6301: Mr. PAPPAS.
H.R. 6394: Mrs. BEATTY.
H.R. 6433: Ms. BALINT.
H.R. 6487: Mr. VAN DREW.
H.R. 6608: Ms. TITUS.
H.R. 6613: Mr. BACON and Ms. ROSS.
H.R. 6640: Ms. LEE of California.
H.R. 6643: Mr. THANEDAR.
H.R. 6749: Mr. COHEN.
H.R. 6763: Mr. LATURNER.
H.R. 6847: Mr. CLYDE.
H.R. 6881: Ms. TLAIB.
H.R. 6951: Mr. BRECHEEN, Mr. GREEN of Tennessee, Mr. GOOD of Virginia, and Mr. BISHOP of North Carolina.
H.R. 7022: Mrs. RADEWAGEN.
H.R. 7116: Mr. THOMPSON of California.
H.R. 7142: Mr. PASCRELL and Mr. RUTHERFORD.
H.R. 7233: Mrs. KIM of California.
H.R. 7285: Ms. DAVIDS of Kansas.
H.R. 7297: Mr. PETERS and Mr. GREEN of Tennessee.
H.R. 7379: Ms. NORTON.
H.R. 7438: Mr. MEUSER and Mr. ROBERT GARCIA of California.
H.R. 7450: Ms. TENNEY, Mr. MANN, Mr. TONY GONZALES of Texas, and Mr. YAKYM.
H.R. 7469: Mr. MEUSER.
H.R. 7478: Mrs. HOUCHIN.
H.R. 7481: Mr. TONKO.
H.R. 7504: Mr. THOMPSON of Pennsylvania.
H.R. 7539: Mr. SMITH of Nebraska.
H.R. 7661: Mr. GARBARINO.
H.R. 7766: Mr. BERA.
H.R. 7770: Ms. GARCIA of Texas, Mr. SMITH of Nebraska, Ms. LOFGREN, Mr. VARGAS, Mr. KHANNA, Mrs. BEATTY, Mr. HARDER of California, Ms. PORTER, Ms. BUDZINSKI, and Mrs. MCBATH.
H.R. 7771: Ms. GARCIA of Texas and Ms. LOFGREN.
H.R. 7849: Mr. ROBERT GARCIA of California.
H.R. 7891: Mr. DUNCAN, Mrs. HAYES, Mr. DUNN of Florida, and Mr. CASTEN.
H.R. 7894: Mr. THANEDAR, Ms. NORTON, Mr. CLEAVER, Mr. MORELLE, Mr. RASKIN, Ms. STANSBURY, Ms. JAYAPAL, Mr. AMO, and Mrs. NAPOLITANO.
H.R. 7906: Mrs. DINGELL.
H.R. 7909: Mr. NEHLS and Mr. PERRY.
H.R. 7937: Mr. TIMMONS.
H.R. 7940: Mr. BOWMAN.
H.R. 7958: Mr. SUOZZI.
H.R. 7977: Mr. DELUZIO.
H.R. 7999: Mr. FLOOD.
H.R. 8012: Mr. BERGMAN.
H.R. 8055: Mr. KELLY of Mississippi.
H.R. 8057: Mr. RUIZ.
H.R. 8061: Mr. MULLIN.
H.R. 8068: Mrs. LESKO.
H.R. 8076: Ms. ROSS.
H.R. 8093: Mr. IVEY.
H.R. 8098: Mrs. FLETCHER.
H.R. 8114: Mr. CRENSHAW.
H.R. 8141: Mrs. TRAHAN.
H.R. 8164: Mr. HUFFMAN.
H.R. 8193: Mr. HUFFMAN.
H.R. 8208: Mr. MOORE of Alabama.
H.R. 8211: Mrs. FISCHBACH.
H.R. 8212: Mr. LAWLER, Mr. SCHNEIDER, and Mr. KRISHNAMOORTHI.
H.R. 8224: Mr. CLYDE.
H.R. 8247: Ms. WASSERMAN SCHULTZ and Ms. MCCLELLAN.
H.R. 8266: Mr. LYNCH.
H.R. 8268: Mr. GARCÍA of Illinois.
H.R. 8271: Mr. LEVIN.
H.R. 8281: Mr. OWENS, Mr. GOODEN of Texas, Mr. BAIRD, Mr. NORMAN, Mr. BERGMAN, Mr. MORAN, Mr. ROSENDALE, Mr. TIMMONS, and Mr. WEBSTER of Florida.
H.R. 8282: Mr. GROTHMAN, Mr. FITZGERALD, Mr. MOOLENAAR, Mr. HUNT, Mr. FALLON, Mr. JACKSON of Texas, Mr. MOONEY, Mr. GUEST, and Mrs. CHAVEZ-DEREMER.
H.R. 8292: Mr. MORAN.
H.R. 8345: Mr. ARMSTRONG.
H.R. 8349: Ms. NORTON.
H.R. 8354: Mr. GOLDMAN of New York.
H.R. 8368: Mr. PETERS.
H.R. 8371: Mr. BALDERSON and Mrs. BICE.
H.R. 8372: Mr. CLINE.
H.R. 8374: Mr. ROSENDALE.
H.R. 8375: Mrs. NAPOLITANO.
H.R. 8377: Mrs. NAPOLITANO.
H.R. 8390: Mr. KRISHNAMOORTHI, Mr. GOMEZ, Mr. HORSFORD, Mr. COHEN, and Ms. LEE of Pennsylvania.
H.R. 8397: Mr. TRONE.
H.R. 8420: Mr. FITZPATRICK.
H.R. 8421: Mr. MILLS and Mr. RESCHENTHALER.
H.R. 8426: Ms. TLAIB.
H.R. 8434: Ms. DE LA CRUZ.
H.R. 8466: Mr. GARBARINO and Mrs. KIGGANS of Virginia.
H.R. 8483: Mr. RASKIN.
H.R. 8485: Ms. LEE of Pennsylvania, Ms. NORTON, Mr. LYNCH, Mr. KRISHNAMOORTHI, Ms. PORTER, Mr. MOSKOWITZ, and Ms. BROWN.
H.J. Res. 76: Mrs. DINGELL, Mr. MRVAN, and Mr. FOSTER.
H.J. Res. 134: Mr. WILSON of South Carolina, Mr. CLYDE, and Mr. RUTHERFORD.
H.J. Res. 138: Mr. PALMER, Mr. ALLEN, and Mr. MORAN.
H.J. Res. 144: Mr. ALFORD.
H.J. Res. 151: Mr. MANN.
H. Con. Res. 33: Mr. SUOZZI.
H. Res. 643: Mr. GARAMENDI.
H. Res. 702: Mr. THANEDAR.
H. Res. 899: Mr. D'ESPOSITO.
H. Res. 1121: Ms. LEE of Pennsylvania and Mrs. RAMIREZ.
H. Res. 1131: Mr. LAWLER and Mr. NICKEL.
H. Res. 1158: Ms. LOFGREN.
H. Res. 1198: Mr. DOGGETT and Ms. SCHAKOWSKY.
H. Res. 1206: Ms. BONAMICI and Mr. GARAMENDI.
H. Res. 1215: Mr. GOTTHEIMER.
H. Res. 1217: Mr. NICKEL.
H. Res. 1221: Mr. TIFFANY.
H. Res. 1228: Mr. NICKEL.
H. Res. 1246: Mr. D'ESPOSITO and Mr. LAWLER.
H. Res. 1248: Mr. CONNOLLY and Mr. TORRES of New York.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, OR LIMITED TARIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressional earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

The amendment to be offered by Representative OGLES, or a designee, to H.R. 5403 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.