

of the act's requirements can be assessed." The GAO needs to update this outdated study.

This amendment requires the GAO again to evaluate the potential costs and benefits of mandatory audit firm rotation, now that more than 10 years have passed since the passage of Sarbanes-Oxley. The amendment requires consideration of various factors, including whether rotation would actually mitigate against conflicts of interest between audit firms and issuers and whether audit quality could suffer due to audit firm rotation. And the study would also include an assessment of the impact of Sarbanes-Oxley on audit firm independence and whether additional reforms are needed.

Importantly, this study will inform a future Congress as to the wisdom of the statutory prohibition on auditor rotation in H.R. 1564.

With the adoption of my amendment, I and every member of the committee voted for this bill.

Let me reiterate, I am supportive of the role and mission of the PCAOB but believe that the regulator would do well to look at the benefits to investors as it examines auditor independence. Doing so will take the PCAOB away from focusing on auditor rotation and towards other areas that provide more meaningful improvements in auditing and financial reporting.

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

Mr. HURT. Mr. Speaker, as we are prepared to close, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield as much time as he may consume to the gentleman from New York (Mr. MEEKS), who has put so much time and work into researching this whole issue about auditor rotation. He's worked very closely with Mr. HURT and helped to educate the members of the committee about the difficulties and the complications of this whole issue of auditor rotation.

Mr. MEEKS. I want to thank the gentlelady from California for all of her hard work.

I rise to support H.R. 1564, which I co-introduced with my colleague, the gentleman from Virginia (Mr. HURT). This bill will ensure we maintain strict auditing standards without imposing overly burdensome and ill-conceived rotation requirements on our public companies.

I also want to point out the hard work the gentlelady from California put in with regards to the GAO study and why it is important so that we can continue to make sure that our markets are strong and sturdy; and that amendment, as she so indicated, is what enabled us to have a unanimous agreement coming out of our committee. It was us working together across the aisle to make sure that that happened. I think it was good for our markets. It helps to remove the uncertainty that the markets certainly would have right now had we not had

this removed and had this study going forward.

I think it's important for me to emphasize that this bill does not, first, weaken our auditing and accounting standards which were reinforced 10 years ago under the Sarbanes-Oxley Act, and that this bill does not weaken—nor do I want to weaken—or remove the regulatory powers of PCAOB, but we do want to remove the uncertainty.

This bill does not, in any circumstance, provide an opportunity for more fraudulent accounting gimmicks. In fact, I want to remind my colleagues that we have supported and we have enacted here in the United States one of the toughest pieces of legislation against accounting fraud and that our existing laws already embrace the concept of rotation by requiring the replacement of the lead auditing partner. This selective rotation ensures that the opinions and interpretations of the reviews remain unbiased and do not remain under the authority of the same individual for prolonged periods. This provision puts us ahead of most developed countries when it comes to anti-fraud accounting rules, and I believe that it remains the right and smart approach.

Imposing mandatory rotation of the entire auditing firm in the industry where companies often have none or, at best, one or two credible options to rotate to is simply unworkable, it is disruptive, and it imposes undue expenses on our public companies. In fact, studies conducted here in the United States show that requiring mandatory rotation would increase cost by 20 percent in the subsequent year and an additional 17 percent cost for selection process alone. In addition to cost, it is possible that it may actually force public companies to select less credible auditing firms that may not have the required expertise, or it may encourage the auditing firm to charge excessively high fees because mandatory rotation may impose the selection of the single remaining qualified auditing firm.

Mr. Speaker, as I stated before, we did not introduce this bill simply because we're against the principle of rotation; but, rather, we introduced this bill because imposing rotation at all costs, by any means, regardless of market conditions, would simply be irresponsible and detrimental.

Many of my colleagues, me included, do favor a more competitive auditing industry where companies can have more choices in selection of their auditing firms. Eventually, market conditions may evolve and we may have new auditing firms that emerge and gain the confidence of marketers and investors. As that happens, firm rotation, I believe, will naturally happen through market forces, but not through legislation. It is for that reason, Mr. Speaker, that I urge my colleagues to vote in support of H.R. 1564 and to support this commonsense regulation of our auditing industry.

I thank both the chairman and the ranking member and my colleague, Mr. HURT, who cosponsored this, for bringing this piece of legislation forward.

Ms. WATERS. Mr. Speaker, as I have no additional speakers, I yield back the balance of my time.

Mr. HURT. Mr. Speaker, I would just simply close by saying I think this is a good bill, a bill that not only strengthens investor protection, but also reduces unnecessary costs. It reduces uncertainty in the marketplace. We need certainty in the marketplace. This helps reduce that for public companies. So it is my request that this body pass this piece of legislation.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 1564, as amended.

The question was taken.

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

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

The yeas and nays were ordered.

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

FORMERLY OWNED RESOURCES FOR VETERANS TO EXPRESS THANKS FOR SERVICE ACT OF 2013

Mr. DESANTIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1171) to amend title 40, United States Code, to improve veterans service organizations' access to Federal surplus personal property.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1171

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Formerly Owned Resources for Veterans to Express Thanks for Service Act of 2013" or the "FOR VETS Act of 2013".

SEC. 2. VETERANS ACCESS TO FEDERAL EXCESS AND SURPLUS PERSONAL PROPERTY.

Section 549(c)(3) of title 40, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B)—

(A) in clause (viii), by adding "or" at the end; and

(B) by striking clause (x); and

(3) by adding at the end the following:

"(C) for purposes of providing services to veterans (as defined in section 101 of title 38), to an organization whose—

"(i) membership comprises substantially veterans; and

"(ii) representatives are recognized by the Secretary of Veterans Affairs under section 5902 of title 38."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Florida (Mr. DESANTIS) and the gentleman from Virginia (Mr. CONNOLLY) each will control 20 minutes.

The Chair recognizes the gentleman from Florida.

GENERAL LEAVE

Mr. DESANTIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

□ 1800

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

Our Nation's veterans serve our country and make sacrifices for the freedom and protections we enjoy every day. I am deeply grateful for the brave and heroic service of all who defend our Nation. H.R. 1171 permits veterans service organizations to obtain surplus Federal personal property, such as electronic equipment and vehicles, to provide services to our Nation's veterans.

There are countless individuals and organizations who want to help our veterans, but sometimes the law and bureaucracy present stumbling blocks to these individuals and groups doing all they can on behalf of our veterans. We can never truly repay our Nation's veterans for the work they do, but this bill is a small and necessary step to provide essential services to those who serve.

I reserve the balance of my time.

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

Mr. Speaker, I value and appreciate the sacrifices made by the men and women in our Armed Forces. For that reason, I am happy to rise in support of this legislation. The bill would simply amend current law to provide qualified veterans service organizations with greater access to Federal surplus property. The bill enjoys bipartisan support and is noncontroversial. In fact, in May of this year it was considered by the Oversight and Government Reform Committee and passed unanimously, a rarity in our history.

In December, 2010, President Obama signed the original FOR VETS Act into law. That legislation established the eligibility of veterans service organizations to receive surplus property under the Federal surplus property program. The wording of the statute suggests that those organizations should also demonstrate they are acquiring the property for the purposes of education or public health. The narrow construction of that language really hurts veterans service organizations, who are not always equipped to administer public health or educational programs, that not being their core mission. They have thus been prevented in some cases from accessing the Federal surplus property Congress intended them to access.

This legislation simply corrects any confusion and, if you will, that error to allow veterans organizations access to Federal surplus property to benefit veterans.

Mr. Speaker, we need to do better for our veterans, and I think this bill, H.R. 1171, is a good step forward. I urge Members to support the bill.

I reserve the balance of my time.

Mr. DESANTIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BENISHEK).

Mr. BENISHEK. Mr. Speaker, I thank the gentleman from Florida, and I rise today in support of H.R. 1171, the FOR VETS Act of 2013.

This bipartisan legislation will allow veterans service organizations access to Federal surplus property. In December, 2010, President Obama signed the original FOR VETS Act into law. This legislation added qualified VSOs to the list of organizations eligible to receive Federal surplus property under the Federal surplus property program. However, the wording of the statute requires all organizations to demonstrate that they are acquiring the property for purposes of public health or education.

Unlike many of the other organizations on the list, most VSOs are not set up to administer a health or education program. A strict interpretation of the law by the General Services Administration has prevented these VSOs from accessing Federal surplus as Congress intended.

Our bill would simply correct the error in current law and ensure that qualified VSOs will have the access to Federal surplus that our veterans have earned. This bill has been scored by the CBO as having no significant impact on spending. In this difficult economy, veterans service organizations can use valuable service items that are considered surplus property to better serve those who have given so much to our Nation. Some of these items could be a refrigerator for everyday use at a local post or even a vehicle to be used to take disabled veterans to appointments.

Last year I spoke to a veteran in Elk Rapids, Michigan, who told me that the error in current law was preventing his AMVETS post from using Federal surplus computers for unique veteran service tasks. This bill will help him and so many others like him put Federal surplus property to work for our Nation's veterans. I am very proud to be part of this effort.

I am grateful to Chairman ISSA and Ranking Member CUMMINGS and the members of the Oversight and Government Reform Committee for the unanimous support this bill received during markup on June 25.

I also want to thank the National Association of State Agencies for Surplus Property, as well as the American Legion and the Disabled American Veterans, for their support and assistance in getting this legislation to this point.

I urge the House to adopt this bipartisan legislation that will help veterans service organizations in every State better serve our Nation's veterans.

Mr. CONNOLLY. Before I yield back, I just want to congratulate the gentleman on his legislation. It is correcting an error, and it will make a very positive benefit for so many veterans organizations, including the ones he enumerated. I am proud to support the legislation.

I yield back the balance of my time.

Mr. DESANTIS. Mr. Speaker, we have no further speakers, and I urge all Members to support the passage of H.R. 1171.

I yield back the balance of my time.

Mr. GINGREY of Georgia. Mr. Speaker, I rise in support of H.R. 1171, the FOR VETS Act. This straightforward piece of legislation simply amends current law to allow Veterans Service Organizations—VSOs—access to federal surplus property.

VSOs are valuable partners in providing for our veterans, and can provide critical services including transport to medical appointments and other support services. H.R. 1171 ensures that VSOs are eligible for federal surplus property that could help to carry out their mission.

Our brave men and women in uniform put their lives on the line to protect our freedoms, and we must do everything in our power to demonstrate our gratitude for their dedication and sacrifice. Our veterans deserve support, and this bill takes a step to showing them that we recognize their contributions and would like to give back.

Mr. Speaker, I urge my colleagues to vote to help veterans by supporting H.R. 1171.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. DESANTIS) that the House suspend the rules and pass the bill, H.R. 1171.

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

The yeas and nays were ordered.

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

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 6:30 p.m. today.

Accordingly (at 6 o'clock and 6 minutes p.m.), the House stood in recess.

□ 1830

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WEBSTER) at 6 o'clock and 30 minutes p.m.