lifetime to make our country great, and we will not break our promise that Medicare will be there for them in their retirements. Medicare is at the core of our social compact. It is at the heart of what has made our Nation strong. We must not turn Medicare into a voucher program. We will not—we must not—balance our budget on the backs of our seniors.

JOBS AND THE TRANSPORTATION BILL

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

Mr. LANGEVIN. Madam Speaker, I rise today in support of the bipartisan, Senate-passed highway transportation reauthorization bill, or MAP–21.

We all know, in this global economy in which we now live, in order to truly be competitive we need to have a 21st century infrastructure to match a 21st century economy, but we're not there. Our Nation right now, of course, is facing a fragile economic recovery. Nowhere is that more apparent than in my home State of Rhode Island, which currently has an unemployment rate of 11 percent.

MAP–21 will help rebuild America's economy on a stronger, more sustainable foundation. It will provide the financing for critical highway and transit projects, and it will support almost 2 million jobs—9,000 of them right in my home State of Rhode Island. The failure to pass a long-term transportation bill could result in additional job losses, threatening our economic recovery and countless families who are barely getting by as it is.

The Senate has done its job. Now it is time for the House to do the same. Let's bring MAP–21 to a vote and move forward on the path to rebuilding our roads, our communities, and our economy.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mrs. MILLER of Michigan) laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 27, 2012.

Hon. JOHN A. BOEHNER,
The Speaker, U.S. Capitol, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on March 27, 2012 at 9:15 a.m.:

That the Senate agreed to without amendment H. Con. Res. 108.

Appointments:

United States Commission on International Religious Freedom.

With best wishes, I am

Sincerely,

KAREN L. HAAS,
Clerk.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Any record vote on the postponed question will be taken later today.

JUMPSTART OUR BUSINESS STARTUPS ACT

Mr. BACHUS. Madam Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 3606) to increase American job creation and economic growth by improving access to the public capital markets for emerging growth companies.

The Clerk read the title of the bill.

The text of the Senate amendment is as follows:

Senate amendment:

Strike title III and insert the following:

TITLE III—CROWDFUNDING

SEC. 301. SHORT TITLE.

This title may be cited as the ''Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure Act of 2012'' or the ''CROWDFUND Act''.

SEC. 302. CROWDFUNDING EXEMPTION.

(a) SECURITIES ACT OF 1933.—Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end the following:

''(6) transactions involving the offer or sale of securities by an issuer (including all entities controlled by or under common control with the issuer), provided that—

''(A) the aggregate amount sold to all investors by the issuer, including any amount sold in reliance on the exemption provided under this paragraph during the 12-month period preceding the date of such transaction, is not more than $1,000,000;

''(B) the aggregate amount sold to any investor by an issuer, including any amount sold in reliance on the exemption provided under this paragraph during the 12-month period preceding the date of such transaction, does not exceed—

''(i) the greater of $2,000 or 5 percent of the annual income or net worth of such investor, as applicable, if either the annual income or the net worth of the investor is less than $100,000; and

''(ii) 10 percent of the annual income or net worth of such investor, as applicable, not to exceed a maximum aggregate amount sold of $100,000, if either the annual income or net worth of the investor is equal to or more than $100,000;

''(C) the transaction is conducted through a broker or funding portal that complies with the requirements of section 4A(a); and

''(D) the issuer complies with the requirements of section 4A(b).''.

(b) REQUIREMENTS TO QUALIFY FOR CROWDFUNDING EXEMPTION.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended by inserting after section 4 the following:

''SEC. 4A. REQUIREMENTS WITH RESPECT TO CERTAIN SMALL TRANSACTIONS.

''(a) REQUIREMENTS ON INTERMEDIARIES.—A person acting as an intermediary in a transaction involving the offer or sale of securities for the account of others pursuant to section 4(6) shall—

''(1) register with the Commission as—

''(A) a broker; or

''(B) a funding portal (as defined in section 3(a)(80) of the Securities Exchange Act of 1934);

''(2) register with any applicable self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934);

''(3) provide such disclosures, including disclosures related to risks and other investor education materials, as the Commission shall, by rule, determine appropriate;

''(4) ensure that each investor—

''(A) reviews investor-education information, in accordance with standards established by the Commission, by rule;

''(B) positively affirms that the investor understands that the investor is risking the loss of the entire investment, and that the investor could bear such a loss; and

''(C) answers questions demonstrating—

''(i) an understanding of the level of risk generally applicable to investments in startups, emerging businesses, and small issuers;

''(ii) an understanding of the risk of illiquidity; and

''(iii) an understanding of such other matters as the Commission determines appropriate, by rule;

''(5) take such measures to reduce the risk of fraud with respect to such transactions, as established by the Commission, by rule, including obtaining a background and securities enforcement regulatory history check on each officer, director, and person holding more than 20 percent of the outstanding equity of every issuer whose securities are offered by such person;

''(6) not later than 21 days prior to the first day on which securities are sold to any investor (or such other period as the Commission may establish), make available to the Commission and to potential investors any information provided by the issuer pursuant to subsection (b);

''(7) ensure that all offering proceeds are only provided to the issuer when the aggregate capital raised from all investors is equal to or greater than a target offering amount, and allow all investors to cancel their commitments to invest, as the Commission shall, by rule, determine appropriate;

''(8) make such efforts as the Commission determines appropriate, by rule, to ensure that no investor in a 12-month period has purchased securities offered pursuant to section 4(6) that, in the aggregate, from all issuers, exceed the investment limits set forth in section 4(6)(B);

''(9) take such steps to protect the privacy of information collected from investors as the Commission shall, by rule, determine appropriate;

''(10) not compensate promoters, finders, or lead generators for providing the broker or funding portal with the personal identifying information of any potential investor;

''(11) prohibit its directors, officers, or partners (or any person occupying a similar status or performing a similar function) from having any financial interest in an issuer using its services; and

''(12) meet such other requirements as the Commission may, by rule, prescribe, for the protection of investors and in the public interest.

''(b) REQUIREMENTS FOR ISSUERS.—For purposes of section 4(6), an issuer who offers or sells securities shall—

''(1) file with the Commission and provide to investors and the relevant broker or funding portal, and make available to potential investors—

''(A) the name, legal status, physical address, and website address of the issuer;

''(B) the names of the directors and officers (and any persons occupying a similar status or performing a similar function), and each person holding more than 20 percent of the shares of the issuer;

''(C) a description of the business of the issuer and the anticipated business plan of the issuer;

''(D) a description of the financial condition of the issuer, including, for offerings that, together with all other offerings of the issuer

under section 4(6) within the preceding 12-month period, have, in the aggregate, target offering amounts of—

''(i) $100,000 or less—

''(I) the income tax returns filed by the issuer for the most recently completed year (if any); and

''(II) financial statements of the issuer, which shall be certified by the principal executive officer of the issuer to be true and complete in all material respects;

''(ii) more than $100,000, but not more than $500,000, financial statements reviewed by a public accountant who is independent of the issuer, using professional standards and procedures for such review or standards and procedures established by the Commission, by rule, for such purpose; and

''(iii) more than $500,000 (or such other amount as the Commission may establish, by rule), audited financial statements;

''(E) a description of the stated purpose and intended use of the proceeds of the offering sought by the issuer with respect to the target offering amount;

''(F) the target offering amount, the deadline to reach the target offering amount, and regular updates regarding the progress of the issuer in meeting the target offering amount;

''(G) the price to the public of the securities or the method for determining the price, provided that, prior to sale, each investor shall be provided in writing the final price and all required disclosures, with a reasonable opportunity to rescind the commitment to purchase the securities;

''(H) a description of the ownership and capital structure of the issuer, including—

''(i) terms of the securities of the issuer being offered and each other class of security of the issuer, including how such terms may be modified, and a summary of the differences between such securities, including how the rights of the securities being offered may be materially limited, diluted, or qualified by the rights of any other class of security of the issuer;

''(ii) a description of how the exercise of the rights held by the principal shareholders of the issuer could negatively impact the purchasers of the securities being offered;

''(iii) the name and ownership level of each existing shareholder who owns more than 20 percent of any class of the securities of the issuer;

''(iv) how the securities being offered are being valued, and examples of methods for how such securities may be valued by the issuer in the future, including during subsequent corporate actions; and

''(v) the risks to purchasers of the securities relating to minority ownership in the issuer, the risks associated with corporate actions, including additional issuances of shares, a sale of the issuer or of assets of the issuer, or transactions with related parties; and

''(I) such other information as the Commission may, by rule, prescribe, for the protection of investors and in the public interest;

''(2) not advertise the terms of the offering, except for notices which direct investors to the funding portal or broker;

''(3) not compensate or commit to compensate, directly or indirectly, any person to promote its offerings through communication channels provided by a broker or funding portal, without taking such steps as the Commission shall, by rule, require to ensure that such person clearly discloses the receipt, past or prospective, of such compensation, upon each instance of such promotional communication;

''(4) not less than annually, file with the Commission and provide to investors reports of the results of operations and financial statements of the issuer, as the Commission shall, by rule, determine appropriate, subject to such exceptions and termination dates as the Commission may establish, by rule; and

''(5) comply with such other requirements as the Commission may, by rule, prescribe, for the protection of investors and in the public interest.

''(c) LIABILITY FOR MATERIAL MISSTATEMENTS AND OMISSIONS.—

''(1) ACTIONS AUTHORIZED.—

''(A) IN GENERAL.—Subject to paragraph (2), a person who purchases a security in a transaction exempted by the provisions of section 4(6) may bring an action against an issuer described in paragraph (2), either at law or in equity in any court of competent jurisdiction, to recover the consideration paid for such security with interest thereon, less the amount of any income received thereon, upon the tender of such security, or for damages if such person no longer owns the security.

''(B) LIABILITY.—An action brought under this paragraph shall be subject to the provisions of section 12(b) and section 13, as if the liability were created under section 12(a)(2).

''(2) APPLICABILITY.—An issuer shall be liable in an action under paragraph (1), if the issuer—

''(A) by the use of any means or instruments of transportation or communication in interstate commerce or of the mails, by any means of any written or oral communication, in the offering or sale of a security in a transaction exempted by the provisions of section 4(6), makes an untrue statement of a material fact or omits to state a material fact required to be stated or necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading, provided that the purchaser did not know of such untruth or omission; and

''(B) does not sustain the burden of proof that such issuer did not know, and in the exercise of reasonable care could not have known, of such untruth or omission.

''(3) DEFINITION.—As used in this subsection, the term 'issuer' includes any person who is a director or partner of the issuer, and the principal executive officer or officers, principal financial officer, and controller or principal accounting officer of the issuer (and any person occupying a similar status or performing a similar function) that offers or sells a security in a transaction exempted by the provisions of section 4(6), and any person who offers or sells the security in such offering.

''(d) INFORMATION AVAILABLE TO STATES.—The Commission shall make, or shall cause to be made by the relevant broker or funding portal, the information described in subsection (b) and such other information as the Commission, by rule, determines appropriate, available to the securities commission (or any agency or office performing like functions) of each State and territory of the United States and the District of Columbia.

''(e) RESTRICTIONS ON SALES.—Securities issued pursuant to a transaction described in section 4(6)—

''(1) may not be transferred by the purchaser of such securities during the 1-year period beginning on the date of purchase, unless such securities are transferred—

''(A) to the issuer of the securities;

''(B) to an accredited investor;

''(C) as part of an offering registered with the Commission; or

''(D) to a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance, in the discretion of the Commission; and

''(2) shall be subject to such other limitations as the Commission shall, by rule, establish.

''(f) APPLICABILITY.—Section 4(6) shall not apply to transactions involving the offer or sale of securities by any issuer that—

''(1) is not organized under and subject to the laws of a State or territory of the United States or the District of Columbia;

''(2) is subject to the requirement to file reports pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934;

''(3) is an investment company, as defined in section 3 of the Investment Company Act of 1940, or is excluded from the definition of investment company by section 3(b) or section 3(c) of that Act; or

''(4) the Commission, by rule or regulation, determines appropriate.

''(g) RULE OF CONSTRUCTION.—Nothing in this section or section 4(6) shall be construed as preventing an issuer from raising capital through methods not described under section 4(6).

''(h) CERTAIN CALCULATIONS.—

''(1) DOLLAR AMOUNTS.—Dollar amounts in section 4(6) and subsection (b) of this section shall be adjusted by the Commission not less frequently than once every 5 years, by notice published in the Federal Register to reflect any change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.

''(2) INCOME AND NET WORTH.—The income and net worth of a natural person under section 4(6)(B) shall be calculated in accordance with any rules of the Commission under this title regarding the calculation of the income and net worth, respectively, of an accredited investor.''.

(c) RULEMAKING.—Not later than 270 days after the date of enactment of this Act, the Securities and Exchange Commission (in this title referred to as the ''Commission'') shall issue such rules as the Commission determines may be necessary or appropriate for the protection of investors to carry out sections 4(6) and section 4A of the Securities Act of 1933, as added by this title. In carrying out this section, the Commission shall consult with any securities commission (or any agency or office performing like functions) of the States, any territory of the United States, and the District of Columbia, which seeks to consult with the Commission, and with any applicable national securities association.

(d) DISQUALIFICATION.—

(1) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Commission shall, by rule, establish disqualification provisions under which—

(A) an issuer shall not be eligible to offer securities pursuant to section 4(6) of the Securities Act of 1933, as added by this title; and

(B) a broker or funding portal shall not be eligible to effect or participate in transactions pursuant to that section 4(6).

(2) INCLUSIONS.—Disqualification provisions required by this subsection shall—

(A) be substantially similar to the provisions of section 230.262 of title 17, Code of Federal Regulations (or any successor thereto); and

(B) disqualify any offering or sale of securities by a person that—

(i) is subject to a final order of a State securities commission (or an agency or officer of a State performing like functions), a State authority that supervises or examines banks, savings associations, or credit unions, a State insurance commission (or an agency or officer of a State performing like functions), an appropriate Federal banking agency, or the National Credit Union Administration, that—

(I) bars the person from—

(aa) association with an entity regulated by such commission, authority, agency, or officer;

(bb) engaging in the business of securities, insurance, or banking; or

(cc) engaging in savings association or credit union activities; or

(II) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct within the 10-year period ending on the date of the filing of the offer or sale; or

(ii) has been convicted of any felony or misdemeanor in connection with the purchase or sale of any security or involving the making of any false filing with the Commission.

SEC. 303. EXCLUSION OF CROWDFUNDING INVESTORS FROM SHAREHOLDER CAP.

(a) EXEMPTION.—Section 12(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(g)) is amended by adding at the end the following:

''(6) EXCLUSION FOR PERSONS HOLDING CERTAIN SECURITIES.—The Commission shall, by rule, exempt, conditionally or unconditionally, securities acquired pursuant to an offering made under section 4(6) of the Securities Act of 1933 from the provisions of this subsection.''.

(b) RULEMAKING.—The Commission shall issue a rule to carry out section 12(g)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c), as added by this section, not later than 270 days after the date of enactment of this Act.

SEC. 304. FUNDING PORTAL REGULATION.

(a) EXEMPTION.—

(1) IN GENERAL.—Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following:

''(h) LIMITED EXEMPTION FOR FUNDING PORTALS.—

''(1) IN GENERAL.—The Commission shall, by rule, exempt, conditionally or unconditionally, a registered funding portal from the requirement to register as a broker or dealer under section 15(a)(1), provided that such funding portal—

''(A) remains subject to the examination, enforcement, and other rulemaking authority of the Commission;

''(B) is a member of a national securities association registered under section 15A; and

''(C) is subject to such other requirements under this title as the Commission determines appropriate under such rule.

''(2) NATIONAL SECURITIES ASSOCIATION MEMBERSHIP.—For purposes of sections 15(b)(8) and 15A, the term 'broker or dealer' includes a funding portal and the term 'registered broker or dealer' includes a registered funding portal, except to the extent that the Commission, by rule, determines otherwise, provided that a national securities association shall only examine for and enforce against a registered funding portal rules of such national securities association written specifically for registered funding portals.''.

(2) RULEMAKING.—The Commission shall issue a rule to carry out section 3(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78c), as added by this subsection, not later than 270 days after the date of enactment of this Act.

(b) DEFINITION.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following:

''(80) FUNDING PORTAL.—The term 'funding portal' means any person acting as an intermediary in a transaction involving the offer or sale of securities for the account of others, solely pursuant to section 4(6) of the Securities Act of 1933 (15 U.S.C. 77d(6)), that does not—

''(A) offer investment advice or recommendations;

''(B) solicit purchases, sales, or offers to buy the securities offered or displayed on its website or portal;

''(C) compensate employees, agents, or other persons for such solicitation or based on the sale of securities displayed or referenced on its website or portal;

''(D) hold, manage, possess, or otherwise handle investor funds or securities; or

''(E) engage in such other activities as the Commission, by rule, determines appropriate.''.

SEC. 305. RELATIONSHIP WITH STATE LAW.

(a) IN GENERAL.—Section 18(b)(4) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following:

''(C) section 4(6);''.

(b) CLARIFICATION OF THE PRESERVATION OF STATE ENFORCEMENT AUTHORITY.—

(1) IN GENERAL.—The amendments made by subsection (a) relate solely to State registration, documentation, and offering requirements, as described under section 18(a) of Securities Act of 1933 (15 U.S.C. 77r(a)), and shall have no impact or limitation on other State authority to take enforcement action with regard to an issuer, funding portal, or any other person or entity using the exemption from registration provided by section 4(6) of that Act.

(2) CLARIFICATION OF STATE JURISDICTION OVER UNLAWFUL CONDUCT OF FUNDING PORTALS AND ISSUERS.—Section 18(c)(1) of the Securities Act of 1933 (15 U.S.C. 77r(c)(1)) is amended by striking ''with respect to fraud or deceit, or unlawful conduct by a broker or dealer, in connection with securities or securities transactions.'' and inserting the following: '', in connection with securities or securities transactions

''(A) with respect to—

''(i) fraud or deceit; or

''(ii) unlawful conduct by a broker or dealer; and

''(B) in connection to a transaction described under section 4(6), with respect to—

''(i) fraud or deceit; or

''(ii) unlawful conduct by a broker, dealer, funding portal, or issuer.''.

(c) NOTICE FILINGS PERMITTED.—Section 18(c)(2) of the Securities Act of 1933 (15 U.S.C. 77r(c)(2)) is amended by adding at the end the following:

''(F) FEES NOT PERMITTED ON CROWDFUNDED SECURITIES.—Notwithstanding subparagraphs (A), (B), and (C), no filing or fee may be required with respect to any security that is a covered security pursuant to subsection (b)(4)(B), or will be such a covered security upon completion of the transaction, except for the securities commission (or any agency or office performing like functions) of the State of the principal place of business of the issuer, or any State in which purchasers of 50 percent or greater of the aggregate amount of the issue are residents, provided that for purposes of this subparagraph, the term 'State' includes the District of Columbia and the territories of the United States.''.

(d) FUNDING PORTALS.—

(1) STATE EXEMPTIONS AND OVERSIGHT.—Section 15(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(i)) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) FUNDING PORTALS.—

''(A) LIMITATION ON STATE LAWS.—Except as provided in subparagraph (B), no State or political subdivision thereof may enforce any law, rule, regulation, or other administrative action against a registered funding portal with respect to its business as such.

''(B) EXAMINATION AND ENFORCEMENT AUTHORITY.—Subparagraph (A) does not apply with respect to the examination and enforcement of any law, rule, regulation, or administrative action of a State or political subdivision thereof in which the principal place of business of a registered funding portal is located, provided that such law, rule, regulation, or administrative action is not in addition to or different from the requirements for registered funding portals established by the Commission.

''(C) DEFINITION.—For purposes of this paragraph, the term 'State' includes the District of Columbia and the territories of the United States.''.

(2) STATE FRAUD AUTHORITY.—Section 18(c)(1) of the Securities Act of 1933 (15 U.S.C. 77r(c)(1)) is amended by striking ''or dealer'' and inserting '', dealer, or funding portal''.

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

The Chair recognizes the gentleman from Alabama.

GENERAL LEAVE

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

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

There was no objection.

□ 1230

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

I rise in strong support of the JOBS Act and urge the House to approve this bill today so that we can send it to the President for his immediate signature. The President has indicated that he strongly supports the legislation.

The JOBS Act is a victory for unemployed Americans who are literally crying out for more jobs. It is a victory for small companies and for entrepreneurs who want Washington to reduce the red tape that stifles innovation, economic growth, and job creation. The JOBS Act will do exactly what its title says, jump-start our economy by creating new job opportunities for America's start-up companies and small businesses. And I would like to introduce into the RECORD some statistics on the number of jobs created by new companies.

As chairman of the Financial Services Committee, I am proud that the JOBS Act is comprised of six pieces of legislation that originated in our committee and received overwhelming bipartisan support. In fact, managing this bill for the minority is the gentleman from Connecticut, who was the sponsor of one of those six bills; and I commend Mr. HIMES for his work on all of these bills. The JOBS Act is proof that Republicans and Democrats can come together to find common ground, work together, and offer legislation that will help small businesses. Small businesses are the growth engine of our economy.

A study between 1985 and 2005 found that 96 percent of the jobs created at new companies are created within 5 years of an IPO, and this will give those companies who want to offer an IPO the opportunity to do so at a much reduced cost.

Nearly 65 percent of new jobs traditionally are created by small businesses. Now, that's not the case in this economic recovery. Almost all the job growth has come from large corporations, which is really the opposite of what you normally see. Small businesses have not been created and have not been growing as they should, and there are two reasons for that: one is regulation. These regulations are costly; they're time consuming; and they're simply inhibiting the growth of small businesses. The second reason is a lack of capital.

Now, there are two ways traditionally to raise capital. One is to go to a bank, a lending institution, and ask for a loan. Well, because of tighter lending standards, these new companies don't have a track record, so they don't have

a record of generating profits. Many of them are offering new services, new products that have not really found a market or have a small market. And there is a risk involved. So when banks turn those companies down, the other path is for someone to invest in those companies; and that is exactly what that bill does. It offers those companies an opportunity to receive investments, capital investments from individuals who want to participate not only in the risk but in the reward.

With the JOBS Act, start-up companies—like those at the Innovation Depot in Birmingham, Alabama, where there are several start-up companies with new products, new services—the JOBS Act will allow those companies and companies throughout the United States, people with new ideas, new services, new products, like a Google of the future or an eBay or an Amazon. Take those companies, they didn't exist 20 years ago. Now they're the fastest-growing companies in America. There are other Googles, there are other eBays, there are other Amazons, there are other Costcos, there are other Chick-fil-A's that are just waiting to come to market.

And for that reason, I want to commend the Senate, and I want to thank the sponsors of this legislation. Finally, I want to salute this House for coming together when it counted to address the lack of growth in jobs in our small businesses.

There are some signs that hiring is coming back at larger companies, but not at our small businesses and startup companies. There are 2 main reasons for that The first is regulation—which has a bigger impact on small companies than large companies. The second is capital—it is harder for business startups to get traditional bank financing so they have to rely more on investors and capital markets for financing. The JOBS Act will make it easier for them to access capital, locate investors and go public.

This bill is designed specially to help the type of small business startups and emerging growth companies that you find at places like the Innovation Depot.

We know that small business is the growth engine of our economy. Nearly 65 percent of all new jobs created over the last 15 years were created by small businesses. Yet today, many small companies find it hard to obtain the investments and the financing they need to expand their operations and create jobs. That's why Congress mist cut the red tape that prevent many startup companies from raising capital and going public. The JOBS Act removes some of the unnecessary and outdated government barriers to capital formation—so entrepreneurs have more freedom to access capital, hire workers and grow their businesses.

We need to do everything we can to ensure that America remains a country of opportunity, where jobs are created and small businesses flourish without being stifled by costly and unnecessary red tape. The JOBS Act will help foster an environment that allows our small businesses, startups and entrepreneurs to raise the capital needed to get job creation going again.

I'm proud that all 6 bills that make up the JOBS Act originated in the Financial Services Committee and that all 6 received overwhelming, strong bipartisan support. It shows that Republicans and Democrats CAN find common ground and work together when it comes to helping America's small businesses.

Companies obtain capital through either borrowing, from places like community banks, or through equity financing.

Equity financing, in which investors purchase ownership stakes in a company in exchange for a share of the company's future profit, allows companies to obtain funds without having to repay specific amounts at particular times.

The tightening of credit has made equity financing all the more important as a means of providing small companies with the capital they need to grow and create jobs.

The JOBS Act will make it easier for small companies to access capital through both the public and private markets, which will facilitate economic growth and job creation. For example:

Title 3 of the bill will allow what is known as "crowdfunding"—which will allow groups of investors to pool money, typically comprised of very small individual contributions, to support an effort such as growing a new company like those that are found at the Innovation Depot. Investments would be limited to an amount equal to or less than the lesser of $10,000 or 10 percent of the investor's annual income. Before the JOBS Act, the SEC had outdated regulations that prohibited this type of investment.

Title 1 of the JOBS Act will provide smaller to mid-sized private companies with temporary exemptions from several government regulations, who could go public and raise capital needed to expand their business but for the expense associated with complying with them. These companies will have up to a five year timeframe to be on an "On Ramp" to comply with certain regulatory requirements (Section 404(b) of Sarbanes-Oxley or 953(b) of the Dodd-Frank Act). This "On-Ramp" status is designed to be temporary and transitional, encouraging small companies to go public but ensuring they transition to full compliance over time or as they grow large enough to have the resources to sustain the type of compliance infrastructure associated with more mature enterprises. A task force put together to study how to help smaller companies found that from 1980 to 2005, firms less than 5 years old accounted for all net U.S. job growth. On average, 92 percent of a company's job growth occurs after an "initial public offering" (IPO). Since 2006, companies have reported an average of 86 percent job growth since IPO.

Titles 5 and 6 of the JOBS Act would allow private companies and community banks to increase the number of shareholders they have before they are forced to register with the SEC. This will save these companies regulatory compliance costs from regulations that are generally intended for large companies and instead give small companies and banks more readily available capital to hire new employees and lend to local businesses to expand.

I reserve the balance of my time.

Mr. HIMES. Madam Speaker, I now yield myself such time as I may consume.

Madam Speaker, I am thrilled to be participating in the management of this debate today and want to start by thanking Chairman BACHUS and thanking my friends on the other side of the aisle for the bipartisan and collaborative spirit with which we moved this legislation.

This is important legislation, but the process by which it moved, I think, is something that we should celebrate. This is a time, of course, when the American people are none too happy with us; but this bill was done collaboratively with the support of the President of the United States, the majority and the minority in the House; and it will be good for our economy. So I thank the chairman for his leadership on this, the ranking member, and all who participated in the creation of this important legislation.

As the chairman said, this is good stuff. It has received the support of entrepreneurs, of industry associations, and of people on both sides of the aisle because it does something very, very important, which is acknowledge that regulation is always a balance. It's not always good; it's not always bad. And one of the duties of legislators and regulators is to make sure that our regulation is finely calibrated to protect us, to protect us from fraud, to protect us from mortgages that blow up, to keep our air clean, to keep our water clean. But if it's done in too ham-handed a fashion, it can compromise the vibrancy that provides so much economic opportunity in this country. Every day this institution should be focused on finding that balance, and that's what this bill is about.

It's been criticized here and there by people who I think are of the mindset that any retreat, any revisiting, any amendment to our current regulatory structure is a bad idea. That can't be the right way to think about this stuff. Regulation, like anything else, has to adapt to change with the times. And what we're doing here is particularly important because we are talking about the regulation of small banks which, let's face it, have a tough time competing against the big banks.

And it's about our start-up and emerging-growth companies that may not have the free cash flow in their first couple of years of existence to completely adopt all of the regulation, the disclosure that we might expect of a multibillion-dollar corporation. We have provided an onramp for entrepreneurs as they gain currency, as they increase their revenues, as they become more of a presence—and frankly, therefore, affect the lives of more people—to gradually work into the full regulatory structures of Sarbanes-Oxley and other regulation. And that's a good thing to do.

Today in Palo Alto, there are companies that might not have made it but for this legislation. In Connecticut and Massachusetts, there are start-up companies for which this legislation is going to make the difference between thriving, as the chairman said—maybe being the next Microsoft or the next

Google—and actually not making it. So I'm very happy that we have, in a bipartisan fashion, put forward this legislation which will be good for economic vibrancy and opportunity in this country. Again, I thank the chairman for his collaborative and thoughtful work on this bill.

With that, I reserve the balance of my time.

Mr. BACHUS. At this time, I yield 2 minutes to the gentlelady from Illinois (Mrs. BIGGERT), the chairman of the subcommittee.

Mrs. BIGGERT. I thank the chairman for yielding.

Madam Speaker, the American economy has the capacity and the resilience to overcome almost any obstacle. We've seen it time and time again. In the face of foreign crises, natural disaster, or fiscal adversity, American entrepreneurs and job creators never stop innovating. But to harness that power and the jobs that come with it, we need to clear a path for the start-ups and fledgling businesses that bring new goods and ideas into the marketplace. That's the purpose of H.R. 3606, the Jumpstart Our Business Startups, or JOBS, Act.

□ 1240

This legislation package includes six bipartisan proposals, many of which I cosponsored, to streamline or eliminate the regulatory and legal barriers that prevent emerging businesses from reaching out to investors, accessing capital, and selling shares on the public market. This legislation will make it possible for promising new businesses to go public and access financial opportunities that currently are limited to large corporations, and it eliminates needless costs and delays imposed by the SEC and other regulators.

Madam Speaker, for tens of millions of Americans, including families from my suburban Chicago district, there is no priority more important or urgent than job creation. Over the last few months, unemployment has slowly receded to 8.3 percent nationally and 9.1 percent in Illinois, but Washington must pick up the pace. And that means unleashing the drive and ingenuity of hardworking Americans.

I urge my colleagues to support the JOBS Act and empower American businesses to do what they do best.

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

Mr. BACHUS. I would like to inquire, Madam Speaker, as to how much time remains on our side.

The SPEAKER pro tempore. The gentleman from Alabama has 13½ minutes remaining, and the gentleman from Connecticut has 16½ minutes remaining.

Mr. BACHUS. At this time, Madam Speaker, I yield 2 minutes to another Illinois Congressman, Mr. DOLD.

Mr. DOLD. I certainly want to thank the chairman for yielding. I think it's important, and I'm delighted to be able to speak here on this bipartisan piece of legislation.

Madam Speaker, as part of any jobs agenda, I believe that increased access to capital for small businesses is absolutely critical. That's why I'm a supporter of this bipartisan JOBS Act. When we empower small businesses to grow and expand, we enable them to create jobs and get people back to work.

As a member of the Financial Services Committee, I cosponsored several of the bills that are in this package because they allow small businesses to increase capital formation, spur the growth of small businesses, and pave the way for our small businesses and entrepreneurs to create new jobs.

Two-thirds of all net new jobs, Madam Speaker, are created by small business. We have 29 million small businesses in our Nation. If we can create an environment here in Washington, D.C., that enables half of those businesses to create a single job, think about where we'd be then.

Finding new ways to spur the economy is not a Republican idea or a Democratic priority, but it certainly should be an American priority. As a small business owner, I know that we have to start putting people before politics and progress before partisanship and remain focused on finding solutions for the barriers that stand in the way of entrepreneurs and job creators. I want to encourage my colleagues to support this bipartisan piece of legislation.

Madam Speaker, pieces of this legislation, aspects of this bill passed this House with over 400 votes. We hear a lot about the gridlock that's going on in Washington, D.C. When we can get legislation that passes this body with over 400 votes, that is wildly bipartisan, things that I believe that the American public are asking for us to do: come up with solutions to the problems that they face; to try to stem the 8.3 percent unemployment, which we know is much larger if we count the underemployed and those that have left the workforce.

We certainly need the Senate to act. It's absolutely critical. And I ask my colleagues to support this legislation, find common ground, and move our country forward.

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

Mr. BACHUS. At this time, I yield 2 minutes to the gentleman from Arizona (Mr. SCHWEIKERT), a member of the committee, who sponsored and worked on these bills.

Mr. SCHWEIKERT. I thank the gentleman.

Madam Speaker, I rise in support of the JOBS Act.

Think about this. We literally started over a year ago putting together the pieces of legislation that moved forward with us today. Many of them were bipartisan. Many of them had to go through subcommittee and committee and then back through more hearings and more testimony. A couple of these bills have actually been to this floor multiple times. It's been well vetted. And I hold a great appreciation, because I've only been here 15 months and this is my first opportunity to actually have a piece of legislation with multiple bills I've sponsored heading on their way to the President, hopefully, after the votes today and tomorrow. And I owe a great thank you to Chairman GARRETT and Committee Chairman SPENCER BACHUS.

But I also want to share a bit of a concern.

Congressman MCHENRY has a really neat portion of this bill. We call it crowdfunding. The Senate has amended that in such a way that I believe it does great damage to the goal of a much more egalitarian, technologically advanced, using-the-Internet way for people to invest, for being able to reach out and gain that capital for very small companies. And I'm hoping I can reach out to my friends and say, Let's fix what the Senate did.

We still should be voting for this bill. This is wonderful. We're making progress. But there are things we have to do to fix this for the future.

Mr. HIMES. I yield myself such time as I may consume.

I thank my friend, Mr. SCHWEIKERT, with whom I've enjoyed working on this legislation and in a spirit of bipartisanship; ultimately a bill that was designed to make it easier for small banks, which Congressman SCHWEIKERT and I worked together.

I would also like to highlight the work of Congressman STEVE WOMACK of Arkansas on that bill. It found its way into this legislation under another Congressman's name, but it is important and good legislation, and I continue to support it and am thrilled that it's part of this.

Madam Speaker, I would just take issue with one thing that my good friend from Arizona said. The crowdfunding provisions in this legislation should be subject to scrutiny and to careful regulatory oversight. When you combine the concept of the Internet and retail investors into one piece of legislation, be careful.

The Senate amendment to the House crowdfunding provisions in fact adds more protection to small investors who might be subject to being fooled by an Internet predator. And I would just say we should be careful.

We should be careful when we are talking about retail investors, the classic widows and orphans out there that are not necessarily financially sophisticated. They are not the big financial players who get labeled accredited investors or institutional investors and who, frankly, have the capability to take care of themselves. Retail investors who might be subject to the temptations of a deal that in fact is too good to be true offered on the Internet ought to be a cause of concern both for this body and for the regulators who ultimately will write the rules around crowdfunding.

With that, I reserve the balance of my time.

Mr. BACHUS. At this time, I yield 1 minute to the chairman of the Subcommittee on Financial Institutions, the gentlelady from West Virginia (Mrs. CAPITO), who also worked very hard on this legislation.

Mrs. CAPITO. I want to thank the chairman. I really want to thank the whole Financial Services Committee for working together on this bill, the JOBS bill, Jumpstart Our Business Startups.

Our unemployment in this country is over 8 percent. We've got to find and make every means available to create jobs and to give those great ideas to be able to grow from small businesses to large businesses. We want to make sure that our entrepreneurs are able to find the funding to be able to grow those seeds of a business that then could flourish and grow.

When we talk about some of the things that have started in this country as start-ups most recently, we might look at something like AOL or something like Apple or even FedEx when Fred Smith wrote that famous paper in business school that I think didn't get a very good grade but now has resulted in our FedEx. If they hadn't been able to find the funding to begin, many of them I think today would say that because of the regulatory structure, because of the inability to find funding, that they wouldn't even be able to get started today and grow to the thousands of jobs that they have.

This has great potential. It's bipartisan. I support the JOBS Act.

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

Mr. BACHUS. Madam Speaker, I would like to again inquire as to the amount of time remaining on our side.

The SPEAKER pro tempore. The gentleman from Alabama has 9 minutes remaining. The gentleman from Connecticut has 14½ minutes remaining.

Mr. BACHUS. I yield 3 minutes to an outstanding freshman on our committee, the gentleman from Tennessee (Mr. FINCHER).

Everyone speaking on our side has worked very hard on these bills or spent a lot of time, as have many of our Democratic colleagues.

□ 1250

Mr. FINCHER. Madam Speaker, I thank the chairman for his leadership and patience in working with us freshmen the last year, year and a half. I'm pleased to be the lead cosponsor of H.R. 3606, the Jumpstart Our Business Startups Act with Congressman JOHN CARNEY from Delaware. This bill has been a bipartisan effort from the beginning, and I want to thank the gentleman from Delaware and his staff, Sam Hodas, for working with us on this bill. I also want to thank the Financial Services Committee staff, Kevin Edgar, Jason Goggins, Walton Liles and Chris Russell, for their efforts on this legislation as well.

Small businesses and entrepreneurs are the backbone of our Nation and our economy. This bill puts the focus on the private sector, capitalism, and the free market, providing the jump-start our Nation's entrepreneurs and small businesses need to grow and create jobs. This is about certainty and removing government bureaucratic redtape. Our Nation has seen a decline in small business start-ups over the last few years, which means fewer jobs created for American workers. The best thing our government can do right now to get our economy moving in the right direction is to help create an environment where new ideas and start-up companies have a chance to grow and succeed.

Title I of this bill is legislation I introduced with Congressman CARNEY called the Reopening American Capital Markets to Emerging Growth Companies Act. During the last 15 years, fewer and fewer start-up companies have pursued initial public offerings because of burdensome costs created by a series of one-size-fits-all laws and regulations. This bill would help more small and mid-size companies go public by creating a new category of issuers called ''emerging-growth companies'' that have less than $1 billion in annual revenues when they register with the SEC and less than $700 million in public float after the IPO.

Emerging-growth companies will have as many as 5 years, depending on revenue size, to transition to full compliance with a variety of new regulations that are expensive and burdensome to new companies. This ''onramp'' status will allow small and mid-size companies the opportunity to save on expensive compliance costs and create the cash needed to successfully grow their businesses and create American jobs.

In addition, this bill would only require emerging-growth companies to provide audited financial statements for the 2 years prior to registration rather than 3 years, saving many companies millions of dollars. It will also make it easier for potential investors to get access to research and company information in advance of an IPO in order to make informed decisions about investing. This is critical for small and medium-size companies trying to raise capital that have less visibility in the marketplace.

I urge my colleagues to support this bill again, send it to the President to sign, and give our small businesses and entrepreneurs the opportunity to create jobs for Americans.

Mr. HIMES. Madam Speaker, I yield myself such time as I may consume and thank my friend from Tennessee for his hard work on this bill of which, as I said in my previous statement, I'm very supportive.

I do want to take the opportunity, though, having heard from the gentleman from Tennessee phrases that we hear all too often—phrases like ''one-size-fits-all regulation'' and ''bound up in redtape''—I do want to take this opportunity to remind the American people that those are phrases that sound scary: ''regulation,'' ''redtape,'' and ''one size fits all.'' But what we're talking about here is protection for the American people.

In my previous statement, I made the point that we have to get the balance right; but like everybody else in this Chamber, I woke up a couple of years ago to learn that 11 men were dead on a deep-sea drilling platform in the Gulf of Mexico and an ocean was poisoned, devastating the economy of the gulf. We've all seen what happens when you sell exploding mortgages to people who can't possibly repay them, even though the people who sold those mortgages know that. I come from a district which actually has some of the poorest air quality in the country.

Why do I enumerate these things? Because they are all a failure to regulate to provide a safe and good environment in which we can thrive. Nobody wants to see 11 men die on a deep-sea drilling platform. Nobody wants to see a return to the notion that anybody should buy an interest-only, reverse-amortizing mortgage that the bankers don't understand.

So I said it before, I'll say it again: the balance is key. And I will oppose those who say that more regulation is always the right idea, but I will also stand up, as I have now, and say there is a balance. And the other side needs to recognize that that balance does not come from opposing and labeling ''redtape'' and ''obstructionism'' and ''one size fits all.''

Mr. BACHUS. Would the gentleman yield?

Mr. HIMES. I yield to my friend from Alabama.

Mr. BACHUS. Let me say this. The gentleman from Connecticut mentioned crowdfunding, and I think that was what gave us more concern than anything else, some of the things he said about the Internet people making an investment being subject to fraud. That is a concern, and the Senate addressed those concerns. I'd like to stress what they amended was a very small part of this bill that dealt with crowdfunding. It is also important to know that all the antifraud protection, we didn't take any of that away. But I think we're getting there. The Senate and the House deliberated with the White House, and we will continue to look at crowdfunding. We'll see how this goes.

With any investment, particularly a new company, a new venture, there is a certain amount of risk. You can't take the risk out. If you take the risk out, you take the reward. But what the gentleman says I fully appreciate, and I think that's where our committee has come together, and we tried to get it right for the good of the Americans in creating these new jobs. So I appreciate the opportunity and thank you for yielding.

Mr. HIMES. Thank you, Mr. Chairman. I reserve the balance of my time.

Mr. BACHUS. At this time, I yield 4 minutes to the gentleman from North

Carolina (Mr. MCHENRY). Again, this is a bill that several Members worked very hard on, and he is very knowledgeable on these bills.

Mr. MCHENRY. I thank the chairman, and I appreciate the opportunity to address the crowdfunding section of this bill.

One year ago, Oversight Chairman DARRELL ISSA sent a letter with 33 questions to the Securities and Exchange Commission asking them to justify outdated securities laws that restrict capital formation and stunted job growth. It was a letter that really challenged the Commission's complacency and asked them about these 80-year-old regulations that were modern at the time where the new invention was the telephone and asked them if they had ways to update them.

One question specifically asked Chairman Schapiro if she had considered creating an exemption to enable everyday investors to invest, with reasonable limitations, in unregistered securities issued by start-ups. This is known as ''crowdfunding.''

At the time, I was only familiar with crowdfunding—which is a hybrid of microfinance and crowdsourcing—as a charitable method. It's done around the world, with billions of dollars of moneys raised. For example, a local brewery in my home State of North Carolina was able to raise $44,000 on a platform called Kickstarter. Now, that's done on the charitable side; but with crowdfunding, the success we see on the charitable side can be brought over on the investor side, on the equity side, of capital raising. We recognized the consequences of Dodd-Frank that limit the ability to get lending through traditional means and as a way to promote small business capital formation. Crowdfunding relieves part of that pressure.

In September of last year, after countless meetings, conferences, congressional hearings, and bipartisan negotiation, I introduced the Entrepreneur Access to Capital Act. The bill was simple and direct. It offered a means of capital formation that would forgo costly SEC and State registration if issuers and investors operated within reasonable limitations. Most importantly, the foundation of the legislation upheld investor protections by empowering regulators to prosecute those who participated in securities fraud or deceit. That is preserved.

In the Entrepreneur Access to Capital Act, our focus was on market innovation and investor protection to attract both political parties and well-known market participants to the table. As a result of that bipartisan bill, we had over 400 Members on this floor vote for that bill, the President said he would sign that bill, and we sent it over to the Senate with thousands of market participants saying it was good.

This year, that same language was included as a provision within this legislation, the JOBS Act. Regrettably, just before the House-passed version of the JOBS Act received an up-or-down vote on the Senate floor, a handful of Senators misunderstood the spirit and the promise of crowdfunding, resulting in last-minute changes to the bill.

Our essential framework is preserved for crowdfunding. Rather than recognizing that crowdfunding could create new markets and opportunities for small businesses and start-ups, these misguided Senators simply saw crowdfunding as unregulated activities. This misperception caused them to design a crowdfunding title that is riddled with burdens on issuers, investors, and intermediaries and limits general solicitation and enhances SEC rulemaking authority.

□ 1300

But, fortunately, as I said, the basic architecture of the Entrepreneur Access to Capital Act, crowdfunding, that bipartisan measure that we took through committee markup and House floor action, is preserved. Although I'm disappointed by the ill-conceived and burdensome changes within the crowdfunding title of this bill, I stand committed to working across the aisle to make sure that we fix this after the President signs it. That's what we intend to do.

I urge my colleagues to vote for this bill and move forward.

Mr. HIMES. Madam Speaker, I yield myself 1 minute.

I salute Mr. MCHENRY, my friend from North Carolina, for his work on this bill.

I think it's probably worth talking a bit more about crowdfunding. I appreciate the chairman's point of view, but let's be clear here that we are talking about marketing done at retail investors, up to $10,000 more.

Mr. MCHENRY called the Senate activity ill-conceived and burdensome. We are at the nexus here of potentially unsophisticated investors and people who see an opportunity.

I would remind Mr. MCHENRY in citing a charitable background for this bill, when you give to a charity, you know you're not getting your money back. When you invest in a company, you hope you're getting your money back. And we should be vigilant that that, in fact, occurs.

With that, I reserve the balance of my time.

Mr. BACHUS. Madam Speaker, we have the right to close. So I would ask the gentleman from Connecticut to proceed. Could I inquire as to time.

The SPEAKER pro tempore. The gentleman from Alabama has 2 minutes remaining, and the gentleman from Connecticut has 10 minutes remaining.

Mr. HIMES. Madam Speaker, in closing, let me again reiterate my thanks to Chairman BACHUS and to all of the members of the Financial Services Committee who worked hard on this bill.

I think we've had a lot of good debate around very real and important issues. Unusual for this institution is that we've actually managed to keep the ideology and the barbs out of it. I'm very appreciative of that, and I know that the American people are as well.

I appreciate coming, as I do, from a district and a State that will rise or fall on our ability to innovate, to grow small businesses into real world leaders, and to have a financial services sector which is vibrant and innovative, but safe.

I very much appreciate the intent of this legislation. We had good support from both sides of the aisle. The President is supportive. We heard from industry associations that this was a good thing.

With that, I encourage all of the Members of this body to support this legislation.

I thank again the chairman and the ranking member of the committee and yield back the balance of my time.

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

Let me say this: during this debate, we focused on crowdfunding, but I think we're all in agreement that this bill is a great improvement, and we will revisit that. That shouldn't distract from the fact that this is a major piece of legislation that will cause, I think, a great deal of new competition, innovation of new products and services.

In my revised remarks, which I intend to submit in the next week, I will highlight biomedical research, which we think has the potential to address some diseases that are rare diseases or degenerative conditions which would really receive a boost from this.

So I commend all of our Members. We've come together here, and we've accomplished great things, along with the Senate, the House, and the administration.

I yield to the gentlelady from Illinois.

Mrs. BIGGERT. Madam Speaker, the proposals contained in the JOBS Act are not political or partisan, as has been mentioned. It comes from the small business community in districts like mine where I meet regularly with local employers who tell me that accessing capital is the hardest part of enduring the current recession.

Many of these changes in this bill have bipartisan backing and have been endorsed by members of the President's Council on Jobs and Economic Competitiveness.

Today's legislation will enable America's start-up companies—the job engines of our economy—to access the equity markets, not just the debt market. This is a bill that will give investors and emerging growing companies—perhaps a future Google, Apple, or Home Depot—the opportunity to reach investors, cut through the red tape, and overcome the financial barriers to success.

I ask my colleagues on both sides of the aisle to support the bill.

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

Mr. NADLER. Madam Speaker, I rise in opposition to the Motion to Concur with the Senate Amendment to H.R. 3606, the Jumpstart Our Business Startups, JOBS, Act.

Many of us agree with the general principle that we should modernize the financial system to help small businesses raise capital, attract investors, and contribute to our economic recovery. However, this must be done in a balanced way that also protects those investors and the public interest. I had hoped that the Senate would have an opportunity to bolster the bill with key consumer- and investor-rights provisions—provisions that had no chance of passage in this House. While the Senate certainly strengthened the proposal, the Senate Amendment to H.R. 3606 does not go far enough to ensure that investors will be protected from unscrupulous actors.

Since the bill was introduced, numerous experts and organizations, including the current and former chairmen of the Securities and Exchange Commission, Americans for Financial Reform, AARP, and the Consumer Federation of America, have raised significant concerns about this legislation. According to the New York Times, many fear the bill will allow companies to raise money without having to follow rules on disclosure, accounting, auditing and other regulatory mainstays. The deregulation measures in this bill could actually raise the cost of capital by harming investors and impairing markets, making it harder for legitimate companies to thrive. In addition, the bill will allow certain companies to ignore, for the first five years that they are public, certain regulations, such as the requirement to hire an independent outside auditor to attest to a company's internal financial controls. Also, recent experience clearly shows that arguments that the market will have sufficient incentive to police itself have led to disaster in the recent past and cannot be relied upon in the future. We should have all learned a lesson when it comes to hasty deregulation of financial markets. Even if there is a short term gain to be had, the long term consequences can be quite costly.

In light of the fact that the Senate has not been able to add adequate consumer and investor protections, and the growing information about the potential long-term harm of these provisions, I must vote ''No.''

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 concur in the Senate amendment to the bill, H.R. 3606.

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. Madam 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.

REQUESTING RETURN OF OFFICIAL PAPERS ON H.R. 5

Mr. WEBSTER. Madam Speaker, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 596

Resolved, That the Clerk of the House of Representatives request the Senate to return to the House the bill (H.R. 5) entitled ''An Act to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system.''.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3309, FEDERAL COMMUNICATIONS COMMISSION PROCESS REFORM ACT OF 2012

Mr. WEBSTER. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 595 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 595

Resolved, That at any time after the 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. 3309) to amend the Communications Act of 1934 to provide for greater transparency and efficiency in the procedures followed by the Federal Communications Commission. 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 Energy and Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Energy and Commerce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such 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 amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The Speaker may appoint Members to perform the duties of the Chair for the duration of the period from March 29, 2012, through April 16, 2012, as though under clause 8(a) of rule I.

□ 1310

The SPEAKER pro tempore. The gentleman from Florida is recognized for 1 hour.

Mr. WEBSTER. For the purpose of debate only, I yield the customary 30 minutes to my good friend and colleague from Florida (Mr. HASTINGS), 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

Mr. WEBSTER. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. WEBSTER. Madam Speaker, I rise today in support of this rule and the underlying bill. House Resolution 595 provides for a structured rule for consideration of H.R. 3309, the Federal Communications Commission Process Reform Act of 2012.

The rule makes 10 of the 11 amendments submitted to the committee in order. Of these, eight are Democrat-sponsored amendments and two are Republican-sponsored amendments.

As noted by the subcommittee ranking member, Ms. ESHOO, during the Rules Committee meeting on this last night, H.R. 3309 has come to the floor under regular order. The Energy and Commerce Subcommittee on Communications and Technology held an oversight hearing and subsequently a legislative hearing on Federal Communications Commission process reform.

The subcommittee then circulated a discussion draft before holding an open markup and favorably reporting the bill to the full committee on November 16, 2011. On March 6, 2012, the full committee ordered the bill favorably reported to the House.

In 2010, the communications and technology industry invested $66 billion to deploy broadband infrastructure, $3 billion more than in 2009. New products and services are innovated by this sector on an almost daily basis. With the innovation come high-quality jobs and marked improvements for every American's quality of life.

As a result, all efforts should be made to avoid stalling this important economic engine. The FCC should strive to be the most open and transparent agency in the Federal Government, and any intervention into the marketplace should be the result of rigorous analysis demonstrating the need for government regulation.

The Federal Communications Commission Process Reform Act would change the process the FCC must follow in issuing regulations and limit the