

On BARBARA's first day she was shown her desk on the Senate floor—she opened it and saw Harry Truman's autograph. She had Harry Truman's desk. While she was delighted to have that desk, she knew that it really belonged to the Senator from Missouri and relinquished it. She said that for years she thought about that desk and hoped that it would someday be returned to a Democrat from Missouri.

Twenty years later, on election night in 2006, BARBARA watched the election results come in from around the country—and in Missouri, in particular. She said she stayed up late in the night waiting for the final result. Once she learned of the results from Missouri, she knew that the desk that had been accidentally given to her all of those years ago would finally be returned, where it belonged. I am so pleased to know that the Truman desk was shared, if only briefly, with my friend BARBARA MIKULSKI.

BARBARA MIKULSKI is a trailblazer, a role model, and an advisor to the other women in the Senate. Today there are 17 women in the Senate, and much of that progress can be attributed to Senator MIKULSKI's leadership.

Mr. President, I ask that the Senate join me in congratulating Senator MIKULSKI on this milestone and thank her for her 35 years of leadership, friendship, and service.

Mr. KOHL. Mr. President, today I would like to honor Senator BARBARA MIKULSKI's amazing life and career as she becomes the Senate's longest serving woman Senator. She has been a role model and inspiration to women across the country as she broke barriers in public life. When she first came to the Senate she was one of only a handful of women ever to serve in the U.S. Senate and now she is one of 17 women here on the Senate floor. Her service has made it easier for girls to dream about one day being a Senator—or President.

Senator MIKULSKI and I shared a similar experience growing up: her parents, William and Christine, opened and operated Willy's Market, a small grocery store in their working class neighborhood in East Baltimore. My parents also opened a small grocery store in Milwaukee—the first of what would become the Kohl's Food Stores and then Kohl's Department Stores.

As we have already heard here on the floor, her father would frequently open the store early so local steel workers could buy their lunches before their shift began. He would also extend credit to help customers who were having a hard time making ends meet. William Mikulski's neighbors didn't go hungry with him as their grocer. BARBARA worked at the store, and helped deliver groceries to homebound seniors in their neighborhood. She got to know her neighbors well, and she understood the important issues facing her community.

Much of what we both experienced working in our family stores and

watching our parents work so hard to provide superior service to their customers, ensuring their children understood the value of hard work, treating others fairly and with dignity, and giving back to the community, influenced our views on customer service. Those views have translated into Senator MIKULSKI's constituent service here in the Senate.

BARBARA's enthusiasm and commitment to serving the people of Maryland has resulted in too many victories to mention here, but I do want to point out a few of the projects we have worked on together on the Agriculture appropriations subcommittee.

Senator MIKULSKI and I have worked closely over the years to protect USDA agriculture research in Beltsville, MD. Beltsville is a historic and crucial part of the USDA's research arm. In fact it is the largest agriculture research facility in the world and does valuable work developing the next generation of crops and farming methods that will feed a growing planet. We've also worked together on increasing funding for the Food and Drug Administration, ensuring that the food we eat and medicine we rely upon is safe.

In my work as the chairman of Agriculture Appropriations subcommittee, I have been especially thankful for the times when BARBARA has spoken passionately about the important programs we fund through the subcommittee. She has been a stalwart supporter of farmers throughout Maryland and across the country, and a true friend here in the Senate. It has been an honor to serve with her.

Mr. ALEXANDER. Mr. President, my late friend Alex Haley, the author of "Roots," lived his life by the motto "Find the Good and Praise It." That is an easy thing to do when talking about BARBARA MIKULSKI, a friend and colleague with whom I have worked closely since I joined the Senate.

I would like to add my congratulations to those of my colleagues on Senator MIKULSKI reaching the milestone of becoming the longest serving woman in Congress. This is a remarkable achievement for a remarkable woman. For over 35 years, that is almost 13,000 days, BARBARA MIKULSKI has dedicated herself to serving the people of Maryland and representing them here in Congress.

Although Senator MIKULSKI is a proud partisan, she is one of the best advocates of bipartisanship. She understands the need to work together, to learn from one another's point of view, and to strike a deal so that each side can get something of value and move forward.

I have found that when you have BARBARA MIKULSKI by your side in a debate you always seem to win. She brings passion and dedication and tenacity to every issue she works on. Her love of the Senate, Congress in general, and the American people is infectious.

When Senator MIKULSKI and I have worked together it has always been a

delightful experience. Whether authorizing the Teach for America program to allow college graduates to become teachers in our Nation's worst schools; passing America COMPETES, where we improved our energy research programs and STEM education initiatives; or working on higher education where we share a passion for eliminating costly and unnecessary Federal regulations, BARBARA MIKULSKI is a tireless friend and ally.

Congratulations, Senator MIKULSKI. The Senate is proud of you, Maryland is proud of you, and the country is proud of you.

Mr. NELSON of Nebraska. Mr. President, today I wish to offer congratulations to my friend and colleague, Senator BARBARA MIKULSKI, on becoming the longest serving woman Senator in American history.

As Senator MIKULSKI has said, "It's not only how long I serve, but how well I serve." And she has served very, very well. Not only does Senator MIKULSKI serve in the best interests of the people of her native Maryland, but her service continues to improve the lives of Americans from coast to coast.

This comes as no surprise for a person who began her career helping at-risk children and seniors as a social worker in Baltimore. Senator MIKULSKI's nightly commute home from Washington ensures that she will not forget who she works for or where she comes from. The truth is, she never left.

Her commitment and connection to her constituents benefits us all. Her advocacy for access to better health care, improving the quality of education, investing in innovation, and protecting human dignity are not bound by the borders of Maryland. Her service benefits the people of Baltimore, MD, but also the people of Broken Bow, NE.

It is an honor to serve with Senator MIKULSKI. I enjoy her company, I respect her strength, and I admire her commitment.

Congratulations to Senator BARBARA MIKULSKI on her record-setting service. We are all the better for it.

JOBS ACT

Mr. TOOMEY. Mr. President, I rise today to speak on H.R. 3606, the Jumpstart Our Business Startups, or JOBS, Act, which the Senate passed on Thursday, March 22, 2012, by a vote of 73 to 26. I am particularly pleased that H.R. 3606 included language from S. 1824, the Private Company Flexibility and Growth Act, which I introduced on November 8, 2011, with Senator CARPER. We authored this important measure to update the shareholder threshold after which entities must register their securities with the Securities and Exchange Commission. This and other provisions contained in H.R. 3606 will provide companies and small banks with the flexibility to grow, which will in turn lead to economic growth and job creation.

As the Commission amends its rules implementing title V of H.R. 3606, it is important that it be mindful of Congress's intent that the rules provide clear guidance to issuers on how to comply with the new provisions. For instance, section 503 of the JOBS Act requires that the SEC adopt safe harbor provisions that issuers can follow when determining whether holders of their securities received the securities pursuant to an employee compensation plan in transactions that were exempt from the registration requirements of section 5 of the Securities Act of 1933.

The issues that we would expect the Commission to address when adopting the safe harbor provisions include the steps issuers can take to obtain comfort that securities are held by persons who received the securities pursuant to an employee compensation plan and whether the issuance of those securities were exempt from Securities Act registration. To provide issuers appropriate comfort under the rules, the Commission could adopt a safe harbor provision that allows issuers, absent actual knowledge of information to the contrary, to rely on information it has about a person at the time the securities are issued. The Commission could also adopt a safe harbor provision that allows issuers to consider an issuance of securities exempt from the Securities Act if it has a reasonable belief that the exemption existed at the time the securities were issued.

The definition of an "employee compensation plan" should be interpreted broadly. For purposes of determining whether a person is an employee who need not be counted when an issuer is calculating the number of holders of record under section 12(g)(1)(A) of the Securities Exchange Act of 1934, the term "employee" would include persons who are current or former employees of the issuer. We would also include but not limit this exemption to other persons such as surviving spouses or family members who inherit equity securities from the employee and who need not be included in the calculation of the number of holders of record. "Employee compensation plans" would include but is not limited to a written compensatory benefit plan or written contract as defined in SEC rule 701 under the Securities Act of 1933.

In revising rule 506 and rule 144A to remove the prohibitions on general solicitation or general advertising, the Commission should consider practice in the market for rule 144A securities and ensure that offerings and sales of rule 144A securities can proceed on the same basis as they do currently, including from a state blue sky perspective, regardless of whether there is general solicitation or general advertising.

The Commission should also consider adopting similar safe harbor provisions for how issuers can determine whether their investors are accredited for purposes of revised Exchange Act section 12(g)(1)(A) and whether securities are held by persons who purchase such se-

curities in crowdfunding transactions described under new Securities Act section 4(6), in accordance with new Exchange Act section 12(g)(5)(B). We believe these additional safe harbor protections would provide important guidance for issuers and should be strongly considered by the SEC.

Mr. BROWN of Massachusetts. Mr. President, I wish rise to speak about jobs and the Massachusetts innovation economy.

In July 2010, the Kauffman Foundation noted that "startups aren't everything when it comes to job growth. They're the only thing." In fact, the Kauffman Foundation found that "without startups, there would be no net job growth in the U.S. economy." In Massachusetts, where we have the second largest venture capital market in the country, venture capital helps drive our innovation technology. Massachusetts public companies that were once venture-backed start-ups account for 775,151 jobs and \$190 billion in revenue in the United States.

However, in the current economic climate, institutional investors are wary of investing in ideas that carry significant entrepreneurial and technological risk. With a high risk of failure and often a lack of collateral, small start-up companies cannot qualify for traditional commercial loans. Alternative capital markets are therefore critical to these engines of future economic prosperity. To give entrepreneurs and start-ups the access to capital they need to get their businesses off the ground, I introduced the Democratizing Access to Capital Act—S. 1791—to legalize crowdfunding on November 2, 2011. Crowdfunding will create a new alternative market for capital formation by allowing every American—regardless of income or wealth—to invest in a start-up or a great idea. And according to an economic model by Regional Economic Models, Inc.—REMI, crowdfunding has the potential to increase the number of start-ups by 10 percent, potentially creating hundreds of thousands of new jobs.

Recognizing that crowdfunding could provide a huge new growth engine for the Massachusetts tech sector and the Internet, our brightest economic frontier, I wrote to President Obama on February 3, 2012 to ask for his help in urging the Senate to pass crowdfunding legislation. On February 27, 2012, I hosted a roundtable with Massachusetts entrepreneurs and small businesses at Boston City Hall. And on February 29, 2012, I called on my colleagues to work together and pass a crowdfunding bill in a speech from the Senate floor.

At the same time, entrepreneurs from the Cambridge Innovation Center created a petition to show Congress their support for crowdfunding. These entrepreneurs founded wefunder.com to rally support for crowdfunding. On March 5, 2012, wefunder.com and MassChallenge, a not-for-profit organization dedicated to supporting the

work of entrepreneurs, hosted a roundtable on crowdfunding in Boston. As of March 26, 2012, 3 thousand investors pledged to invest \$7.5 million when crowdfunding becomes legal.

On March 8, 2012, the House of Representatives passed the Jumpstart Our Business Startups (JOBS) Act by a vote of 390-23, which included crowdfunding legislation. President Obama also issued a statement in support of the JOBS Act. Although my focus was on legalizing crowdfunding, I felt that the JOBS Act bill lacked basic investor protection standards that would give investors some confidence and help the market grow. I worked with Senators MICHAEL BENNET and JEFF MERKLEY to introduce a bipartisan compromise crowdfunding bill, the CROWDFUND Act—S. 2190, on March 13, 2012. On March 22, 2012, the Senate passed the CROWDFUND Act as an amendment to the JOBS Act, which was approved by a vote of 73-26.

The CROWDFUND Act sets the framework for developing a new market in which entrepreneurs can raise capital and ordinary investors can invest in new ideas. To create a new marketplace for investment, the CROWDFUND Act creates investor protections that are designed to balance entrepreneurs' ease of access to capital with the need for transparency.

In prescribing requirements for issuers, the CROWDFUND Act addresses the importance of providing investors accurate information. While financial disclosures are necessary for investors to make wise investment decisions, the importance of disclosure should be balanced with individuals' right to privacy. The SEC should therefore, under its rulemaking authority provided in Section 4A(b), clarify that entrepreneurs will not be asked to disclose individual personal tax returns. In addition, while the bill clearly states that issuers should be liable for material misrepresentations or omissions, issuers should not be held liable for misstatements or omissions that were made by mistake. The standard of liability for issuers as described in Section 4A(c) should be "due diligence." In other words, issuers must do their "due diligence" to make sure that the information that they are providing to potential investors is accurate. This is a widely accepted liability standard.

Although issuers may not advertise the specific terms of an offering, the CROWDFUND Act ensures that issuers are allowed to generally advertise their offerings through email and social media channels, as long as the intermediary website remains the location for all offerings. Potential investors should be given enough information about offerings to spark their interest. To discourage fraudulent operators, provide proper investor education and "crowdvetting" of opportunities by impartial third parties, issuers should not be allowed to encourage investment

outside of the intermediary. In addition to facilitating communication between issuers and investors, intermediaries should allow fellow investors to endorse or provide feedback about issuers and offerings, provided that these investors are not employees of the intermediary. Investors' credentials should be included with their comments to aid the collective wisdom of the crowd.

Regulated intermediaries are necessary for investor protection; however, intermediaries should not be over-regulated. Specifically, none of the requirements placed on intermediaries should prevent an intermediary or funding portal from removing or preventing the public display of an offering that it deems not credible. To guarantee the quality of offerings, intermediaries should be able to employ a Kickstarter-like process, in which the staff of an intermediary determines which issuers are invited to present their offerings to site visitors. Intermediaries should also be allowed to inform its users about offerings that may interest them, provided that this is not explicitly or implicitly recommending the offering to an investor. Although intermediaries must only provide offering proceeds to issuers once the issuers' target offering amount is reached, intermediaries should not be required to escrow proceeds.

To streamline the offering process, it makes sense to allow intermediaries to place a hold on investor credit cards until an offer is fully subscribed. At that time, investors' credit cards should be charged and the proceeds immediately transferred to the issuer. Intermediaries should also be permitted to act as the holder of record for offerings that they facilitate to reduce compliance complexity for issuers and to increase the likelihood of subsequent funding from institutional investors. Providing holder of record services will reduce compliance complexity for issuers and place the burden of managing crowdfunded investors on the intermediary. Without this mechanism, issuer capitalization tables may become unwieldy, discouraging subsequent funding from institutional investors. In addition, intermediaries should be allowed to take an equity stake in offerings. This however, does not mean that intermediaries should be able to choose which offerings to participate in but rather it should be a standard process for any offering that the intermediary facilitates. This will incentivize an intermediary to focus on issuer quality over quantity, providing more vetting for investors and greater alignment of interests. Of course, any equity stakes by the intermediary must be fully and meaningfully disclosed to investors. Of course, any equity stakes by the intermediary must be fully and meaningfully disclosed to investors. The SEC should carefully monitor any developments in this area and adjust practices, including re-

stricting the ability for intermediaries to take equity positions, should fraud or manipulative practices arise.

Although the CROWDFUND Act requires intermediaries to register with the SEC and become members of a self-regulatory association, all rules, regulations and registration requirements should be developed with minimal burden and cost to the intermediaries. The SEC and any relevant self-regulatory association should bear in mind that these costs will ultimately be passed through to issuers—costs should not undermine the goals of crowdfunding to create low-burden alternative means of raising capital. In addition, the crowdfunding community may develop its own self-regulatory association to specifically oversee crowdfunding intermediaries.

While preemption of State securities law is necessary for crowdfunding to function, State securities regulators should play a role in crowdfunding offerings. In addition to allowing limited State securities registration, State should retain its authority to take enforcement action with regard to any issuer or intermediary. Further, where state authority is not specifically preempted, the SEC will not presume preemption. State securities regulators are the first line of defense against fraud and their ability to continue to combat fraud should not be curtailed.

Finally, I urge the SEC to take seriously the statutory directive to complete within 270 days of enactment the rulemaking necessary to make the law effective. Crowdfunding entrepreneurs and intermediaries are eagerly awaiting the rules to take full advantage of crowdfunding's potential to unlock capital for start-ups and small businesses. Based on my office's interactions with the SEC, I believe that the SEC is committed the success of this new market, and the rulemaking should be easily completed within 270 days.

Few entrepreneurs take a new start-up to a mature company on their own. New ideas need the support of investors to survive and thrive. Investments power payrolls across our nation and every sector. It's the grease that keeps the gears in the American economy turning. Crowdfunding will allow small businesses to bypass Wall Street and go straight to Main Street for financing. We know that new businesses are the source of all of the net job creation in the United States. This CROWDFUND Act provides an avenue for new growth for that crucial sector with unlimited potential.

Mr. BENNET. Mr. President, I wish to discuss our bipartisan efforts to pass a crowdfunding amendment that provides needed flexibility but also ensures that crowdfunding has sufficient oversight and investor protections. I was proud to work with Senators MERKLEY and BROWN in crafting this bipartisan proposal. The Senate passed our amendment by a 64 to 35 margin. The House of Representatives subse-

quently passed our language when it considered the JOBS legislation earlier this week.

As the Securities and Exchange Commission works to implement this new law, it is my hope that it will recognize that the funding portal registration process is meant to be more streamlined and less burdensome than traditional broker-dealer registration. Given the size of the investments that are likely to occur in crowdfunding, the SEC should work to provide an appropriate level of oversight without making it cost-prohibitive to become a funding portal.

Funding portals should be allowed to organize and sort information based on certain criteria. This will make it easier for individuals to find the types of companies in which they can potentially invest. This type of capability—commonly referred to as curation—should not constitute investment advice or recommendations, which the law otherwise prohibits.

Similarly, funding portals should be allowed to engage in due diligence services. This would include providing templates and forms, which will enable issuers to comply with the underlying statute. In crafting this law, it was our intent to allow funding portals to provide such services.

We also sought to provide the Securities and Exchange Commission sufficient flexibility to promulgate rules to ensure individuals have the necessary information and protections to make informed investment decisions. It is my hope that the Commission will exercise such discretion judiciously and will not create a regulatory regime that is too cumbersome and expensive for funding portals to operate or for issuers to sell their securities. In preparing the law, we sought to find the right balance, preserving basic investor protections while ensuring enough entrepreneurial flexibility to help this promising medium take off for the good of our economy. I am hopeful that the Commission will respect this balance as it moves forward to implement this law.

Finally, we provided 270 days for the Commission to implement this new law. I hope the SEC will make every effort possible to meet this deadline.

HOUSE BUDGET PROPOSAL

Mr. BAUCUS. President Kennedy said that "to govern is to choose."

When you put away the charts and graphs, budgets are about choices. These choices impact our children's schools, business owners' bottom lines, and families' paychecks. And they affect how we care for our wounded veterans when they return home from fighting for us.

The House has chosen to pass the House Budget Committee chairman's budget.

Just as it did last year, this budget makes a stark choice. It shows where the House's priorities are.