

□ 1310

Mr. PETERS. I continue to reserve the balance of my time.

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

About 2 years ago, the gentleman from Michigan (Mr. PETERS) and I were in Kabul and Kandahar together on a trip.

I remember talking to my Democratic colleague, saying that there must be things that Republicans and Democrats can work together on to solve. We were obviously in a country that was torn apart by differences, but we both had something in common—we were concerned about our constituents; we were concerned about unemployment; and we were concerned about jobs. I think that's true of every Member in this body.

We know that the path to prosperity is jobs and that, if Americans are working, if they're earning, they feel better about themselves and that, if they're losing their jobs, then it's going to be not only a problem for them and their families but for their communities and for their country.

I am happy to report—and I think it's fitting that the gentleman from Michigan would be across the aisle from me managing the time for the minority—that here we are moving four pieces of legislation today, tomorrow, and on Friday, legislation which will create jobs and will do so without government expense. In fact, they'll do so with some marginal savings to the government but with a great savings to those businesses.

This morning—and I don't know that it was a coincidence—the job figures came out. Large corporations lost 1,000 employees last month, but our middle-sized and small businesses created 108,000 jobs. Now, those aren't enough jobs; those aren't enough jobs for the people graduating and going into the workforce, but that's where job creation is coming from in the economy now—from small- and middle-sized businesses, those with under 500 employees particularly, and from that midrange of 50 to 500 employees.

This bill that the gentleman from Connecticut (Mr. HIMES) has brought forward has won bipartisan support because it actually will create jobs in those small community banks and credit unions because it will make their cost of capital less. In a recent survey, 70 percent of small- and middle-sized businesses, those with 500 or fewer employees, said if we had more capital, if we had more funding, we would hire. This is 70 percent. Only 14 percent said they were going to hire. The difference in that number is that the others weren't sure that they could get capital. There are two ways that you obtain capital to create jobs. One is you go and borrow it from a bank, or from an insurance company in some cases, or from someone else. But there is another way, which is by someone willing to invest in your company.

As a small boy, I can remember my father had a business, and before that,

he'd invested with another man in a business. I think that one of the American Dreams is not only owning a house—and that's still an American Dream to own your own home even in the circumstances we've been through—but either to have your own business or to be able to invest in somebody else's business.

The gentleman from Connecticut's legislation will allow that threshold of people who want to invest in a community-based financial institution, and it will encourage those community banks to allow more shareholders, more people, to participate. Yes, they will be participating in the risk, but they'll also be participating in the profit, which is really the American system. When you invest, you take risks, but if things are successful, you profit. That's where the risks and the profits ought to be taken. They shouldn't be taken by the taxpayers involuntarily, and they shouldn't be taken by the government. The government shouldn't take the taxpayers' money and invest in business. It is those taxpayers—our constituents, our citizens—who ought to make the decisions on what companies they want to invest in. We all know community banks are struggling today. It will allow them to attract investors, people who say, "I want to invest in your bank." They may be people who do business with the banks, and will probably be people who live in the community.

This bill will be the first of four bills that we bring forward, and they are going to be successful. They're going to move from the House to the Senate, I'll predict this week, because, as the minority whip, the gentleman from Maryland, said, there is agreement that this is the right thing to do and that we do have an obligation not only to oppose some things but to also be for positive legislation. The House this week will be for something. It will be for job creation. It will be for allowing people to invest. It will be enabling companies to attract that capital and hire people. So we can feel very good about ourselves this week, and it can start with this bill.

This is not a minor piece of legislation, but it's on suspension because it enjoys widespread support, as does the bill tomorrow. As for the two in the following days, we've worked out the differences. The gentleman from Colorado (Mr. PERLMUTTER) had a concern about a bill later this week. He felt like it didn't have enough investor protection. We've addressed that concern and have added his suggestion to the bill.

All four of these bills that will move this week are bipartisan bills. They're not Republican bills, they're not Democratic bills. They're bipartisan bills. I commend the minority whip for speaking out for these bills—I think that bodes well—and I hope the Senate was listening. I also appreciate the gentleman from Connecticut for a bill that really is long overdue. It will imme-

diately allow our community banks to invest and not be dependent on the government for help.

With that, I yield back the balance of my time.

Mr. PETERS. Mr. Speaker, I just want to join in and thank the gentleman from Connecticut for bringing this very commonsense piece of legislation before us. It is essential to bringing capital into our local communities and creating jobs, as Chairman BACHUS mentioned. I also want to thank Chairman BACHUS for his leadership on this issue.

I remember very fondly our trip to Afghanistan. It is nice that we have found common ground and that we are working today in a bipartisan fashion to make sure that our communities are strong and are vibrant and have the tools necessary to create additional jobs.

So, with that, I would certainly encourage my colleagues to support this important piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. SCHWEIKERT) that the House suspend the rules and pass the bill, H.R. 1965, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

□ 1320

#### SMALL COMPANY CAPITAL FORMATION ACT OF 2011

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1070) to amend the Securities Act of 1933 to authorize the Securities and Exchange Commission to exempt a certain class of securities from such Act, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1070

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Company Capital Formation Act of 2011".

#### SEC. 2. AUTHORITY TO EXEMPT CERTAIN SECURITIES.

(a) IN GENERAL.—Section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) is amended—

(1) by striking "(b) The Commission" and inserting the following:

"(b) ADDITIONAL EXEMPTIONS.—

"(1) SMALL ISSUES EXEMPTIVE AUTHORITY.—The Commission"; and

(2) by adding at the end the following:

"(2) ADDITIONAL ISSUES.—The Commission shall by rule or regulation add a class of securities to the securities exempted pursuant

to this section in accordance with the following terms and conditions:

“(A) The aggregate offering amount of all securities offered and sold within the prior 12-month period in reliance on the exemption added in accordance with this paragraph shall not exceed \$50,000,000.

“(B) The securities may be offered and sold publicly.

“(C) The securities shall not be restricted securities within the meaning of the Federal securities laws and the regulations promulgated thereunder.

“(D) The civil liability provision in section 12(a)(2) shall apply to any person offering or selling such securities.

“(E) The issuer may solicit interest in the offering prior to filing any offering statement, on such terms and conditions as the Commission may prescribe in the public interest or for the protection of investors.

“(F) The Commission shall require the issuer to file audited financial statements with the Commission annually.

“(G) Such other terms, conditions, or requirements as the Commission may determine necessary in the public interest and for the protection of investors, which may include—

“(i) a requirement that the issuer prepare and electronically file with the Commission and distribute to prospective investors an offering statement, and any related documents, in such form and with such content as prescribed by the Commission, including audited financial statements, a description of the issuer's business operations, its financial condition, its corporate governance principles, its use of investor funds, and other appropriate matters; and

“(ii) disqualification provisions under which the exemption shall not be available to the issuer or its predecessors, affiliates, officers, directors, underwriters, or other related persons, which shall be substantially similar to the disqualification provisions contained in the regulations adopted in accordance with section 926 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 77d note).

“(3) LIMITATION.—Only the following types of securities may be exempted under a rule or regulation adopted pursuant to paragraph (2): equity securities, debt securities, and debt securities convertible or exchangeable to equity interests, including any guarantees of such securities.

“(4) PERIODIC DISCLOSURES.—Upon such terms and conditions as the Commission determines necessary in the public interest and for the protection of investors, the Commission by rule or regulation may require an issuer of a class of securities exempted under paragraph (2) to make available to investors and file with the Commission periodic disclosures regarding the issuer, its business operations, its financial condition, its corporate governance principles, its use of investor funds, and other appropriate matters, and also may provide for the suspension and termination of such a requirement with respect to that issuer.

“(5) ADJUSTMENT.—Not later than 2 years after the date of enactment of the Small Company Capital Formation Act of 2011 and every 2 years thereafter, the Commission shall review the offering amount limitation described in paragraph (2)(A) and shall increase such amount as the Commission determines appropriate. If the Commission determines not to increase such amount, it shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on its reasons for not increasing the amount.”.

(b) TREATMENT AS COVERED SECURITIES FOR PURPOSES OF NSMIA.—Section 18(b)(4) of the

Securities Act of 1933 (15 U.S.C. 77r(b)(4)) is amended—

(1) in subparagraph (C), by striking “; or” at the end and inserting a semicolon; and

(2) by redesignating subparagraph (D) as subparagraph (E), and inserting after subparagraph (C) the following:

“(D) a rule or regulation adopted pursuant to section 3(b)(2) and such security is—

“(i) offered or sold on a national securities exchange; or

“(ii) offered or sold to a qualified purchaser, as defined by the Commission pursuant to paragraph (3) with respect to that purchase or sale.”.

(c) CONFORMING AMENDMENT.—Section 4(5) of the Securities Act of 1933 is amended by striking “section 3(b)” and inserting “section 3(b)(1)”.

### SEC. 3. STUDY ON THE IMPACT OF STATE BLUE SKY LAWS ON REGULATION A OFFERINGS.

The Comptroller General shall conduct a study on the impact of State laws regulating securities offerings, or “Blue Sky laws”, on offerings made under Regulation A (17 C.F.R. 230.251 et seq.). The Comptroller General shall transmit a report on the findings of the study to the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate not later than 3 months after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentleman from Michigan (Mr. PETERS) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama.

#### GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to add extraneous materials on the bill.

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

There was no objection.

Mr. BACHUS. At this time I would like to yield such time as he may consume to the gentleman from Arizona (Mr. SCHWEIKERT), the main sponsor of this bill.

Mr. SCHWEIKERT. Mr. Speaker, first, I would like to start this with a heartfelt thank you to both SPENCER BACHUS of Alabama, the chairman of the Financial Services Committee, for both his kindness to me as a freshman and also for the guidance he has provided me, and to the gentlewoman from California, who I hope will speak next, who partially helped spearhead this idea and helped us move it forward.

One of the reasons I stand here right now with these boards is just to sort of help get through the concept of this piece of legislation, H.R. 1070. So often around here, we refer to it as the reg A bill. But what does that mean to people? Well, to try to make it as simple as possible, it is when a company has an opportunity to do a filing with the Securities and Exchange Commission for a simplified process to go public. The problem is, in today's world, that's limited to \$5 million. Well, no one is going public at \$5 million.

And we can actually see some of our history of this. This was actually first

done in 1933 when at that time, in the Securities Exchange Act, it was understood that there needed to be a path to go public. Well, at that time, it was \$100,000, and I think 1992 is when it was moved up to \$5 million.

Well, in 19 years, the world has changed a lot. But one of the changes that I consider almost a crisis is the number of our companies that aren't going public anymore. And you're going to see on a couple of these boards here that the fact of the matter is we actually have fewer, substantially fewer companies that are publicly traded today than we did even a decade ago.

Now, the first slide here is somewhat simple. It is just sort of trying to demonstrate how many years we have been sitting here at this \$5 million level, and it's been 19 years. But as we go on to the next board—and I know this is a little busy to try to read. The staff got a little colorful on this one. But what we were trying to point out is that the number of IPOs that are less than \$50 million today are almost nothing.

My understanding is last year we had only three companies—only three companies in the entire country take a look at filing in that \$5 million and under space. And if you actually look from 1995 to 2004, some of the latest data I was able to find from that entire time frame, I think there were only 78 companies that actually pursued this process. Well, in a country our size, this is a crisis, particularly if we're looking for that path of equity, that path of financing, that path of raising capital for these growing companies. This is one of the reasons we stand here with this reg A bill, H.R. 1070.

Let's go on to this next board. And I know this is a little busy. But this is also to try to make the point of what's going on from a competitive standpoint when you look around the world. All those lines, those are other companies that are listing on exchanges, that are becoming publicly traded, that are reaching out to the world and raising capital. Well, you will happen to notice a small problem: the line with the dots, that's us. That's our country. We actually are going in the other direction.

If I remember my numbers here, we actually today have 5,091 publicly traded companies on the big exchanges. So we've got 5,000-some today. In 1997, we had 8,823. Does anyone see the real problem there? Literally in a little over a decade, we've gone down dramatically in the number of publicly listed companies. And my great hope here is, by raising this limit from the \$5 million up to \$50 million—which \$50 million is chosen for quite a reason. That is the minimum threshold for a couple of the large exchanges to be publicly traded. And that's why we're doing this, because we're trying to create jobs, we're trying to move equity, and we're trying to be competitive around the world.

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

The American people need to see our Congress taking meaningful action to help grow our economy. America is tired of too much partisanship out of Washington, and they want to see Republicans and Democrats working together on bipartisan solutions to create jobs and grow American businesses. As Chairman BACHUS said earlier today, this is exactly what we are doing.

But before I go any further, I would like to thank the gentleman from Arizona (Mr. SCHWEIKERT) for introducing H.R. 1070, the Small Company Capital Formation Act, and I would also like to thank the gentleman from Arizona for working across the aisle to ensure that the concerns of both Republicans and Democrats were met in this very commonsense bill.

Mr. Speaker, this bill would permit a small company to raise up to \$50 million through a security offering process that balances both streamlined registration with adequate investor protections. As of right now, the current exemption under the SEC's regulation A is little used due to the small size of issuances permitted. As a result, there were only three offerings last year.

The current offering limit of \$5 million hasn't been raised since 1992, almost 20 years; and it's long past time for us to do something about it. In the last Congress, Democrats sent a letter to the SEC recommending that it raise the exemption limits. Today we can fix this problem by passing this bill.

Additionally, H.R. 1070 would also provide small and medium companies with the ability to offer securities of up to \$50 million publicly without the full cost of a registered offering, potentially expanding their access to capital beyond private offerings that many use.

In the spirit of bipartisanship, Democrats also added important investor protections to this bill, such as requiring companies to provide investors with audited financial statements annually. In addition, Democrats offered investors legal recourse for misstatements companies make in their prospectus documents in order to prevent potential abuses.

Finally, the gentleman from Arizona has also worked with Democrats on the remaining issue of contention, and that was the preemption of State law. The gentleman from Arizona's substitute amendment to H.R. 1070 removes the exemption from State level review that was previously provided to an issuer using a broker-dealer to distribute and issue. Regulation A securities can be high-risk offerings that may also be susceptible to fraud, making protections provided by the State regulators an essential future.

Mr. Speaker, it's clear that we must pass this bipartisan legislation to help our small companies grow and create jobs. I urge adoption of this bill.

I reserve the balance of my time.

Mr. BACHUS. I yield 2 minutes to the gentlelady from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Speaker, small businesses are the engine of the American economy, and our legislation will help to provide the boost that they need to create jobs. When I talk to small business leaders in my district, they consistently cite burdensome government regulations, restrictions, and their difficulty accessing capital as the primary barriers to growth.

□ 1330

Currently, outdated Federal rules dampen both innovation and investment because the cost of regulatory compliance is just too high for the up-and-coming firms. H.R. 1070, the Small Company Capital Formation Act, will help change that.

The subject of this bill, regulation A, was enacted during the Great Depression to help small businesses access financing. However, these rules have not been properly adjusted over time to reflect the rising cost associated with taking a small company public. As a result, regulation A prohibits smaller companies from taking advantage of a crucial capital-raising vehicle.

H.R. 1070 will reopen the capital markets for small businesses, allowing them to invest and hire new employees. This legislation will jump-start the IPO market and revitalize public capital-raising opportunities that have been severely suppressed over the last decade.

At a time when capital is harder to find than ever, this bipartisan, commonsense proposal will make our financial system work to the benefit of small businesses and promote greater competition in the marketplace.

I thank the gentleman from Arizona for his hard work on this legislation, and I ask my colleagues for their support.

Mr. BACHUS. Mr. Speaker, I yield myself 1 minute.

Earlier I said that the American citizens, our American citizens, would like to see Republicans and Democrats work together to tackle the challenges facing our country, and this bill is a great example of that. Congresswoman ANNA ESHOO from California introduced this bill, along with my colleague Mr. SCHWEIKERT from Arizona, and they are meeting that challenge. As I said, it's a bipartisan effort. I know she deserves much credit for this legislation.

I reserve the balance of my time.

Mr. PETERS. I certainly appreciate the comments of the chairman.

Mr. Speaker, I yield 2 minutes to the gentlelady from California (Ms. ESHOO), who has been an incredible leader on this issue.

Ms. ESHOO. I thank the gentleman from Michigan for yielding time, and I want to thank my Republican colleagues for both what they are doing today on the floor and for what you have said.

These are really difficult economic times for the people in our country,

and that's why it's so critical for Congress to bolster American innovation. That, in my view, is really what this legislation is about. It's an important way to facilitate capital formation, which is really one of the important pillars of our national economy, capital formation. I know how important this is for small businesses because my congressional district, which is Silicon Valley, is the innovation hub of our Nation and it thrives on capital formation.

In December of last year, almost a year ago, I came to the Financial Services Committee at the invitation of then-Chairman BARNEY FRANK, and I want to recognize and thank him today for what he did then, as well as the present chairman, Chairman BACHUS, urging the committee to renovate essentially regulation A, which was created, as others have said, during the Great Depression to facilitate the flow of capital into small businesses. It's really quite extraordinary that FDR and Members of Congress in 1933 recognized the importance of capital formation at that time, and we have honored that since then.

Now, reg A was established as a part of the 1933 Securities Act, and it was designed to provide regulatory relief for small firms that want to sell shares of company stock.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. PETERS. I yield the gentlelady 1 additional minute.

Ms. ESHOO. These many offerings have been used to help small companies raise capital and test the waters for IPOs, initial public offerings. Unfortunately, the regulation A threshold became stuck, as others said, at a 1992 level of \$5 million. At that low level, the benefit of a regulation A offering is extremely limited. In fact, only three companies, as has been said this afternoon, have taken advantage of it in 2010. So this threshold, the \$5 million threshold, falls far short of what companies need to develop the cutting-edge technologies in today's economy. It's outdated. It fails to serve its intended purpose, and it's why this legislation is needed and why I'm so pleased that, on a bipartisan basis, we are taking action today.

We need to raise the initial public offering limit to help provide capital to small businesses.

The SPEAKER pro tempore. The time of the gentlewoman has again expired.

Mr. PETERS. I yield the gentlelady an additional minute.

Ms. ESHOO. Very importantly, we look forward to spurring hiring and business development. That's what we are here for, and I think it's what the American people want us to do.

I'm proud to be a cosponsor of H.R. 1070, to raise the regulation offering limit from \$5 million to \$50 million, once again creating a meaningful offering limit. What better time than now when our economy needs this important boost.

So I thank the chairman of the full committee. I thank the ranking member. I thank my colleague from Michigan, and I thank the gentleman from Arizona for his very kind words, and I urge all of our colleagues to support this. I think when we do later on today, it will be a source of pride and encouragement to the American people.

Mr. BACHUS. Mr. Speaker, I yield myself the balance of my time.

You've heard from a member of the Commerce Committee, Ms. ESHOO, who I think said it well when she said that we're modernizing, we're updating a rule which had come to restrict job growth.

Secondly, she mentioned technology. We know that small businesses are the innovators. In fact, you look at Google, you look at Apple, you look at Facebook, these companies just in the past two or three decades started off as small businesses and they were able to grow. With the passage of this legislation, we believe that path will be an easier path. Sixty-five percent of the jobs created over the last 15 years have been in small business. As every speaker has acknowledged, if there is a time to encourage job creation and capital formation, that time is here.

I urge the Members to vote in favor of this legislation, and I yield back the balance of my time.

Mr. PETERS. Mr. Speaker, I want to thank my friends Mr. SCHWEIKERT and Ms. ESHOO for their work on this bipartisan bill to help small companies grow and expand. As we all know, the American people want to see Congress working together to strengthen our economy and to create jobs. This bill will help companies access the capital they need to pull our Nation out from these tough economic times and put Americans back to work.

Additionally, this bill provides the necessary protections investors need to have in order to ensure that they will not be subjected to potential abuses.

Mr. Speaker, I urge my colleagues to vote for H.R. 1070, a commonsense, bipartisan bill to improve our economy, and I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in support of the Small Company Capital Formation Act, which will help restore the purpose of the "Regulation A" exemption that was designed to make it easier for growing small businesses to access capital.

It is critical that we ensure that innovative, growing small companies have access to the capital that they need to continue to grow and hire, because these companies play such an important role in our economy.

Regulation A offers these small companies a unique chance to raise money through small offerings under a streamlined and less costly registration process. This opportunity is especially important in today's economy, in which access to capital has been greatly reduced as many banks hesitate to lend.

Unfortunately, in recent years, few companies have been able to take advantage of the Regulation A exemption because the offering

limit of \$5 million is too low and has not been updated in the last 30 years.

In fact, there have only been an average of eight filings per year under the exemption in recent years.

By increasing the offering limit, this bill will ensure that more growing companies can take advantage of Regulation A in order to access the capital that they need to expand and thrive.

I'm glad that this bill has come to the floor in a bipartisan way. This proposal is an important component of President Obama's American Jobs Act and has the potential to benefit small businesses across the country. It is the sort of commonsense solution that both parties should be able to agree on.

I particularly want to thank the rest of the San Francisco Bay Area delegation, as we have been working since early last year to enact this long-needed change.

Once again, I urge my colleagues to support this bill.

Mr. DINGELL. Mr. Speaker, I rise in opposition to H.R. 1070, the Small Company Capital Formation Act, and H.R. 1965, the Increase Shareholder Threshold for SEC Registration Act. While I applaud the bipartisan efforts of my colleagues to help small businesses grow and create jobs, the sting of the effects of financial deregulation is still too strong to allow me to support these bills.

With respect to H.R. 1070, I note that Congress has raised the Securities and Exchange Commission's Regulation A threshold five times. Each time, however, was a modest increase that was in my mind relative to the rate of inflation and the purchasing power of the dollar. H.R. 1070 would mandate an unprecedented tenfold increase in the current threshold of \$5 million to \$50 million. Such an increase strikes me as grotesquely large, especially since inflation has risen only 165 percent since 1980, and in my view constitutes a tremendous incitement to perpetrate fraud on investors.

I take a dimmer view of H.R. 1965, which increases the number of shareholders a bank can have before having to register with the SEC. Under current law, that number is 500, and H.R. 1965 would increase it four times to 2,000. I am not at all satisfied this increase is justified and furthermore consider it a sly way to skirt federal reporting requirements that are in place to protect the American public.

Mr. Speaker, I share my colleagues' concern that not enough jobs are being created and that Congress must take swift action. Where I part ways with them is voting for seemingly innocuous measures like these that unfortunately will decrease transparency for investors and create incentives for all manner of financial rascality.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and pass the bill, H.R. 1070, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further pro-

ceedings on this question will be postponed.

□ 1340

# VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2011

Mr. MILLER of Florida. Mr. Speaker, I move to suspend the rules and pass the bill (S. 894) to amend title 38, United States Code, to provide for an increase, effective December 1, 2011, in the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 894

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 2011".

## SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

(a) RATE ADJUSTMENT.—Effective on December 1, 2011, the Secretary of Veterans Affairs shall increase, in accordance with subsection (c), the dollar amounts in effect on November 30, 2011, for the payment of disability compensation and dependency and indemnity compensation under the provisions specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) WARTIME DISABILITY COMPENSATION.—Each of the dollar amounts under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount under section 1162 of such title.

(4) DEPENDENCY AND INDEMNITY COMPENSATION TO SURVIVING SPOUSE.—Each of the dollar amounts under subsections (a) through (d) of section 1311 of such title.

(5) DEPENDENCY AND INDEMNITY COMPENSATION TO CHILDREN.—Each of the dollar amounts under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF INCREASE.—

(1) PERCENTAGE.—Except as provided in paragraph (2), each dollar amount described in subsection (b) shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2011, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(2) ROUNDING.—Each dollar amount increased under paragraph (1), if not a whole dollar amount, shall be rounded to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary of Veterans Affairs may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons under section 10 of Public Law 85-857 (72 Stat. 1263) who have not received compensation under chapter 11 of title 38, United States Code.

(e) PUBLICATION OF ADJUSTED RATES.—The Secretary of Veterans Affairs shall publish