Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2337 authorizes the Forest Service to convey approximately 40 acres of the White River National Forest to Summit County, Colorado.

The parcel, sandwiched between Interstate 70 and a local highway and largely isolated from the rest of the White River National Forest, would be utilized by Summit County to construct affordable workforce housing. This conveyance would benefit both the county and the Forest Service by eliminating the agency's management over this isolated parcel.

I urge my colleagues to support this legislation and reserve the balance of my time.

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

(Mr. GRIJALVA asked and was given permission to revise and extend his remarks.)

Mr. GRIJALVA. Mr. Speaker, H.R. 2337 conveys the approximately 40-acre Forest Service Lake Hill administrative site in the White River National Forest to Summit County, Colorado. The Forest Service has established that the site has lost its national forest character and is severed from the rest of the White River National Forest.

Summit County will use the site to construct workforce housing, a need identified by the county. Summit County will cover all costs associated with the conveyance, and the Forest Service will be able to use any proceeds to address regional forest management issues.

H.R. 2337 is a great example of the Federal government working with local governments to identify and solve common problems.

□ 1445

Congressman POLIS is to be commended for his leadership in addressing the needs of his constituents using a commonsense, practical solution. We support the legislation and urge its passage.

Mr. GRIJALVA. Mr. Speaker, I yield as much time as he may consume to the gentleman from Colorado (Mr. POLIS), the sponsor of this legislation.

Mr. POLIS. Mr. Speaker, I want to thank the chair and the ranking member for their hearing, as well as the support of this bill.

For those of us who represent areas of the country where the Federal Government is a major landowner, it is absolutely critical to be able to work with this body to have the flexibility we need to meet the needs of our community.

This legislation is the product of a community-driven effort in Summit County where they were able to take a look at the 40-acre parcel, saw that it no longer had the characteristics of wildlife habitat or recreation, but it was ideally situated for housing for a community, which is a real need in Summit County.

People who work in our thriving mountain communities need to be able to live near where they work, to be able to get their cars and vehicles off the road. For families to be able to afford to live in the area, it is an absolutely critical need that the Summit County Commissioners, as well as our municipalities, as well as others, have come to the table around finding a real-life solution.

This bill is the first step. H.R. 2337 conveys a 40-acre parcel in the White River National Forest, known as the Lake Hill site, to Summit County for fair market value. Summit County will pay for all of the administrative costs associated with the conveyance.

As a result, the Congressional Budget Office estimates that this bill has no cost. In fact, proceeds from the sale will support much-needed U.S. Forest Service facility improvements and maintenance, which is absolutely critical to be able to do their job as stewards of our Federal lands, which is one of our main economic drivers for jobs, as well as a quality lifestyle in Summit County.

This bill had input from a variety of local stakeholders, received broad community support from the towns of Dillon and Frisco, from Summit County, from local environmental organizations and businesses.

In July, the House Natural Resources Committee approved the bill by unanimous consent; and our Senators, MARK UDALL and MICHAEL BENNET, have introduced a companion bill, S. 1305, which, hopefully, will be considered in committee in the weeks ahead.

This Lake Hill site was selected for sale because the property no longer has national forest character. The parcel is isolated from other U.S. Forest Service land. It sits between an interstate to the north, a highway to the south, and condominiums to the west.

The parcel was heavily logged and has unsightly infrastructure. As a result, it is no longer suitable for wildlife habitat or recreation purposes, but it is ideally suitable for additional housing to reflect the needs of our growing community.

Fortunately, Lake Hill can provide a great community purpose. Affordable housing availability is a critical problem in Summit County. Increasingly, families that work in Summit County are having a harder and harder time living in Summit County.

During the winter, approximately one-third of the Summit County workforce has to commute into the county, sometimes 45-minute, hour-long commutes, because local housing prices are too high for many people who work in the community to be able to afford to live there. In fact, nearly 40 percent of Summit County residents are paying more for housing than they can afford.

There is also a substantial housing gap in the face of a growing population. Over the last decade, the number of seniors increased faster in Summit County than any other county in Colorado. Latino households have doubled during the last decade, now comprising 15 percent of the county's population.

There is a real need for affordable housing options to meet the demands of our growing workforce and the needs of our economy, a need that will only become more urgent over time.

A lot of work remains to be done to put together the community partnership to look at the design elements and how this will work for the community, but this critical step can only occur here in the United States Congress, which is the transference of the Lake Hill site.

It will be a perfect setting for affordable housing. The property is located in the heart of Summit County, between the towns of Frisco and Dillon, and near free public transit that is already available.

This bill is a win-win. It adds affordable housing options, while providing funding for the U.S. Forest Service to improve Forest Service administrative facilities.

I urge my colleagues to support this essential legislation that contributes to the well-being of Summit County and our greater community.

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

Mr. YOUNG of Alaska. 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 Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2337.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RETAIL INVESTOR PROTECTION ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 391, I call up the bill (H.R. 2374) to amend the Securities Exchange Act of 1934 to provide protections for retail customers, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 391, in lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113–23 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2374

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 ''Retail Investor Protection Act''.

SEC. 2. STAY ON RULES DEFINING CERTAIN FIDUCIARIES.

After the date of enactment of this Act, the Secretary of Labor shall not prescribe any regulation under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) defining the circumstances under which an individual is considered a fiduciary until the date that is 60 days after the Securities and Exchange Commission issues a final rule relating to standards of conduct for brokers and dealers pursuant to the second subsection (k) of section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o(k)).

SEC. 3. AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.

The second subsection (k) of section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o(k)), as added by section 913(g)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.), is amended by adding at the end the following:

''(3) REQUIREMENTS PRIOR TO RULEMAKING.—The Commission shall not promulgate a rule pursuant to paragraph (1) before—

''(A) identifying if retail customers (and such other customers as the Commission may by rule provide) are being systematically harmed or disadvantaged due to brokers or dealers operating under different standards of conduct than those standards that apply to investment advisors under section 211 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–11); and

''(B) identifying whether the adoption of a uniform fiduciary standard of care for brokers or dealers and investment advisors would adversely impact retail investor access to personalized investment advice, recommendations about securities, or the availability of such advice and recommendations.

''(4) REQUIREMENTS FOR PROMULGATING A RULE.—The Commission shall publish in the Federal Register alongside the rule promulgated pursuant to paragraph (1) formal findings that such rule would reduce the confusion of a retail customer (and such other customers as the Commission may by rule provide) about standards of conduct applicable to brokers, dealers, and investment advisors.

''(5) REQUIREMENTS UNDER INVESTMENT ADVISERS ACT OF 1940.—In proposing rules under paragraph (1) for brokers or dealers, the Commission shall consider the differences in the registration, supervision, and examination requirements applicable to brokers, dealers, and investment advisors.''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in House Report 113–253, if offered by the gentleman from California (Mr. GEORGE MILLER) or his designee, which shall be considered read and shall be separately debatable for 20 minutes equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. 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 in the RECORD on H.R. 2374, currently under consideration.

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

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, at a time that the American people demand and deserve that Democrats and Republicans work together to fix real problems in our Nation, today this body has the opportunity to do just that.

Today the House will consider H.R. 2374, the Retail Investor Protection Act. The bill has strong support from both Democrats and Republicans. In fact, it passed the Financial Services Committee earlier this year on a strong bipartisan recorded vote, including half—half—of our committee's Democrats.

H.R. 2374 will ensure that hard-working families and individuals throughout our country who are trying to save for their retirements, save for their children's college education, saving for their first home are not harmed by confusing, costly regulations coming out of Washington.

Mr. Speaker, all Americans know that a flood of Washington red tape has hurt our economy. That is why tens of millions of our fellow countrymen remain either unemployed or underemployed. Unfortunately, even more regulations are on the way.

Specifically, today, Mr. Speaker, we are here speaking about the Securities Exchange Commission and the Department of Labor, which are headed toward proposing two massive and inconsistent rulemakings that are going to hurt the ability of retail investors to get financial advice that they need for their portion of the American Dream.

Mr. Speaker, retail investors are not big-time professionals on Wall Street. Retail investors had no role in causing the financial crisis, and they should not be punished for it which, regrettably, this rulemaking could do.

Rather, retail investors are ordinary, hardworking citizens from all of our congressional districts who buy and sell securities for themselves, their families and their futures, not for a company.

And in this struggling economy, when people who need help most, what are the SEC and the Department of Labor planning to do? They are planning to make it harder and more expensive for these Americans to get the financial advice that they both want and need.

Perhaps even more incredibly, the SEC, the Securities and Exchange Commission, is moving forward with this new regulation even though the agency has failed to provide any evidence that it would better protect investors.

So the Securities and Exchange Commission apparently is going to regulate first, ask questions later. This makes no sense for millions of struggling Americans trying to save for the future.

Mr. Speaker, again, we know that millions of middle class families are sitting around their kitchen tables struggling to save and invest in order to make ends meet. Every day, millions of them turn to financial professionals for advice.

Yet here comes from Washington regulations that will make that advice either unavailable or unaffordable, so fewer Americans will get the advice they need. That is unfair.

Let me provide you just a couple of examples, Mr. Speaker. Under the current suitability standard, an investor can have an account with a low-cost, online broker with whom he or she can both make trades and get investment advice.

Due to technological advances and the relatively low costs associated with operating an online platform, these brokers can offer trades and investment advice for as little as $7.

But should a fiduciary standard be applied to these online brokers, the impact on investors could be one or all of the following: higher fees per trade, higher fees for investment advice, or brokers may simply stop providing this investment advice to less affluent customers altogether. That is not fair.

Take the example of the single mother who supports her mother and wants to save for her daughter's college education. She has finally saved enough money to open up an IRA with $2,000 in savings.

But we know that should these rules continue to be promulgated, with these new Washington regulations, well, this lady may just be told she now needs $25,000 in order to open up the very same account.

Again, Mr. Speaker, patently unfair.

How about a middle-aged father who works with a financial professional. He wants the professional to get him access to products and ideas, instead of managing his investment portfolio for him. He wants to trade individual bonds, but potential regulations might not allow the financial professional to offer him bonds on a principal basis.

So the result? The father either gets worse execution prices or ends up paying a whole lot more for his investments.

Fortunately, one of our colleagues has stepped up to the table. The gentlelady from Missouri (Mrs. WAGNER) has introduced a commonsense bill, the Retail Investor Protection Act, and I and the rest of the committee who have voted for it congratulate her for her great work.

This bill would require the SEC to first consider the potential impacts its proposed regulation will have on investors, especially those with low and moderate incomes who would lose access to personalized investment advice that they need.

Second, the bill would require coordination between the SEC and the Department of Labor. These Washington agencies will have to sequence their rulemakings, with the SEC going first, so there will be no inconsistent rules that end up confusing and costing investors.

The Retail Investor Protection Act that we are debating today will avoid regulatory conflict between the SEC and the Department of Labor. It is as simple as that.

Mr. Speaker, even the SEC itself acknowledges that the cost of its regulation could ultimately be passed on to retail investors in the form of higher fees or lost access to services and products—yet, again, unfair.

It is not what Americans need. It is not what they deserve, especially as our economy remains in the throes of the weakest, slowest nonrecovery of the last 70 years.

Mr. Speaker, I urge my colleagues to pass this bipartisan bill, again, a bipartisan bill that passed with half of the Democrats on the Financial Service Committee choosing to support this commonsense legislation. H.R. 2374 will help struggling American families get the financial assistance they want and deserve.

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

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

I strongly oppose H.R. 2374, the bill inappropriately entitled the Retail Investor Protection Act. Quite the opposite. H.R. 2374 hinders the Labor Department and the Securities and Exchange Commission from protecting the average retail investor when they save for retirement.

For the last 2 years, the Labor Department has been updating an outdated rule regarding the fiduciary responsibility owed to employee benefit plans under the Employee Retirement Income Security Act of 1974, ERISA, and for Individual Retirement Accounts, IRAs, under the Tax Code.

Today retirees are more likely to rely on 401(k)s than IRAs and are less likely to have defined benefit plans from their employers. At the same time, financial products have become increasingly complex. The cost of rules governing the rights of investors and the responsibilities of advisers are more than 35 years old. DOL is attempting to modernize these rules in order to reflect the changing nature of the retirement marketplace.

Given these realities, it is necessary for the Department to make sure that the professionals offering retirement advice have a duty to put their clients' interests first before their own or, at the very least, tell their customers that they may be conflicted.

At the same time, the SEC is considering moving forward on a rulemaking that would impose a uniform fiduciary standard of conduct for broker-dealers and investment advisers consistent with the Dodd-Frank Act. This would ensure that whatever the business model, if an individual is providing personalized investment advice about securities to a retail customer, they would have a duty to put that customer's interests before their own. This is particularly important as many retail customers are unaware of the differences in the standards of care that various professionals owe them.

Both agencies have been making progress with their rules, collecting the necessary data and responding to stakeholder concerns about preserving access to investment advice, particularly for individuals with small accounts.

Given these facts, H.R. 2374 is the wrong approach. This legislation makes it significantly more difficult for both the SEC and the Department to move forward.

First, the provision requiring the SEC to do a new study, another study documenting that investors are being systemically harmed or disadvantaged under the existing standard, creates a high hurdle for the Commission to overcome. The purpose of this provision is to impose further roadblocks before the Commission can take any action, providing another avenue for industry to sue the SEC.

Secondly, H.R. 2374 would prohibit the Labor Department from modernizing the fiduciary duty standard under ERISA and the Tax Code until the SEC issued their rule. This provision would represent a historic abrogation of the Department's unique authority, and in spite of whatever pressing need for an updated rule.

Finally, H.R. 2374 seems premised on the faulty notion that the Department and the SEC are not coordinating when, in fact, staff have regular ongoing SEC-DOL staff meetings; in addition, leadership meetings, as well as a memorandum of understanding to share information on retirement and investment matters.

On behalf of millions of consumers, retirees, and investors, several organizations, including the AARP, the Consumer Federation of America, the AFL–CIO, and Americans for Financial Reform all oppose this legislation. A coalition of financial planning professionals wrote that H.R. 2374 is a backdoor attempt to undermine investor protection provisions in Dodd-Frank. In addition, SEC Chair White said in a letter to the committee that H.R. 2374 would make it difficult for the Commission to adopt such a rule.

Simply put, H.R. 2374 just goes too far. The bill holds the Labor Department hostage while throwing out roadblocks for the SEC. Mr. Speaker, for these reasons, I urge a ''no'' vote on this bill.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentleman from Minnesota (Mr. KLINE), the distinguished chairman of the Committee on Education and the Workforce.

Mr. KLINE. I thank the gentleman for yielding.

Mr. Speaker, it has been 4 years since the recession ended, yet economic growth is still anemic, job creation remains sluggish, and wages are flat. With each passing day, countless Americans feel they are falling further behind. In these difficult times, working families shouldn't need to fear yet another regulatory scheme that will make it more difficult to rebuild their retirement savings. That is why I support the Retail Investor Protection Act, legislation that will force the Department of Labor to hit the brakes on sweeping changes to the way workers save for retirement.

For many Americans, investing in a retirement plan can be confusing and, frankly, intimidating. Workers want to know their hard-earned dollars are managed wisely and in a way that could lead to financial security in their retirement years.

Investment professionals provide a crucial service to those who want to plan for their retirement yet lack the time and expertise to manage an investment portfolio. All investment advisers should be well trained, adhere to the highest ethical standards, and promote the best interests of their clients. Rules governing the actions of particular investment advisers, also known as fiduciaries, have helped provide workers with certainty for decades. However, since 2010, the Labor Department has tried to expand the definition and duties of a fiduciary and, in the process, diminished that certainty.

While we support looking for ways to modernize current fiduciary regulations, the Department's recent proposal threatens to drive up costs, restrict investment opportunities, and harm efforts to educate workers about responsible retirement planning.

Despite bipartisan concerns, Department officials are still pursuing this flawed approach behind closed doors. H.R. 2374 will force the Department of Labor to abandon this misguided effort and help ensure any future attempt to redefine ''fiduciary'' promotes the retirement security of America's workers.

I want to thank Representative WAGNER, Chairman HENSARLING, and members of the House Financial Services Committee for their strong bipartisan leadership on this important issue.

I urge my colleagues to support the Retail Investor Protection Act.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. LYNCH), a member of the Financial Services Committee.

Mr. LYNCH. I thank the gentlewoman for yielding.

Mr. Speaker, I rise today in opposition to H.R. 2374, the so-called Retail Investor Protection Act. Despite its innocuous-sounding title, the intent of this bill is not to protect investors, but to protect an outdated system that systematically weakens the average American's retirement savings protections.

When Americans sit down across the table from a financial adviser and entrust their retirement nest egg, they expect the advice they receive to be the best financial advice for them. That is why when Congress created the Employee Retirement Income Security Act in 1974, it did so with the express purpose of protecting employees and their dependents through robust disclosure requirements and fiduciary standards of care.

But the quality of advice they receive is often dependent on whether their adviser is an investment adviser or a broker-dealer, a distinction which is really a reflection of an accident of chance that retail investors typically are not aware of and do not fully understand.

Moreover, as employers have come to back away from defined benefit pension plans to defined contribution plans like 401(k)s, average workers more often are on their own to weigh advice received directly from their financial adviser about how best to invest their retirement. The result is a retirement savings system in which many workers often are unaware that they are turning over their savings to advisers who may have no legal requirement whatever to act in the worker's best interest.

This bill before us today will make it harder for the Department of Labor and the Securities and Exchange Commission to protect workers' retirement savings at a time when expanding and strengthening those retirement savings and protections has never been more important.

The average Social Security beneficiary receives about $1,200 per month, or just under $15,000 per year, representing just 41 percent of required pre-retirement income. With the cost of services for retirees—such as health care, food, and other essentials—continuing to go up, it is more important than ever that Americans have robust retirement savings to supplement the modest benefit that Social Security now guarantees.

Unfortunately, this bill before the House today takes us in the opposite direction in order to protect its status quo. That is why AARP opposes this bill. That is why the AFL–CIO opposes this bill. That is why the Consumer Federation of America opposes this bill. That is why Americans for Financial Reform opposes this bill. That is why I will vote ''no'' on this bill, and I urge my colleagues to do the same.

Mr. HENSARLING. Mr. Speaker, it is now my pleasure to yield 6 minutes to the gentlewoman from Missouri (Mrs. WAGNER), the sponsor of the legislation and an outstanding freshman member of our committee who has led on this issue.

Mrs. WAGNER. Mr. Speaker, I first want to thank Chairman HENSARLING and Chairman GARRETT for their leadership in bringing this bill to the floor today. I also want to thank my Financial Services Committee colleagues on both sides of the aisle for their work and support of this bill.

Mr. Speaker, in recent weeks, we have been caught up in a fierce debate over the imperiled balance sheet of our Nation. It goes without saying that for a Nation that is $17 trillion in debt, getting our Federal balance sheet under control remains of extreme importance for future generations of Americans.

We must also keep in mind these days that it is not just the Federal balance sheet that is upside down. Indeed, the household balance sheet of American families is under some of the greatest stress we have seen in decades. Median household income has declined by $2,400 since the previous recession ended in June of 2009. Millions of Americans remain out of work, and an alarming number of our fellow citizens have flat-out given up on their search to find a job. Recent studies have shown that an alarming percentage of Americans do not have adequate savings set aside for their retirement. The fact is that many families in Missouri and all across the country are struggling just to make it to the 15th and the 30th of every month, let alone finding the ability to put something away for retirement or for a rainy day.

Regrettably, despite all of these economic challenges, two Federal agencies are on a path towards making it even harder for our fellow citizens to save and invest money for the future. At issue are attempts by the Department of Labor and the SEC to increase the liability of financial professionals that provide services to hardworking families all across our country. These new rules are likely to impose tremendous new burdens on Main Street businesses and will take choices away from hardworking families who understand better than anyone else what investments are in their ''best interest.''

For example, when the Department of Labor originally proposed the new ''fiduciary'' rules in 2010, it was pointed out by several commentators and by Republicans and Democrats in Congress that the likely result would not have been enhanced investor protection. Rather, scores of low- and moderate-income Americans would have suddenly found themselves unable to work with a financial professional and unable to make investments that would help them achieve financial security for their future.

Similar dynamics are at play with the SEC. Without providing any evidence of investor harm, the SEC is heading towards a rulemaking that could disrupt the valuable relationship that Americans have with their financial professionals. Perhaps most concerning, these two agencies appear to be on a collision course with one another and could end up issuing two very different and conflicting rules.

Recently, the SEC issued a 72-page request for information to support a rulemaking, but nowhere, nowhere in this request did the SEC mention the Department of Labor's fiduciary project or its effect on the SEC's work. So despite the claims we have heard from both agencies, it doesn't appear that there is much coordination going on at all. This suggests that we are heading toward a situation where rules come into conflict with one another, creating a great amount of confusion and cost for businesses and retail investors.

That brings us to H.R. 2374, the Retail Investor Protection Act, which passed the House Financial Services Committee in June by a bipartisan vote of 44–13. To those who are just tuning in to this debate, it may help to understand exactly who it is we are talking about when we use the term ''retail investor.''

''Retail investor'' could describe two young working parents that are trying to figure out ways to save for that first home. It could describe a single mother who has scraped together $1,000 to open up an IRA or an educational account for her child. Or it could describe a new dad looking to set up an insurance policy for his family.

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It is these Americans that will be hurt the most by overbearing and misguided rules that prohibit them from making investments they both want and desperately need.

So the underlying legislation is quite simple. First, it requires that the Department of Labor wait for the SEC to act before issuing new fiduciary rules. I would note that a recent letter from 10 Democratic Senators to the Office of Management and Budget made this very same request.

Second, the legislation requires that the SEC identify whether investors are being harmed or disadvantaged under current regulations. In other words, the SEC would have to identify a problem it is trying to address. The SEC would also have to identify whether new rules would restrict investor access to financial products and services and show that any final rule would actually reduce any confusion investors have over standards of conduct within the industry.

In short, this bill brings much-needed checks and balances to a regulatory process gone bad.

We must remember what is at stake here. Americans invest trillions of dollars through IRAs, education accounts, and other investment vehicles. The Retail Investor Protection Act would require that Federal agencies act in the best interest of all investors and would go a long way towards preserving access to financial services for Americans of all income levels.

I thank my colleagues again for their support, and I urge passage of the bill.

CHAMBER OF COMMERCE
UNITED STATES OF AMERICA,
Washington, DC, October 28, 2013.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strong supports H.R. 2374, the ''Retail Investor Protection Act.'' The Chamber believes that ensuring retail investors have continued access to their choice of financial products and services that best meet their needs will help meet investment objectives, secure retirement security, and bolster long-term economic growth.

If enacted, the Retail Investor Protection Act would require that the Securities and Exchange Commission (''SEC'') complete a rulemaking on fiduciary standards for broker dealers before the Department of Labor (''DOL'') finalizes its rule redefining a fiduciary under the Employee Retirement Income Security Act, as the two agencies have shown to work at cross-purposes on their fiduciary initiatives. Due to the increasing overlap between the DOL and SEC in the area of retirement plans and the related nature of each agency's fiduciary initiative, the Chamber believes that the two agencies should coordinate and work in a systematic manner, allowing the SEC to complete its rules first to avoid investor confusion, regulatory conflict, and one rule being usurped by the other.

H.R. 2374 would also require that before the SEC promulgates new rules expanding the fiduciary standard in the retail investor context, it must first (1) identify any issues with the current fiduciary structure; and (2) identify whether uniform fiduciary standards for broker dealers and investment advisors would have any adverse impact, resulting in reduced products and services for retail investors. These are all common sense measures that would ensure the appropriate balance in investor protection while mitigating potentially harmful consequences.

The Chamber also opposes an amendment expected to be offered by Rep. George Miller and Rep. John Conyers, which would completely undermine the intent of a provision in H.R. 2374 by giving DOL free reign to promulgate rules without prioritization and consideration of the SEC's fiduciary initiative. Moreover, the Miller-Conyers Amendment would also deprive owners, directors, and shareholders of the ability to manage a business by authorizing the DOL to set compensation for investment advisors and financial services providers, thus shifting some securities oversight away from the SEC and to the DOL.

The Chamber strongly supports the Retail Investor Protection Act and opposes the Miller-Conyers Amendment. The Chamber may consider including votes on, or in relation to, this bill and the Miller-Conyers Amendment in our How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President.

NATIONAL ASSOCIATION OF PLAN-ADVISORS,
Arlington, VA, September 25, 2013.

Congresswoman ANN WAGNER,
Re ASPPA Support of H.R. 2374, the Retail Investor Protection Act
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSWOMAN WAGNER: On behalf of the 6,700 members of the National Association of Plan Advisors (NAPA), I would like to express our support for H.R. 2374, the Retail Investor Protection Act. We commend you for your leadership on this important issue.

As you know, both the Department of Labor (DOL) and the Securities and Exchange Commission (SEC) have indicated they are moving forward with proposed rules that would expand ''fiduciary'' responsibilities to more investment professionals. NAPA is especially concerned that these proposed regulations could increase costs and limit availability of products and advice for retail investors, especially those with low or moderate incomes. Additionally, NAPA is concerned that the regulations could result in retail investors not receiving assistance from their trusted investment professionals based on whether their accounts are after-tax retail accounts or tax-favored IRAs.

Your legislation includes two provisions that NAPA especially supports. First, it prohibits the DOL from issuing any new fiduciary rules until sixty (60) days after the SEC finalizes its rule. Second, it requires the SEC to identify whether expanded fiduciary standards would result in less access to investment products and advice for retail investors and to submit formal findings that any final rule would reduce retail investor confusion about standards of care that apply to brokers, dealers and investment advisors.

Again, thank you for your leadership on this issue. We look forward to working with you on passage of this important legislation in both the House and the Senate.

Sincerely,

BRIAN H. GRAFF, ESQ., APM,
Executive Director/CEO.

SEPTEMBER 30, 2013.

Hon. ANN WAGNER,
House of Representatives, 435 Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVE WAGNER: On behalf of the Association for Advanced Life Underwriting (''AALU''),[1] thank you for all of your hard work on H.R. 2374, ''The Retail Investor Protection Act of 2013.'' This bipartisan legislation, which you introduced and led through the Financial Services Committee, will help ensure that any rulemaking undertaken by the Secutities and Exchange Commission (''SEC'') to modify the standards of conduct and other regulatory requirements applicable to brokers, dealers, and investment advisers[2] is sufficiently supported by empirical information and focused principally on remedying the identified problem of investor confusion without raising costs and reducing choices for investors.[3]

The SEC is considering whether to engage in a rulemaking that would impose a ''uniform fiduciary duty'' on all brokers, dealers, and investment advisers providing personalized investment advice about securities to retail customers. The sole impetus for such a rule is the SEC's concern about investor confusion over the roles and legal obligations of financial professionals. The SEC appears to be operating from a presumption that the regulatory regime governing brokers and dealers is disproportionately responsible for creating this investor confusion and is seeking to address it by imposing a broad principles-based fiduciary duty on broker-dealers, breaking with eighty years of rules-based regulation.

The problem of investor confusion does not dictate a regulatory solution of this sort. There is no evidence to suggest that such a rule would provide consumers with better or clearer information about the roles and obligations of the financial professionals that serve them, nor is there reason to believe that it would enable consumers to make better-informed investment decisions.

Indeed, because, as the SEC has acknowledged, a ''pure fiduciary duty'' is unworkable in the context of the broad activities of a broker-dealer, any new fiduciary duty imposed on the industry will include exceptions for various types of activities—leaving investors even more confused as to what the legal obligations of their financial professionals might be. For this reason, the AALU has urged the SEC to directly address the problem of confusion through enhanced disclosure, not to do so through an entirely new regulatory approach that purports to apply uniformly to financial professionals—when, in practice, it does not.

H.R. 2374 would build into the rulemaking process important safeguards to ensure that the SEC adequately justifies any rule prescribed to improve investor confusion and that it appropriately tailors such a rule in a way that remedies the identified problem, but does not adversely affect consumers in the process of doing so. Specifically, the legislation requires the SEC to identify, prior to any rulemaking, if: current differences in the legal and regulatory obligations of brokers, dealers, and investment advisers actually produce harmful outcomes for retail customers—and—whether the adoption of the ''uniform fiduciary duty'' as proposed by the SEC could in fact have an adverse impact on consumers by limiting access to investment advice, raising costs, and adding to investor confusion.

Should the SEC proceed with a rulemaking, H.R. 2374 would require the SEC to publish alongside a proposed rule formal findings that demonstrate how the rule would reduce investor confusion. Finally, the legislation imposes a stay on the promulgation of conduct regulations by the Department of Labor (''DOL''), which is currently considering a rulemaking that would redefine the term ''fiduciary'' for purposes of the Employee Retirement Income Security Act of 1974 (''ERISA''). This provision would allow the SEC to freely carry out the congressional objective underlying Section 913 of the Dodd-Frank Act[4] without concern over any potential interference from the DOL, which, through its anticipated rulemaking, may or may not encroach upon marketplace activity traditionally governed by the securities laws and overseen by securities regulators.

If enacted, H.R. 2374 will ensure a thorough fact finding by the SEC and, if necessary, will result in regulation targeted to address the problem originally contemplated by Congress when it provided the SEC with this rulemaking authority. We believe that such an outcome would greatly benefit investors.

Again, we thank you for introducing H.R. 2374 and we look forward to working with you and your staff as the 113th Congress continues.

Sincerely,

DAVID J. STERTZER,
Chief Executive Officer.

[1] The AALU is a nationwide organization comprised of more than two thousand life insurance agents and professionals primarily engaged in sales of life insurance used as part of estate, charitable, retirement, and deferred compensation and employee benefit services. The AALU is organized behind a mission to promote, preserve and protect advanced life insurance planning for the benefit of our members, their clients, the industry and the general public.

[2] Pursuant to Section 913(g)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank Act'').

[3] For additional information on the AALU's support of H.R. 2374, see Legislative Proposals to Relieve the Red Tape Burden on Investors and Job Creators: Hearing Before the H. Subcomm. On Capital Mkts. and Gov't Sponsored Enters, of the H. Comm. on Fin. Servs., 113th Cong. (2013) (statement of Ken Ehinger, President and CEO, M Securities, Inc.), available at *http://financialservices.house.gov/UploadedFiles/HHRG-113-BA16-WState-KEhinger20130523.pdf.*

[4] Namely, an evaluation of the need for a new standard(s) of conduct and harmonization of the regulation of brokers, dealers, and investment advisers—and, if warranted by the SEC's findings, the promulgation of rules to establish new requirements.

INDEPENDENT INSURANCE AGENTS & BROKERS OF AMERICA, INC.
September 30, 2013.

Hon. JOHN BOEHNER,
Speaker, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: On behalf of the Independent Insurance Agents & Brokers of America (IIABA or the Big ''I''), I write today in support of H.R. 2374, the ''Retail Investor Protection Act'' introduced Rep. Ann Wagner (R–MO). With over a quarter of a million agents and employees nationwide, the Big ''I'' is the largest association of insurance producers in the United States.

The IIABA is greatly concerned that agents, brokers and the consumers they serve would be adversely affected by the establishment of a universal fiduciary standard of care. An expansion of the fiduciary duty promises to create undue compliance burdens and increased liability for our small business membership, thereby increasing costs for consumers and restricting access to quality investment advice for those most in need. Furthermore, simultaneous and possibly overlapping rulemakings by the Department of Labor (DOL) and the Securities and Exchange Commission (SEC) have the potential to create confusion in the marketplace and even more liability concerns for marketplace participants.

Rep. Wagner's bill would create a number of important checks and balances on the rulemaking process to ensure that consumers are not harmed by an expansion of the fiduciary duty. First, it would require the DOL to wait until 60 days after the SEC finalizes any fiduciary rule before issuing its rule. The measure would also require the SEC to determine that any new mandate would not harm consumers or restrict access to investment advice, and would require the completion of a cost-benefit analysis.

The IIABA thanks you for scheduling H.R. 2374 for consideration this week and urges all members to support this important legislation.

Sincerely,

CHARLES SYMINGTON,
Senior V.P. of External & Government Affairs.

UNITED STATES SENATE,
Washington, DC, August 2, 2013.

Hon. SYLVIA MATTHEWS BURWELL,
Director, Office of Management and Budget, Washington, DC.

DEAR DIRECTOR BURWELL: We write with regard to the work the Securities Exchange Commission (SEC) is currently undertaking to implement Section 913 of the Dodd-Frank Act, and its intersection with the work the Department of Labor (DOL) is currently engaged in to redefine the term ''fiduciary'' under the Employee Retirement Income Security Act of 1974 (ERISA). We remain very concerned that uncoordinated efforts undertaken by the agencies could work at cross-purposes in a way that could limit investor access to education and increase costs for investors, most notably Main Street investors.

The fundamental purpose of Section 913 of the Dodd-Frank Act is to provide for the establishment of a uniform fiduciary standard that applies equally to Broker-Dealers and Registered Investment Advisors for the benefit of investors when personalized investment advice is provided. While it is unclear what the Department of Labor's re-proposal in this area will look like, the Department's 2010 proposal could have caused all Broker-Dealers that service Individual Retirement Accounts (IRAs) to be ERISA fiduciaries, which would have as a practical matter eliminated access to meaningful investment services for millions of IRA holders.

We believe that Congress clearly intended that a single standard should apply to retail accounts, including retirement accounts, based on the specific guidelines enumerated in Section 913. We are concerned that while the SEC is proceeding in accordance with its Congressional mandate, the DOL seems poised to issue a regulation that could directly conflict with the SEC's work.

Given the Office of Management and Budget's role in coordinating and streamlining Agency regulations, we write to make you aware of the potential conflict between these regulations. We would also encourage you to promote regulations that are workable and encourage, rather than limit professional investment education and guidance. We believe that, at a minimum, the Department of Labor should not issue final regulations in this area until the SEC has completed its work and that any regulation the DOL ultimately may propose should be carefully crafted so that it does not upend the SEC's work.

We urge you to review any regulation proposed by the DOL to be sure it does not undermine the SEC's implementation of a fiduciary standard for the benefit of retail investors. We know that you share our goal of ensuring that any regulations issued in the area are consistent rather than working at cross-purposes and we look forward to working with you in furtherance of this goal.

Sincerely,

JON TESTER,
United States Senator.
CLAIRE MCCASKILL,
United States Senator.
TOM CARPER,
United States Senator.
MARK BEGICH,
United States Senator.
BEN CARDIN,
United States Senator.
MARK WARNER,
United States Senator.
KAY HAGAN,
United States Senator.
AMY KLOBUCHAR,
United States Senator.
MARK PRYOR,
United States Senator.
KIRSTEN GILLIBRAND,
United States Senator.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. ELLISON), cochair of the Progressive Caucus, a member of the Financial Services Committee, and Democratic whip.

Mr. ELLISON. I want to thank the ranking member, Congresswoman WATERS, for the time, and I thank the chairman.

We have a crisis in our country, and the crisis has to do with retirement. This retirement crisis is huge. We literally have about $6.6 trillion between what people have for retirement and what they need for retirement.

And so the Labor Department is doing what makes sense: making sure that when a person representing themselves as a financial adviser is going to a person who wants to retire—rollover a 401(k) or whatever—they are getting the best advice for them, and if the adviser is making money off the products they are pushing, that that would not be all right.

But you know what? The Labor Department is not even done with the rule. They are still writing it. But before they ever do, this shoddy piece of legislation is going to try to interrupt that process. This bad piece of legislation is going to interrupt the Department of Labor as they are pulling together a rule to protect retirees.

We have a record amount of more than $10 trillion invested in retirement accounts, and yet median retirement account balances are about $45,000. That is a huge gap. Part of the reason this amount is so low is due to the high fees and hidden commissions. An annual fee of 1 percent could lower the amount of an account by 21 percent over more than 30 years.

I am grateful to the Department of Labor for their efforts to come together to do a good plan. Too often, workers leave jobs and are contacted by people who urge them to rollover their 401(k) investment into an IRA. Too often, workers do not know that these callers are salespeople who can put investors into accounts with high fees and hidden commissions, yet this bill would not protect the public from such rip-offs. Investors lose 3, 4, or 5 percent of the value of their savings without even knowing about it.

This bill, H.R. 2374, is harmful. It prevents the Department of Labor from taking steps to ensure advisers do not have conflicts of interest. Why would anybody want to say, yes, have all the conflicts of interest you want as you are messing with our retirees' accounts?

Taking the unprecedented step to stop an agency midprocess in protecting workers is bad. That is why AARP, the National Council of La Raza, the Consumer Federation of America, and many, many people representing Americans oppose it.

This antigovernment rhetoric and all this stuff about government regulation we hear all the time is the same rhetoric that led to the shutdown that undermined the interests of American workers. Let's just shut this bill down. It is not good.

STATEMENT OF ADMINISTRATION POLICY

The Administration strongly opposes passage of H.R. 2374 because it would derail important rulemakings underway at the Securities Exchange Commission (SEC) and the Department of Labor that are critical to protecting Americans' hard-earned savings and preserving their retirement security.

H.R. 2374 prohibits Labor from issuing a rule to protect investors until the SEC engages in and completes further study of the effect of a rulemaking on retail investors. The bill ignores the fact that significant work has already been conducted in both agencies and that the agencies have included and continue to include the public, industry, and numerous stakeholders in their rulemaking processes. Moreover, the two agencies are already working closely to avoid conflicting requirements for the regulated community, and this legislation would hamper effective coordination between the two agencies. The bill would hinder efforts to protect consumers from conflicts of interest among brokers, dealers, financial advisors, and others whose incentives may be misaligned with investors, potentially leading to deceptive and abusive practices.

The Administration is committed to ensuring that American workers and retirees are able to receive advice about how to invest their money in safe, secure, and transparent financial products that is free from harmful conflicts of interest. These ongoing rulemakings are designed to protect trillions of dollars in retirement savings of millions of workers and retirees by ensuring that paid advisors and other entities do not place their own financial interests over those of their customers. This legislation would place an unnecessary obstacle in the way of these efforts to prevent such harmful conflicts of interest, which hurt businesses, consumers, and retirees and their families.

If the President were presented with H.R. 2374, his senior advisors would recommend that he veto the bill.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee, Dr. ROE, a distinguished member of the Education and the Workforce Committee.

Mr. ROE of Tennessee. I thank the chairman.

Mr. Speaker, I rise in support of the Retail Investor Protection Act and preserving access to financial advice to all Americans.

The Department of Labor's efforts to redefine the fiduciary standards is classic Washington. It is a solution in search of a problem. The DOL has yet to present tangible evidence—beyond anecdotes—that workers are being hurt by current law, nor has the Department conducted a sufficient cost-benefit analysis.

This is not to say that the fiduciary standards must never be changed. All of us, Republicans and Democrats, want to strengthen workers' retirement security and perhaps need to modernize the longstanding fiduciary standard; but instead of working with Congress, the Department of Labor has single-mindedly pursued a course that would actually drive up the cost of retirement planning and restrict access to important investment advice. Millions of Americans could potentially be left to prepare for retirement on their own. How on Earth could this be a good thing?

The 2007 recession wreaked havoc on the retirement savings of American workers. We should work together on responsible solutions that will help workers enjoy their retirement years with financial security and peace of mind.

I am privileged to serve as chairman of the Subcommittee on Health, Employment, Labor, and Pensions, and that is precisely what we are trying to do in the area of multiemployer pension reform. The subcommittee has convened numerous bipartisan hearings to closely examine the problems plaguing the multiemployer pension system and potential solutions. In fact, we held such a hearing earlier today. Will we all agree on every point? Of course not. However, we remain committed to working together on real solutions that will promote the best interests of American families.

I hope the Department of Labor will reconsider its ill-conceived approach to revising Federal fiduciary standards and work with Congress, interested stakeholders, and other Federal agencies to strengthen the retirement security of hardworking Americans. Until the Department does what is right and changes course, I urge my colleagues to support the Retail Investor Protection Act.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentlelady from New York (Mrs. CAROLYN B. MALONEY), who serves as the ranking member on the Subcommittee on Capital Markets and Government Sponsored Enterprises of the Financial Services Committee.

Mrs. CAROLYN B. MALONEY of New York. I thank the ranking member for yielding and for all her hard work, and I thank the chairman.

Mr. Speaker, I rise in opposition to H.R. 2374. The bill would require the Securities and Exchange Commission to conduct yet another cost-benefit analysis of a fiduciary duty rule, apparently in the attempt and hope of derailing a new fiduciary duty rule to protect consumers. The Securities and Exchange Commission has already completed a lengthy study on whether or not to propose a fiduciary duty rule for brokers. That study included an extensive cost-benefit analysis.

So, my colleagues, outside of trying to derail a new consumer safeguard, what could possibly be the purpose of requiring the SEC to do yet another cost-benefit analysis on the exact same issue again? How about we just take the first one and make two copies?

The rule also prohibits the Labor Department from even proposing a rule until 60 days after the SEC finalizes its final rule. And what is the harm, my colleagues, in allowing an agency—in this case, the Labor Department—to release the proposed rule for public discussion, for public input? Since when has Congress been afraid of a debate?

If my colleagues believe that the proposed rule gets it wrong, then they have every opportunity to say so, as does the public, as do businesses, and that is exactly what the public comment period is for. That is what happened the last time the Labor Department proposed a fiduciary rule; there were questions raised. They have recalled it to reconsider it, and they are withdrawing that proposal and working on a new one.

If the SEC has a better idea for a fiduciary duty rule, then let's debate that one and have that released, but preventing an agency from even putting out a regulatory proposal for public debate is flat-out dead wrong.

This bill would delay and possibly derail important rulemaking at the Securities and Exchange Commission and the Labor Department to protect retirement security and investor protection rights. This is a transparent attempt to slow down the rulemaking process and possibly derail the whole rulemaking process for protections for consumers.

For these reasons, I urge my colleagues to vote ''no.''

Mr. HENSARLING. Mr. Speaker, I am now pleased to yield 3 minutes to the gentleman from New Jersey (Mr. GARRETT), chairman of the Financial Services Subcommittee on Capital Markets and GSEs.

Mr. GARRETT. Mr. Speaker, I thank the chairman for advancing this bill to the floor. I also congratulate the sponsor of the bill, Mrs. WAGNER, for leading forward with a piece of legislation that has, at its heart, to work in a bipartisan manner to protect American investors big and small, senior citizens, and regular people across this country who are concerned about their investment, concerned about what they pay for their advice and for their transactions. So I commend both of them for moving this legislation along.

The other side of the aisle likes to get engaged with name-calling, like ''shoddy,'' ''bad,'' ''rip-off,'' and throw out numbers which, I guess, are just sort of pulled out of the air when they say, If it is 1 percent for this, how much over 30 years? If it is a commission of X, I don't know, how much is it over 40 years?

I always wonder when I hear comments from the other side of the aisle if they really actually sit and read the bill or do they just pull these numbers out of a hat. But I did hear one of their comments which went to the point of trying to help investors, which is: How do we help Americans, and how do we do it in a bipartisan manner?

Well, this was one of the most bipartisan bills that we have ever had coming out of our committee. Over half of the Democrats on the committee said they are going to stand with Americans, stand with investors. I will share some of those.

Mr. SHERMAN voted ''yes''; Ms. MOORE said ''yes,'' stand with Americans; Mr. PERLMUTTER said ''yes''; Mr. HIMES said ''yes''; Mr. PETERS said ''yes.'' Messrs. CARNEY, FOSTER, KILDEE, DELANEY, Mrs. BEATTY, and Mr. HECK, to name just a few, joined with Republicans to work in a bipartisan manner to stand with Americans and stand with American investors, realizing that, at the end of the day, part of the problem in Washington is too many agencies that are not communicating with each other. Lack of communication is one of the problems that we have seen in this country in the last few weeks and months.

All we are suggesting is that the various agencies, like the SEC and the Department of Labor, actually coordinate and work together for investors. How will they do that? Well, the SEC, is principally charged with the responsibility of looking at the areas of broker-dealers and investment advisers. And you know there is a difference on how they are treated right now, and there is a reason for that. They have been treated differently for eight decades, I guess, or so.

The SEC will be looking at this. As the gentlelady from New York has indicated, there is a study outstanding right now. They are getting comments in already for that study. We are saying let's make sure we hear all the information, collect all the data, and before we go forward, let's have communication between these two agencies.

Let the SEC take the first step here. Nothing in here prevents them from taking any final actions or final steps. Nothing in this bill prevents the investor from being protected as these various agencies see fit.

All we are really asking for is the SEC, the agency principally charged with this, to take the first action, make sure they have the data, then work in harmony with the Department of Labor, and at the end of the day, we will be helping the American investors in a completely bipartisan manner.

□ 1530

Ms. WATERS. Mr. Speaker, I yield 4 minutes to the gentleman from California, Congressman GEORGE MILLER, who is the ranking member on the Committee on Education and the Workforce.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. I thank the ranking member for all of her work on this legislation and for her yielding me the time.

Mr. Speaker, I rise in opposition to H.R. 2374. This bill is very bad news for working families. It protects the loophole in the law that allows conflicted brokers and advisers to rip off ordinary Americans who are trying to save for their retirements.

The 2008 financial crisis wiped out trillions of dollars of Americans' retirement accounts. Working families now need help in rebuilding those nest eggs, and they need better protection for their savings. The SEC and the Labor Department have moved to provide these protections, proposing to close the harmful loophole, but this bill would scuttle those efforts. Here is what is at stake.

Millions of Americans are putting money aside every day in their 401(k)s and in their IRAs to save for retirement. They have to make these investment choices, and Wall Street is more than happy to advise, but some of those advisers and brokers have conflicts of interest, often undisclosed conflicts of interest. The brokers know about their conflicts of interest, and the brokerage houses know about their conflicts of interest, but the person who is handing over his hard-earned retirement funds doesn't know about the conflicts of interest. The workers think they can trust this investment advice.

But what they don't know is that their advisers may get paid more for, in fact, in actual cases, steering them into high-cost funds with the worst performing of the family of funds. It is very good for the family of funds, but it is very bad for that individual worker who is now handing over his retirement nest egg. That product might have higher fees than other products. It might underperform compared to other products. In other words, the product is not in the worker's best interest, but it certainly is in the broker's best interest.

The SEC and the Labor Department are trying to close this loophole that allows this rip-off to continue to happen, and it is, indeed, a rip-off of ordinary Americans. I know my friend from New Jersey doesn't like the term ''rip-off,'' but that is what is happening to these hardworking American families. Multiple studies—not conjecture—have found that these conflicts of interest cost these retirees, these workers, very real money.

In 2009, the GAO found that, when a pension consultant has conflicts of interest, a defined benefit retirement plan underperforms by 130 basis points. If a conflicted broker in the defined contribution world recommends funds at a similar rate of underperformance, a 40-year-old worker who rolls over his $20,000 401(k) balance into an IRA will see his retirement savings cut by a third over 30 years. If he normally earns 6 percent returns, he would now only be making a 4.7 percent return. The bottom line is he is $35,000 poorer by the time he reaches 70. Thank you for that conflicted advice.

This year, researchers found that the funds recommended by conflicted brokers in 401(k) plans underperformed by an average of 3.6 percent. That translates into workers losing $1 billion every month from their retirement funds because of these conflicts of interest. As a result, consumers are getting bad advice and are putting their retirement savings at stake.

Where do those figures come from?

They come from the founders of the Vanguard funds, who worked out the differences between these funds, conflicted funds, and other funds. That is why the Dodd-Frank law directs the SEC to transition brokers to a fiduciary standard, and, separately, the Department of Labor is trying to align the protections as well.

Brokers need to either act solely in the best interests of investors or otherwise disclose who they work for and how they are paid, but some on Wall Street have cried out, claiming that they will not be able to offer investment advice, especially to working people, if they cannot offer conflicted advice. They can't tell you how to invest your money unless they can offer you conflicted advice wherein they are getting paid more to offer you a substandard product. With the knowledge of that and the higher fees, they somehow can't make money. Let's remember that 75 percent of the brokers can't beat the S&P 500 that is on automatic pilot.

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

Ms. WATERS. I yield the gentleman an additional 1 minute.

Mr. GEORGE MILLER of California. I thank the gentlewoman for yielding.

Mr. Speaker, is that what they are really saying? Is that what American workers want to know—if I don't give you money, for which you can keep secret conflicts of interests that you have with the investment of my money, I have to give you my money anyway if I am looking for this investment? That is absolutely wrong.

The American worker deserves better than that. These people work hard to make the decisions to try to save, to add to their 401(k)s, and you want to talk about, oh, we should educate them about the value of a 401(k) and about the value of an IRA. You can educate them until the cows come home, but if they know that somebody is stealing their money because someone can conceal a conflict of interest, all of that education won't make a damned bit of difference because the fact of the matter is they've worked too hard to hand over their money to those conflicted advisers.

That is what this bill is about. This bill would continue those conflicts, make every effort to delay and stop this rulemaking—or we change the law, we go forward, we protect working families, we protect the retirees, and we make sure that the financial marketplace is free of these conflicts of interest.

Again, I thank the gentlewoman for all of her effort on this legislation.

Mr. HENSARLING. Mr. Speaker, I am pleased now to yield 2 minutes to the gentleman from North Carolina (Mr. MCHENRY), the chairman of the Financial Services Subcommittee on Oversight and Investigations.

Mr. MCHENRY. I want to thank the committee chairman as well, Mr. HENSARLING, for yielding to me, and I want to thank my colleague ANN WAGNER from Missouri for putting together this very wise bill.

Mr. Speaker, I would say to my Democrat colleagues on the other side of the aisle who are speaking out with loud voices that the only rip-off here is when retail investors and the American people have two different government agencies writing rules. When they are not coordinating with each other and when they are not talking to one another, they are not writing rules that work together. In fact, you could be a retail investor and be complying with the Department of Labor's rules but could be running counter to the Securities and Exchange Commission's rules if this coordination is not done as required by this legislation.

So the Retail Investor Protection Act is just that. It protects retail investors. It reconciles uncoordinated efforts between the Securities and Exchange Commission and the U.S. Department of Labor, and it says that they have to work together and also use a cost-benefit analysis when they are writing these rules.

I think that is a very wise thing. In fact, the court system has agreed that it is a wise thing, and 44 members of the House Financial Services Committee thought it was a wise thing, while only 13 opposed passing this out.

Also, we have 10 Democrat United States Senators who have written to the Office of Management and Budget, making an identical request as this bill to the SEC, stating that the SEC act first in writing these rules before they come together.

So, today, it is not only a bipartisan vote but also a bicameral vote, both the House and the Senate. I would ask my colleagues to support this bipartisan bill coming out of Financial Services in order to make sure that our government agencies actually coordinate when they write rules. Let's actually protect retail investors and do that first.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia, Mr. BOBBY SCOTT, who is on the Judiciary Committee and who is the ranking member on its Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.

Mr. SCOTT of Virginia. I thank the gentlelady for yielding.

Mr. Speaker, I rise in opposition to H.R. 2374, the so-called Retail Investor Protection Act. H.R. 2374 delays the Department of Labor's rulemaking process that would protect investors from unscrupulous investment scams.

Now, in past generations, pension plans were what were called ''defined benefit plans'' in which there were defined benefits. You would look at the number of years, your last salary, and the multiple, and you could calculate what your pension would be. But more and more we are seeing defined contribution plans in which the employer just makes a contribution, and the final benefit would be whatever happens to the money over the years with the investment advice that you would be given. The trend has had a profound impact on ultimate retirement benefits and security.

Two people investing the same amount—for example, $100 a month over 30 years—could see very different retirement savings over that same period of time based on the investments they chose. Those investment choices could be the difference between a savings at the end of $100,000 or as much as $500,000 depending on which strategies were used. Now, most employees are not sophisticated investors, and therefore they need advice on what investment strategies should be used. How much should be in stocks? how much in bonds? how much in mutual funds, and which mutual funds? They seek advice.

The rule that the Department of Labor introduced in 2010 and will most likely reintroduce this fall simply requires that an investment adviser provide advice as a fiduciary responsibility to the investor, consistent, therefore, with the best interest of the investor, not with what would ultimately be most profitable to the adviser. That is, he has a duty to give primary consideration to the investor, not to his own profit. There are a lot of different products. A lot of mutual funds have extremely high fees when comparable funds—even better funds—have lower fees. Often the adviser will push products that are totally inappropriate for the investor, which is compromising the investor's retirement security in the long run but which is maximizing the profits for the adviser.

The bill we are considering today will allow investments to be sold which are laden with conflicts of interest and would immunize advisers who give self-serving, unscrupulous advice from any liability. There is an apparent belief that investment advice that is self-serving and full of conflicts of interest is better than no investment advice at all. That is absolutely absurd. There is nothing wrong with those selling investment products to be required to give primary consideration to the investors they are purporting to advise.

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

Ms. WATERS. I yield the gentleman an additional 1 minute.

Mr. SCOTT of Virginia. Mr. Speaker, the bill that we are considering today would delay the rulemaking that would take the necessary steps to protect employees and retirees who are currently being taken advantage of by investment advisers who are giving this unscrupulous advice.

Millions of Americans look to financial advisers for advice. There is nothing wrong with requiring them to have a fiduciary responsibility to those they are advising. It is about time that we make sure the investors are getting the good advice that they deserve. Therefore, we should defeat this bill.

Mr. HENSARLING. Mr. Speaker, I now yield 2 minutes to the gentleman from Virginia (Mr. HURT), the vice chairman of the Financial Services Subcommittee on Capital Markets and GSEs.

Mr. HURT. Thank you to the chairman of this committee, and thank you to the sponsor for your leadership on this issue.

Mr. Speaker, I rise today in support of the Retail Investor Protection Act.

Fifth District Virginians and Americans across the country are working hard to save for their futures, whether it be for their retirements or college tuitions for their children. Unfortunately, these hardworking Americans are being faced with the prospect of increased costs and fewer choices for the financial products that they currently rely on for their investments.

Currently, the Department of Labor and the Securities and Exchange Commission have indicated they will move forward with rulemakings to make changes to the fiduciary standards that would decrease the availability of financial advice for retail investors and increase the cost of financial advice for retail investors.

We must protect the ability of these Americans to choose the financial professionals who best meet their investment needs, and this bill is an important step in that direction. The Retail Investor Protection Act ensures that retail investors, including many American families, are not affected by unnecessary regulations that have been put in place without sufficient economic analysis or regulatory coordination.

I urge my colleagues to join me in supporting this important bill so that Washington does not stand in the way of Americans' ability to seek the best financial advice for their needs.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS), who is an expert on retirement savings. He is the ranking member on the Education and the Workforce Subcommittee on Health, Employment, Labor, and Pensions. He is also the cochair of the Steering and Policy Committee.

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. I thank my very good friend for yielding.

Mr. Speaker, so you are in the lunchroom at work. This guy comes in from the investment house, and he shows 18 slides about the red fund—smiling people who are on fishing trips and on European vacations. They are really happy people.

□ 1545

He shows one slide about the blue fund at the very end and finishes his presentation. The red fund looks pretty good. What he doesn't tell you is that he gets 2½ percent of every dollar you put into the red fund, but ½ of 1 percent of every dollar you put in the blue fund. He neglects to mention that. So people rush and put their money in the red fund.

Now, should his interest be aligned with you or should his interest be aligned with his own interest? That is the question that is raised by this bill.

The Department of Labor is writing a rule that for the first time would say that that person standing in front of you in that room has a fiduciary obligation to the person listening, that is to say that he has to put the interest of the listener ahead of his own financial interest.

Self-interest is the malignancy that brought the U.S. economy to its knees 5 years ago. People who made mortgage transactions and insurance transactions benefited them and not the people they are supposed to be representing. To permit the cancer of self-interest to invade the second most important asset people have in their lifetime, which is their pension, would be an enormous mistake. That is a mistake that this Department of Labor rule is trying to avoid. This bill is a mistake because it rolls back those efforts and protections for the American people.

John Bogle, the founder and patron of Vanguard, has estimated that nearly 30 percent of people's pension funds have evaporated because of unnecessary fees. If people want to choose a high-fee plan, that is their choice; but they should make that choice only after receiving the advice that is fiduciary, that is directed to their own best interest, from a competent professional.

The Department of Labor rule promotes that result; this bill undercuts that result. For that reason, we should oppose this bill.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), another distinguished member of the Financial Services Committee.

Mr. LUETKEMEYER. Mr. Speaker, I would like to thank Chairman HENSARLING for all his fine work on this issue, as well as other financial services issues.

I also would like to thank my good friend and neighbor in Missouri, Mrs. WAGNER, for introducing this legislation and all her hard work on it. What she is trying to do here is propose legislation that tries to solve a problem that we have got in the situation here with these two agencies—DOL and SEC—trying to coordinate and propose a regulation which they don't seem to be willing to do or do it in the right way.

As usual, when the bureaucracy tries to propose things, there always are unintended consequences of those actions and those rulings. We have here some of those unintended consequences, which Mrs. WAGNER in her legislation is trying to mitigate.

This proposal has the potential to drive up the cost and availability of investment services and products for investors, particularly those with low and moderate incomes. I will give you an example. I recently spoke to a broker-dealer in rural Missouri who I represent, who is one of only a handful of small brokers in a two-county radius. If the Department of Labor rule moves forward, he, like many other small broker-dealers, will have no choice, because of the way this rule is written or being proposed, that they will stop offering his services to clients, and many Missourians are going to be without or have limited access to financial products and advice.

This hurts not only the big investors, but this hurts the small investors. As I said earlier, you are talking about the low- and moderate-income folks and, particularly, one of the most basic investments that we have, which is the IRA. How basic can you get to not allow people to be able to utilize an IRA if this goes into force?

So it is important today that we take this action. I, again, thank the gentlelady from Missouri for her efforts, and I urge my colleagues for support.

Ms. WATERS. Mr. Speaker, I would like to inquire as to how much time we have remaining on this side.

The SPEAKER pro tempore. The gentlewoman from California has 5½ minutes remaining. The gentleman from Texas has 5 minutes remaining.

Ms. WATERS. I am prepared to close. However, I will reserve the balance of my time if the chairman has other Members that he would like to put forth at this time.

Mr. HENSARLING. We have one more speaker, and then we would allow the gentlelady to close.

Then I believe I have the right to close, Mr. Speaker. Is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. HENSARLING. At this time, Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. MULVANEY).

Mr. MULVANEY. Mr. Speaker, I have been sitting here for the past 45–50 minutes watching the debate. It strikes me that with all of the financial terms and with some of the heated rhetoric—and it has been heated—I never thought I would see the day where enlightened self-interest was called a cancer in this Nation. I wonder what Alexis de Tocqueville would think about that. But in any event, with all of that, Mr. Speaker, it strikes me that we have lost sight of what we are talking about. We are talking about a bill, what the bill specifically does, and why.

Let's talk first about why we are here. We have a situation where Dodd-Frank has given authority to the SEC to make some rules. The Department of Labor also thinks it has the authority to make rules in the same area.

I hope we can all agree that there is a potential for conflict there. We all know what it is. We have seen it a hundred times before. We don't want the SEC to come out and say that you can't do X and have the Department of Labor come out the next week and say, but you have to do X.

There are hundreds of examples like that in the Federal Government, and this bill is simply trying to address that. How is it trying to do that? What does the bill do?

Number one, it asks the two agencies to work together. Someone please tell me how that is a bad thing—and a cancer of all things—on this Nation.

It then requires the two agencies to actually try and figure out if there is a problem—to ask them to identify a problem before they come up with a solution. Again, I think this makes a good bit of sense. The questions that we require them to ask in this bill are pretty simple: Are investors being systematically harmed? Would new rules limit people's access to investment advice? What are the costs and benefits of the rule?

How is this controversial? And I would suggest to you, Mr. Speaker, that it is not. That is the reason that it came out of committee on a bipartisan basis, the reason it is going to pass today on a bipartisan basis, and the reason that it has the bipartisan basis that it does in the Senate.

Too often I think we get sidetracked by coming in here and giving big speeches, and perhaps sometimes I am as guilty of that as anybody else. But today we have completely lost sight of why we are here. I hope we can come together and pass this bill this afternoon.

Ms. WATERS. I yield myself such time as I may consume.

Mr. Speaker and Members, H.R. 2374 is yet another attempt by Republicans to prevent our regulators from doing their job, this time protecting the average retail investor when they try to save for retirement.

Under this bill, the Securities and Exchange Commission would have to navigate new obstacles to harmonize the standard of care broker-dealers and investment advisers have when providing investment advice. The Department of Labor would have to wait possibly forever to update its rules protecting 401(k) and IRA plan participants.

H.R. 2374's restrictions put additional work in the way, stopping brokers from SEP dealing when selling investment products to Main Street.

Several studies have demonstrated that Americans do not understand that a broker does not necessarily have the investor's best interest when pushing financial products. The line between advisers and brokers has blurred over the last few decades, and this bill makes it harder to bring clarity for investments.

Mr. Speaker and Members, this administration has taken a strong stand against this bill. Let me read to you from the letter that they have sent to us, and I would like to offer this for the RECORD:

The administration strongly opposes passage of H.R. 2374 because it would derail important rulemakings under way at the Securities and Exchange Commission and the Department of Labor that are critical to protecting Americans' hard-earned savings and preserving their retirement security.

They further say:

H.R. 2374 prohibits Labor from issuing a rule to protect investors until the SEC engages in and completes further study of the effect of a rulemaking on retail investors.

Of course, there is a lot said here, but I think this says it all:

The bill would hinder efforts to protect consumers from conflicts of interest among brokers, dealers, financial advisers, and others whose incentives may be misaligned with investors, potentially leading to deceptive and abusive practices.

The administration is committed to ensuring that American workers and retirees are able to receive advice about how to invest their money in safe, secure, and transparent financial products that is free from harmful conflicts of interest.

Mr. Speaker and Members, I would just bring this to your attention: the Department of Labor is working to protect investors. My friends on the opposite side of the aisle are working to protect broker-dealers who may not have the best interest of these small individuals who want to invest, who want to earn money for retirement.

My friends on the opposite side of the aisle are putting all of this energy out to protect them no matter if they may be in a conflict of interest with those who are simply trying to save for retirement.

I have watched as we have been through the subprime meltdown in this country. People lose money in their 401(k)s. I have watched people lose money in their IRAs. I have watched single women in their 60s losing their entire investment retirement savings who can't go back to work because they are too old—they can't find a job.

Whose side are we on? Are we on the side of broker-dealers who will have no fiduciary responsibility, who can tell you any old thing, direct you any old place? They get higher commissions and the people lose money. Whose side are we on? Why are we here in the Congress of the United States of America, voted on by our constituents to come here to advocate for their best interest?

The gentlelady from Missouri talked about what a hard time families are having. She is right. Families are having a hard time. I want to tell you, families are having a hard time even when my friends on the opposite side of the aisle would deny them food stamps when they lose their jobs, even when they stand here in the Congress of the United States and support sequestration that denied that family the ability to send their child to Head Start. They don't have money for fancy early childhood education. Head Start is all they have, but they are losing the ability to do that because my friends on the opposite side of the aisle support cutting back every agency.

My friends on the opposite side of the aisle can't care about families in the way that they say they do because they shut down this government and they caused families to lose money to stay at home, to not know when they were going to get paid, or how to pay their bills. Not only did they harm these families; they harmed many of our agencies that are trying to help the families. I could go on and on and on.

But let me say that consumer protection is advocated by some organizations we are all familiar with: AARP, AAUW, AFL–CIO, AFSCME, Alliance for Retired Americans, Americans for Financial Reform, the Association of BellTell Retirees, on and on and on. These are the people who protect consumers.

I will submit this for the RECORD.

I yield back the balance of my time.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, October 28, 2013.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2374—RETAIL INVESTOR PROTECTION ACT

(Rep. Wagner, R–MO, and Rep. Murphy, D–FL)

The Administration strongly opposes passage of H.R. 2374 because it would derail important rulemakings underway at the Securities Exchange Commission (SEC) and the Department of Labor that are critical to protecting Americans' hard-earned savings and preserving their retirement security.

H.R. 2374 prohibits Labor from issuing a rule to protect investors until the SEC engages in and completes further study of the effect of a rulemaking on retail investors. The bill ignores the fact that significant work has already been conducted in both agencies and that the agencies have included and continue to include the public, industry, and numerous stakeholders in their rulemaking processes. Moreover, the two agencies are already working closely to avoid conflicting requirements for the regulated community, and this legislation would hamper effective coordination between the two agencies. The bill would hinder efforts to protect consumers from conflicts of interest among brokers, dealers, financial advisors, and others whose incentives may be misaligned with investors, potentially leading to deceptive and abusive practices.

The Administration is committed to ensuring that American workers and retirees are able to receive advice about how to invest their money in safe, secure, and transparent financial products that is free from harmful conflicts of interest. These ongoing rulemakings are designed to protect trillions of dollars in retirement savings of millions of workers and retirees by ensuring that paid advisors and other entities do not place their own financial interests over those of their customers. This legislation would place an unnecessary obstacle in the way of these efforts to prevent such harmful conflicts of interest, which hurt businesses, consumers, and retirees and their families.

If the President were presented with H.R. 2374, his senior advisors would recommend that he veto the bill.

GROUPS IN OPPOSITION TO H.R. 2374

1. AARP
2. AAUW
3. AFL–CIO
4. AFSCME
5. Alliance For Retired Americans
6. Americans for Financial Reform (AFR)-w/over 200 signatories
7. The Association of BellTell Retirees, Inc.
8. Certified Financial Planner Board (CFP)
9. Consumer Federation of America
10. Financial Planning Association
11. Fund Democracy
12. Investment Advisor Association (IAA)
13. National Council of La RAZA
14. The National Association of Personal Financial Advisors (NAPFA)
15. The National Association of Professional Geriatric Care Managers
16. North American Securities Administrators Association (NASAA)
17. OWL-The Voice of Midlife and Older Women
18. Pensions Rights Center
19. ProtectSeniors.org
20. Public Citizen
21. Wider Opportunities for Women

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

Mr. Speaker, I must admit in the time that I have served as a Member of Congress, I have noticed the more shrill the debate the less defensible the position. As I have listened closely to what appears to be a very shrill debate, it certainly buttresses that position.

I hear my friends talk about us on the other side of the aisle. I have heard the phrase ''my friends on the other side of the aisle'' consistently. But I would say perhaps the debate has to be between my friends on that side of the aisle, since the ranking member well knows that half—half—of her caucus on the Financial Services Committee supported this bill by the gentlelady of Missouri. As was pointed out earlier, it is not only bipartisan; it is also bicameral.

I am sitting here, Mr. Speaker, with a letter signed by no fewer than 10—10 Democratic Senators imploring that the very same provisions of the Wagner bill be enforced: JON TESTER, MARK WARNER, CLAIRE MCCASKILL, KAY HAGAN, and the list goes on and on. I would say to my friends on that side of the aisle, perhaps they ought to finish the debate amongst themselves before they carry it on over here.

Then, again, we all know that people are entitled to their own opinions; they are not entitled to their own facts. There have been a number of misstatements of facts from my friends on that side of the aisle, particularly that broker-dealers have no standard whatsoever in disclosing conflicts of interest; but that is not true. Within the antifraud provisions, sections 9, 10, 15(c)(1) and (2), it prohibits misstatements, misleading omissions of material facts; and, indeed, broker-dealers must fully disclose any conflicts of interest, yet another huge section of debate that was totally misleading and false by friends on that side of the aisle.

□ 1600

And I must admit, it is a very disappointing debate; but, it is in some respects illuminating to see the cynical position of those who simply believe that everyone appears to be a crook unless you are a government worker. The phrase ''cancer of self-interest'' is working mothers have a self-interest to invest in their children's education. If the guy at the Pepsi bottling plant that I represent is trying to invest so he can buy a home and put a roof over his family's head, that is the cancer of self-interest?

All we are trying to do here is preserve investment advice and investment opportunities for working Americans, and I would encourage all Members, all Members of this body, to vote for the Wagner bill.

I yield back the balance of my time.

Mr. CRENSHAW. Mr. Speaker, as the Chairman of the Appropriations Subcommittee on Financial Services and General Government, my Subcommittee directly oversees the Securities and Exchange Commission's budget. And since 2001 the SEC's budget has increased by over 200 percent . . . this is a larger increase than almost any other agency in our government.

As the agency tasked with protecting investors and ensuring fair and orderly capital markets, you would think they would carefully coordinate with all agencies involved to ensure much needed certainty and to provide clear guidance to a trillion dollar industry. However, this again is not the case and we are here today to ensure that the SEC and the Department of Labor coordinate and work in a systematic manner to avoid investor confusion, regulatory conflict, and decrease costs for retail investors.

This is why I rise today to put my support for H.R. 2374, the "Retail Investor Protection Act."—common sense legislation, requiring the

SEC complete a rulemaking on standards of care governing broker dealers and investment advisers before the Department of Labor finalizes their rule redefining the definition of a person providing investment advice under the Employee Retirement Income Security Act. Plain and simple, ensuring collaboration between the two agencies that are trying to reach the same goal.

In addition H.R. 2374 requires that before the SEC writes one new rules on expanding fiduciary standards, they need to identify whether investors are being harmed under current standards of care. We all need to remember what's at stake here. American families invest trillions of dollars in IRAs and through mutual funds, stocks, and bonds. The Retail Investor Protection Act will ensure that federal regulators will not lose focus on the impact these rules could have on retail investors and must consider all other options first, before moving forward with broad new regulatory mandates.

The lack of regulatory coordination between these two financial regulators does not provide a cohesive landscape for investors and will be difficult for service providers to follow. These rules affect the lives of many and have profound and far reaching effects on our economy. The SEC itself has acknowledged that the costs of this action could "ultimately be passed on to retail investors in the form of higher fees or lost access to services and products.

We in Congress have an obligation to amend or fix provisions whose costs outweigh purported benefits. Therefore, as we move forward with the fiscal year 2014 budget in my Appropriations Subcommittee I plan to address with Chairwoman White whether a more thorough economic analysis of these rules are needed to ensure the SEC does not harm families who are investing to build up their retirement or to save for college—the very investors the SEC is supposed to protect. I urge my colleagues to vote in favor of H.R. 2374.

Mr. VAN HOLLEN. Mr. Speaker, I am an advocate for consumer choice and appreciate the value of a variety of different business models in a competitive financial services marketplace. I also support full transparency regarding compensation arrangements and believe investors have a right to recommendations based on their best interests when receiving investment advice from financial services professionals.

Consistent with these principles, the Securities and Exchange Commission (SEC) and the Department of Labor (DOL) are currently in the process of coordinating a harmonized "fiduciary" standard of care for financial services professionals offering investment advice to their clients. Rather than allowing the SEC and the DOL to complete their work, today's legislation would prejudge the outcome of the ongoing rulemakings and have the practical effect of delaying implementation of final harmonized rules to protect consumers' retirement savings from conflict of interests and potentially deceptive or abusive practices.

Accordingly, I urge a "no" vote.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Speaker, I have an amendment at the desk.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 1, line 5, strike "After" and insert "(a) IN GENERAL.—Except as provided in subsection (b), after".

Page 1, after line 14, insert the following:

(b) EXCEPTION.—

(1) IN GENERAL.—The Secretary of Labor may issue a rule that—

(A) establishes standards of care to improve investment advice provided to participants and beneficiaries under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.);

(B) requires that personalized investment advice is provided in a fiduciary capacity that is in the best interests of such participants and beneficiaries;

(C) requires that, before receiving investment advice, the compensation of investment advisors and financial service providers is clearly disclosed to such participants and beneficiaries; and

(D) satisfies the requirements of paragraph (3).

(2) PROCESS.—The Secretary of Labor may issue a rule pursuant to paragraph (1)—

(A) after coordination and consultation with the Securities and Exchange Commission; and

(B) after considering surveys and data on investment education and investment advice.

(3) PARTICIPANT INVESTMENT EDUCATION; APPRAISALS.—The rule issued pursuant to paragraph (1) shall provide standards of conduct for—

(A) participant investment education;

(B) access to reliable investment education and investment advice to traditionally underserved communities;

(C) reasonable compensation for investment advisors and financial service providers; and

(D) fair market value appraisals of stock held by employee stock ownership plans to employers, participants, and beneficiaries under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

At the end of the bill, insert the following:

SEC. 4. REPORTS ON THE IMPACT OF PRACTICES OF PERSONS WHO PROVIDE INVESTMENT ADVICE.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall report to Congress on how certain practices of persons who provide investment advice affect the standard of care exercised in relation to investors.

(b) REPORT REQUIREMENTS.—Such report shall—

(1) describe how the structure of compensation for persons who provide investment advice affects the standard of care exercised by such persons, including—

(A) practices involving fees paid from investment vehicles to such persons; and

(B) other forms of compensation paid to such persons that are not dependent upon the investor's return;

(2) compare the standards of care exercised by persons who provide investment advice to low-income and middle-class investors with the standards of care exercised by persons who provide investment advice to high-income investors, and the effect such standards of care have on the investment vehicles selected by investors; and

(3) evaluate the extent to which the standard of care used by persons who provide investment advice affects the adequacy of investment returns to provide for retirement for investors.

The SPEAKER pro tempore. Pursuant to House Resolution 391, the gentleman from California (Mr. GEORGE MILLER) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the amendment that I am offering along with Mr. CONYERS is the way H.R. 2374 should have been drafted. Instead of short-circuiting the regulatory process on behalf of Wall Street profits, this represents the appropriate and balanced way forward to advise the Department of Labor in their current rulemaking on investment advice.

First, Congress should not be in the business of shutting down any and all efforts by the Department of Labor to make rules for fiduciaries. The fiduciary rule is the cornerstone of pension law. It is what makes sure that, when you hand your money over to someone else to invest it for you, they are going to act in your best interest. Stopping any and all regulatory action to ensure that people's retirement nest eggs are protected is irresponsible. My amendment would allow the Department to proceed.

At the same time, it addresses concerns that have been raised with the Department of Labor's proposed rules. Under my amendment, Congress would send a message to the Department of Labor that we want investors protected, not Wall Street brokers or advisers trying to protect their gravy train.

This amendment makes it clear that the Department may proceed with better protections for retirement investors in a way that provides for unbiased investment education, ensures that underserved communities are not unduly harmed by basic financial protections for investors, ensures reasonable competition to advisers, and protects employee stock ownership plan appraisals.

We want investment advice to be provided in consumers' best interests, not in whatever way makes advisers and brokers the most money.

Studies show that most Americans who save think their investment advisers are acting in their best interests. In fact, AARP found that overwhelming majorities of consumers thought all advisers were required to act in their best interests. But, in fact, they are not, under the current law. They are not required to disclose that they have a conflict of interest.

With poll after poll showing that most Americans are worried about their retirement, they should have the confidence that their investment adviser is working in their best interest, and not conflicted in the advice he gives that person because he may receive additional fees or higher commissions because of recommending a product that is not in their best interest.

This amendment is a no-brainer. It supports consumers and their retirement savings. It supports unbiased investment education. It supports reasonable compensation for advisers for the important duties they perform. This is a proper and balanced way forward. I urge my colleagues to support the Miller-Conyers amendment.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I rise in opposition to this amendment.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 10 minutes.

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

Again, I urge opposition to this amendment which would absolutely eviscerate this bill that we are considering now from the gentlelady from Missouri.

Number one, we have speaker after speaker who come up and seem to ignore the fact that broker-dealers already are subject to a suitability standard, including antifraud provisions that prohibit misstatements, misleading omissions of material facts, and fraudulent and manipulative acts and practices in connection with the purchase and sale of securities. They have a duty of fair dealing, which include the duty to execute orders promptly, disclose certain material information that the customer would consider important as an investor, charge prices reasonably related to the prevailing market, and fully disclose any conflict of interest.

I could go on and on.

The proponents of this amendment, as speakers before them, seemed to ignore this set of facts. And so again, it is interesting to me how the American people are demanding that their Congress work on a bipartisan basis; and so out of our committee, the Financial Services Committee, we have gone above and beyond the call of duty, and now we have a bill that has been supported by half of the Democratic members of the Financial Services Committee. And I just read a letter where 10 Democratic U.S. Senators are urging the exact same language as the Wagner bill and, thus, oppose the Miller amendment.

So, again, Mr. Speaker, I urge the proponent of the amendment to first have the debate with his own Caucus, and then we can have a fuller, richer debate on the floor.

What is really happening here is that all we are doing is saying to the Securities and Exchange Commission and the Department of Labor that this is an economy that is being crushed—crushed—by a red tape burden, that at least justify it. Make sure that the person you claimed you are going to protect, that you actually protect; and instead, we, quite honestly, fear they will not be protected, that instead they will be harmed, that all of a sudden, people who have access to $7 trades won't have access to them.

Now, again, for the affluent, that is no big deal, but for working mothers struggling to make ends meet, it is a very big deal.

To be denied the opportunity to open up an IRA with $2,000? No, I think now Congress has deigned that the Department of Labor can institute a fiduciary standard, and now you are going to need $25,000. Well, what the heck, let's make it $50,000. And so the very people they claim they want to protect very well could be harmed by this standard.

We understand the talk, but where is the proof? Where is the proof? Because what is going to happen if this fiduciary standard is imposed? All of a sudden investment advice that working Americans count on is either going to disappear or become far more expensive.

So, again, maybe it helps the trial lawyer; maybe it helps the labor union bosses; but it doesn't help the working mothers. It doesn't help the struggling fathers. It doesn't help low- and moderate-income people struggling in this economy where tens of millions remain underemployed and unemployed under this administration's economic policies, and so I urge that we reject this amendment.

I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 15 seconds.

I just want to say that it is an interesting concept that the only way the investment community can continue to survive and offer advice is if they can have the right to have conflicted advice—conflicted advice—be protected by the law, as opposed to representing the person that they are taking the money from to invest.

I now yield 3 minutes to the gentleman from Michigan (Mr. CONYERS), coauthor of the amendment.

Mr. CONYERS. Mr. Speaker, I want to thank GEORGE MILLER for the work he has done, along with the ranking member of the Financial Services Committee.

The Miller-Conyers amendment simply encourages the Department of Labor to issue a rule that requires investment advisers to provide advice in a fiduciary capacity and protect access to investment education, ensure reasonable compensation to advisers, and ensure the availability of ESOP appraisals.

This is what we are seeking so badly, and this is the comment that has been made about the inaccurate drafting of the bill. The Department of Labor should issue a proposed rule that seeks to protect workers, provide access to investment education, and ensure that advisers are reasonably paid.

Under current rules, investment advisers may hold themselves out as acting in workers' best interests even though they are not. I repeat: under current rules, investment advisers may hold themselves out as acting in workers' best interests even though they are not.

Workers in these types of plans often are required to choose between dozens of investment choices and need the advice on their investment options from people who do not have secret conflicts. Over 70 million workers and retirees depend upon 401(k) retirement plans and IRAs for their retirement savings. If there is any hope for this measure at all, H.R. 2374, it would have to have this amendment on it. I plead with those who enthusiastically support this measure to please support this amendment.

Mr. HENSARLING. Mr. Speaker, I am now pleased to yield 3 minutes to the gentlewoman from Missouri (Mrs. WAGNER), the author of the Retail Investor Protection Act.

Mrs. WAGNER. Mr. Speaker, I rise in opposition to the amendment. The language of the amendment attempts to sound benign, but its inclusion would undermine a key tenet of the legislation, which is a requirement that the Department of Labor wait for the SEC to finish any rulemaking in this area.

It has been noted time and time again by Chairman HENSARLING and others that 10 Democratic Senators recently sent a letter to the Office of Management and Budget requesting that Labor wait on the SEC. So there seems to be bipartisan and, as we have stated before, bicameral consensus for the process here.

I also must say that I find some of the terms in the amendment particularly troubling. The amendment would allow the Department of Labor to define what constitutes a ''financial services provider,'' a term that I believe is broad and which I am not sure the Department of Labor has either the expertise or the jurisdiction to rule upon.

Paragraph 3 of the amendment also states that the Department of Labor's rules should provide for ''reasonable compensation'' within the industry. I, for one, do not believe that it is up to the Federal Government to determine what constitutes reasonable compensation. That is a determination that belongs to consumers and to investors who I believe are more than capable of determining for themselves what is reasonable.

The Retail Investor Protection Act would require that Federal agencies act in the best interest of all investors and would go a long way towards preserving access to financial services for Americans of all income levels. This, Mr. Speaker, is about access. It is about availability. It is about affordability for hardworking American families and investors.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. I thank my friend for yielding.

Mr. Speaker, my friend, the chairman from Texas, asked, I think, a couple of very important questions about this amendment, and he really points out why I support it. First, he asked: Where is the proof that American pensioners have suffered because of conflicted investment advice?

□ 1615

Mr. Speaker, we can all look to the Government Accountability Office, which looked at that very question a few years ago, at Mr. MILLER's request and mine and several others, and found that upwards of 27 percent of people's accounts evaporated because of high fees in plans in which they put their money in defined contribution accounts. That is pretty significant proof.

As I said earlier on the floor, they could look to the opinion of someone who is not political at all, I think, someone who is an expert in this field, Jack Bogle, from Vanguard, who uses the number 30 percent in unnecessary fees that have gone up here. Proof is ample that many Americans have rather paltry retirement accounts because of the very high fees that they are paying.

Second, Mr. Speaker, the chairman talked about the suitability standard under the securities law. That is kind of the point. The suitability standard is not a fiduciary standard. The suitability standard assumes an arm's-length transaction between people of equal or similar competence, where it is every investor for him- or herself.

The pension situation is very different. This is a situation where someone is driving a bus or building houses or teaching school or working in a software company, and that is what they do. They don't do investment all the time. So when they turn to someone for advice, they are assuming that that someone is on their side, that the advice that someone is giving them is in their best interests. That is the very nature of a fiduciary relationship.

So I think the questions that were raised point out the reasons to support Mr. MILLER's amendment. There is ample evidence of harm that has been done to America's investors; and, secondly, the suitability standard is wholly insufficient to protect the interests of those investors.

For those reasons, I urge a ''yes'' vote on this amendment, and a ''no'' vote on the bill.

Mr. HENSARLING. Mr. Speaker, may I inquire as to how much time each side has remaining?

The SPEAKER pro tempore. The gentleman from Texas has 4 minutes remaining, and the gentleman from California has 1¾ minutes remaining.

Mr. HENSARLING. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT. Mr. Speaker, I thank the chairman for yielding me time.

How you ended your comments was, Let's move this bipartisan amendment to this bill, and what I was trying to do in a bipartisan manner was to ask the question: Is simply what you are trying to do is to require that investment advisers, that they would have to have, you are saying, a fiduciary duty going forward? That is what you are trying to do to add to this bill? I heard you say that, and I heard Mr. MILLER say that. That was my question to you.

You said it once. Mr. MILLER said it twice. I made a note of it each time. That is my question. That is what you basically want us to do. You want us to make it the law that an investment adviser would have to have a fiduciary standard to do in the best interest, if you will?

Mr. GEORGE MILLER of California. Will the gentleman yield?

Mr. GARRETT. I yield to the gentleman.

Mr. GEORGE MILLER of California. Do I believe that advisers have a fiduciary relationship to the people that they are taking money from to invest? I do. I think the law should reflect that, absolutely.

Mr. GARRETT. Earlier I said that I often wonder whether people who come to the floor to oppose some of our bills ever actually read the bill.

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

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. GARRETT. Now I am going to go a step further. I wonder whether the people who oppose this bill actually know what the law is.

The law is and has been for decades that, if you are an investment adviser, you already have a fiduciary standard with regard to your client. That is the current law. Already the investment adviser, going through an ERISA plan, has a fiduciary standard. I think what you are talking about is a broker-dealer.

Mr. GEORGE MILLER of California. Will the gentleman yield?

Mr. GARRETT. I yield to the gentleman.

Mr. GEORGE MILLER of California. That is what the amendment addresses.

Mr. GARRETT. Exactly. That is why I asked both of you twice what you said. What you said on the floor and what you just said a moment ago is, you were talking about broker-dealers, but you said it was investment advisers. It just points out, Mr. Speaker, that they come to the floor with absolutely no understanding of what the law is.

Once again, we encourage the bill to go unamended.

The SPEAKER pro tempore. Members are again reminded to direct their remarks to the Chair.

Mr. GEORGE MILLER of California. Mr. Speaker, does the gentleman from Texas have additional speakers?

Mr. HENSARLING. I have no further speakers, Mr. Speaker, and I believe I have the right to close.

Mr. GEORGE MILLER of California. Mr. Speaker, let me get this straight. You can talk about the advisers having a fiduciary responsibility and obligation under the law, but then you can have the broker-dealers come in and close the deal, and they can provide conflicted advice and, in fact, conflicted products—in the best interest of this retired individual who is trying to invest their funds? Very clever.

But this comes from an industry where we saw the banks sell a tranche of mortgages to their best friends and customers and then immediately bid against the success of that tranche of mortgages. So conflicted advice can be very profitable. They worked it to a fare-thee-well among the big players.

Now you come in with your $100,000, your $80,000, your retirement funds, and you want to make an investment and you want some advice and you want to talk to a broker, and the broker says, Oh, yes, we have exactly the product for you. In fact, he or she has been told to sell this product, even though it is not the best-performing product, it may not be a match for this couple, but it has the highest commissions for the firm and for the broker. That is what they do.

What you are suggesting is that should be written into the law, that conflict of interest, and you talk about all the terrible things that happen. But when the adviser fiduciary study was done in 2013, 68 percent said the fiduciary—this is of the investment industry—68 percent said the fiduciary standard will not reduce products or services; 79 percent said it does not cost more to work as a fiduciary; and 65 percent said the fiduciary standard will not price investors out of the market. So the industry says that, but you have a whole theory how this is doomsday for the small investor. It is just not so.

What you are doing is protecting the right of brokers to give you conflicted advice about the investment of your money, and they knowingly do it. You are saying that the industry cannot continue unless they are allowed to continue to give conflicted advice. That is why we have conflict of interest laws, because we don't allow people to do this when they have a responsibility.

We should vote for this amendment and vote against the bill.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 2½ minutes remaining.

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

I think the audio system on the House floor is working quite well, and so I continue to be somewhat amazed by the number of speakers who get up and claim that broker-dealers can engage in conflicts of interest.

Again, I will give the citation for the duty to disclose conflicts of interest, FINRA's Suitability Rule 2111. I would encourage those who haven't read it to actually read it so that we can actually have facts on the House floor.

Mr. Speaker, what is truly radical here is the proponents of this amendment trying to upset 80 years of settled law, without any evidence that is compelling, to somehow believe that all of a sudden we are going to help a universe of people, who most of us believe, including half of the Democrats on the

Financial Services Committee, instead will be hurt, including a number of prominent Democratic senators who believe they will be hurt, these working moms and pops trying to provide for their family, trying to manage their nest eggs, having a new standard forced upon people they rely on. So all of a sudden, that investment advice is either going to get more expensive, it is going to disappear. All of a sudden, IRAs for working moms at prices they can afford will disappear all because we hear rhetoric about Wall Street.

Well, I don't think I have had any letters of endorsement from anybody on Wall Street. We can talk about something else that is not applicable. Perhaps we can talk about ObamaCare. I am always happy to have that discussion once again.

Again, this is a bipartisan bill. All we are trying to do is ensure, if 80 years of settled law that has helped working families is about to be upset, then we better have proof it is going to help the people that it claims to help. The amendment from the gentleman from California would totally eviscerate that.

I urge opposition, and I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentleman from California (Mr. GEORGE MILLER).

Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 2374 is postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 4 o'clock and 25 minutes p.m.), the House stood in recess.

□ 1637

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COLLINS of Georgia) at 4 o'clock and 37 minutes p.m.

RETAIL INVESTOR PROTECTION ACT

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 2374 will now resume.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California (Mr. GEORGE MILLER).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, this 15-minute vote on the amendment offered by the gentleman from California will be followed by 5-minute votes on a motion to recommit, if ordered, and passage of the bill, if ordered.

The vote was taken by electronic device, and there were—yeas 174, nays 243, not voting 13, as follows:

[Roll No. 565]

YEAS—174

Andrews
Barber
Bass
Beatty
Becerra
Bera (CA)
Bishop (GA)
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Courtney
Crowley
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Duckworth
Edwards
Ellison
Engel
Enyart
Eshoo
Esty
Farr
Fattah
Frankel (FL)
Fudge
Gabbard
Garamendi
Garcia
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Keating
Kelly (IL)
Kennedy
Kildee
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maloney, Carolyn
Maloney, Sean
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Pingree (ME)
Pocan
Polis
Price (NC)
Quigley
Rahall
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NAYS—243

Amash
Amodei
Bachmann
Bachus
Barletta
Barr
Barrow (GA)
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Cantor
Capito
Carney
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Costa
Cotton
Cramer
Crawford
Crenshaw
Cuellar
Culberson
Daines
Davis, Rodney
Delaney
Denham
Dent
DeSantis
DesJarlais
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallego
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (MO)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Himes
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce
Kelly (PA)
Kilmer
Kind
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Loebsack
Long
Lucas
Luetkemeyer
Lummis
Maffei
Marchant
Marino
Massie
Matheson
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McKinley
McMorris Rodgers
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mullin
Mulvaney
Murphy (FL)
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Owens
Palazzo
Paulsen
Pearce
Perry
Peters (MI)
Peterson
Petri
Pittenger
Pitts
Poe (TX)
Pompeo
Posey
Price (GA)
Radel
Reed
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Scalise
Schneider
Schock
Schrader
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stockman
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NOT VOTING—13

Aderholt
Campbell
Cooper
Diaz-Balart
Grayson
Herrera Beutler
Kaptur
McCarthy (NY)
Rogers (MI)
Ros-Lehtinen
Rush
Sanford
Wasserman Schultz

□ 1706

Messrs. FRELINGHUYSEN, STIVERS, ROSKAM, RODNEY DAVIS of Illinois, REED, RIGELL, GARY G. MILLER of California, HUNTER, CAMP, and ROKITA changed their vote from ''yea'' to ''nay.''

Messrs. HORSFORD, LEVIN, Ms. MOORE, and Ms. JACKSON LEE changed their vote from ''nay'' to ''yea.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. TIERNEY. Mr. Speaker, I have a motion to recommit at the desk.