

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 crowd-funded 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.

Under the House plan, millionaires would receive an average tax cut of at least \$150,000. Meanwhile, seniors would eventually have to pay nearly \$6,000 more for their health care. That is a big increase when the average senior has a fixed income of only \$25,000 a year.

Most Americans would agree that this doesn't pass the smell test.

We know we need to reduce our deficit.

But asking seniors to pay an additional quarter of their income for their health care while giving millionaires a six-figure tax break just isn't fair. It is certainly not balanced. And it is the wrong choice.

The House plan would also end the Medicare Program seniors know today. It would eliminate guaranteed benefits. It would charge seniors more for their prescriptions. It would make them pay for the screenings and doctor visits they get free now.

The millions hurt by this plan include former members of our Armed Forces who served for more than 20 years or were injured while on duty. This budget leaves these military retirees—and other seniors—high and dry.

It takes a lot of courage to serve a full career in the military. But there is nothing courageous about cutting care for our military retirees. I will stand up for our military and our seniors and make sure they have the health care they need.

The House budget also increases the eligibility age for Medicare from 65 to 67 years old. That means seniors would be forced to work later in life, just to keep their health care.

And the House budget replaces Medicare with a voucher program.

Seniors would have to use these fixed-price vouchers to purchase private insurance or Medicare. But this voucher wouldn't cover seniors' health care needs.

Seniors would be forced to make up the difference by spending thousands of dollars out of their own pockets.

To make matters worse, under the House plan, seniors would be paying more and getting less.

Private insurance companies would get to dictate what care seniors can get—and what they can't. Private companies could say a senior can't have hospice or nursing home care or they could limit hospital stays or prescription drug coverage.

The House plan would end the guaranteed benefits that Medicare protects today.

I won't let this happen. I won't let others break our promise to America's seniors. I won't let anyone dismantle Medicare.

Besides ending the Medicare seniors rely on today, the House budget does not solve our country's deficit problem. It just makes seniors and middle-class families pay more than their fair share.

Fortunately, this is not the only option we have to reduce our country's debt. We have another choice—the path we took with health reform.

We know our long-term deficits are in part due to health care costs. For the past several decades, these costs have been growing faster than inflation. This makes Medicare more expensive for the government.

That is why health reform focused on lowering overall health care costs.

This lowers premiums for seniors enrolled in Medicare today. And it helps keep the program strong for generations to come.

If we hadn't passed health reform, the deficit would be more than \$1 trillion higher over the next two decades.

If we hadn't passed the affordable care act, health care spending would have doubled. We passed health reform to bend the cost curve and slow this cost growth.

Last week marked the second anniversary of the health care reform law. We are already seeing results. According to CBO, over the next 10 years, per-person Medicare costs will decrease by four percentage points compared to the past thirty years.

How did we make this progress?

We know that when doctors and hospitals don't talk to each other, patients receive the same tests twice and other duplicative services. Health reform improves coordination by giving providers incentives to work together.

We know that expensive diseases can be better managed if they are caught early. Health reform provides free preventive care to catch and treat costly chronic conditions.

We know criminals try to rip off taxpayers. Health reform provides law enforcement new tools to protect Medicare and Medicaid from fraud and recoup taxpayer dollars.

We know that some of the best ideas to lower costs don't come out of Washington. They come from our communities. Health reform leverages these good ideas by partnering with the private sector.

This is the path we need to continue down. We need to ensure these tools are successful and work to improve them. We need to build on these reforms to keep saving consumers' and taxpayers' money.

As we look to solving our country's largest problems, we need to remember our priorities.

We need to focus on fairness. We need to remember that the choices we make matter.

The choices we made in the affordable care act are making our health care system more efficient. These choices are lowering costs for everyone.

The House plan chooses to ignore rising health care costs. It simply shifts risks and costs onto the backs of America's seniors.

That is a plan that is not right for seniors. It is not right for our health care system. And it is not right for our future. The American people know which choice we should make.

HEALTH CARE

Ms. COLLINS. Mr. President, this week marks the 2-year anniversary of the signing into law of President Obama's health care bill. There was no question that our health care system required substantial reform. In passing this law, however, Congress failed to follow the Hippocratic oath, "first do no harm." The new law increases health care costs, hurts our seniors and health care providers, and imposes billions of dollars in new taxes, fees, and penalties. This will lead to fewer choices and higher insurance costs for many middle-income Americans and most small businesses—the opposite of what real health care reform should do.

I find it particularly disturbing that President Obama's health care law does not do enough to rein in the cost of health care and provide consumers with more affordable choices. In fact, Medicare's Chief Actuary estimates that the law will increase health spending across the economy by \$311 billion, and the nonpartisan Congressional Budget Office says the law will actually increase premiums for an average family plan by \$2,100. Moreover, a recent report issued by the CBO found that the new law will cost \$1.76 trillion between now and 2022. That is twice as much as the bill's original 10-year price tag of \$940 billion.

The new law also means fewer choices for many middle-income Americans and small businesses. All individual and small group policies sold in the United States will soon have to fit into one of four categories. One size simply does not fit all. In Maine, almost 90 percent of those purchasing coverage in the individual market have a policy that is different from the standards in the new law.

I am also very concerned about the impact the law will have on Maine's small businesses, which are our State's job creation engine. The new law discourages small businesses from hiring new employees and paying them more. It could also lead to onerous financial penalties, even for those small businesses that are struggling to provide health insurance for their employees. According to a 2012 Gallup Survey, 48 percent of small businesses are not hiring because of the potential cost of health insurance under the health care law, and the Director of the Congressional Budget Office has testified that the new law will mean 800,000 fewer American jobs over the next decade.

Even where the law tries to help small businesses, it misses the mark. For example, I have long been a proponent of tax credits to help small businesses cover employee health insurance costs. The new credits for small businesses in the health care law, however, are poorly structured. They are phased out in such a way that businesses will actually be penalized when they hire new workers or pay their employees more. Moreover, they are temporary and can only be claimed for 2 years in the exchange.