

rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ENCOURAGING EMPLOYEE OWNERSHIP ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 240, I call up the bill (H.R. 1343) to direct the Securities and Exchange Commission to revise its rules so as to increase the threshold amount for requiring issuers to provide certain disclosures relating to compensatory benefit plans, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 240, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-11 is adopted and the bill, as amended, is considered read.

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

H.R. 1343

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 “Encouraging Employee Ownership Act of 2017”.

SEC. 2. INCREASED THRESHOLD FOR DISCLOSURES RELATING TO COMPENSATORY BENEFIT PLANS.

Not later than 60 days after the date of the enactment of this Act, the Securities and Exchange Commission shall revise section 230.701(e) of title 17, Code of Federal Regulations, so as to increase from \$5,000,000 to \$10,000,000 the aggregate sales price or amount of securities sold during any consecutive 12-month period in excess of which the issuer is required under such section to deliver an additional disclosure to investors. The Commission shall index for inflation such aggregate sales price or amount every 5 years to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, rounding to the nearest \$1,000,000.

The SPEAKER pro tempore. The bill shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

After 1 hour of debate, it shall be in order to consider the amendment printed in House Report 115-75, if offered by the Member designated in the report, which shall be considered read, shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. HENSARLING) and the gentleman from Michigan (Mr. KILDEE) 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 in which to revise and extend their remarks and submit extraneous materials on the bill 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 such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1343, the Encouraging Employee Ownership Act. I also want to commend the Republican and Democrat sponsors of this important bill: Mr. HULTGREN of Illinois, Mr. DELANEY of Maryland, Mr. HIGGINS of New York, Mr. MACARTHUR of New Jersey, Ms. SINEMA of Arizona, and Mr. STIVERS of Ohio.

Their bipartisan efforts resulted in a bipartisan bill that will help small businesses, including startups, to successfully reward their hardworking employees; and, while doing so, this bill will allow small businesses to effectively deploy their capital to grow and to create jobs on Main Streets all across our country.

We all know, Mr. Speaker, that small businesses are the heart and soul of the American economy. In fact, they helped create more than 60 percent of the Nation's net new jobs over the past two decades. So if our Nation is to have a healthier economy that offers more opportunity to more Americans, then we must encourage small-business growth and small-business startups, and this starts with ensuring they have access to the capital and credit they need to grow.

Yet as we have heard from countless witnesses who have appeared before the House Financial Services Committee, community banks and credit unions in particular—the primary source of our small-business loans—are simply drowning, Mr. Speaker, in a sea of complicated and costly regulations. The same occurs with the maze of burdensome securities regulations that are written with the largest public companies in mind but end up hurting smaller companies.

Although small companies are at the forefront of innovation and job creation, they often face significant obstacles in obtaining funding in our capital markets. These obstacles often result from the proportionately larger burden that securities regulations place on small companies when they seek to access capital both in the public and private markets.

These small companies also face difficult challenges on how best they can deploy their limited resources and capital—to grow and thrive or to be able to sufficiently compensate their workforce, which is a critical component of their success.

Currently, the SEC allows private companies to offer their own securities to employees as part of written compensation agreements without having to comply with burdensome Federal securities registration requirements under what is called SEC rule 701. Now, unfortunately, one of the rule's thresholds has not been adjusted in two decades. What the bipartisan supporters of

this bill are proposing is simply to modernize this SEC rule with a modest increase in that threshold.

Increasing the rule 701 threshold gives private companies more flexibility to reward and retain employees and permits private companies to keep valuable, skilled employees without having to use other methods such as borrowing money or selling securities. Updating this rule can encourage more companies to offer more incentives to more employees.

As one witness who testified before Congress said, this bill “would support a valuable compensation practice that allows small businesses to hire the most highly skilled workers” and better enable small, emerging growth companies that are at a competitive disadvantage with bigger businesses to attract and retain employees.

Allowing employees to become owners in the company also benefits those employees. As startups and small companies reach success, we all want their employees to also reap the benefits of that success. That is what is happening with companies that are able to offer stock options as part of their employee compensation plans.

For example, when Google was in its early stages, it hired someone to be an in-house, part-time masseuse and compensated her with both cash and stock options. That masseuse is now worth millions today. Another example is from an ad-tech company, MoPub. Thirty-six of its 100 employees became millionaires when the company was acquired by Twitter because MoPub's CEO set his employees up for success by offering them performance-based stock-option grants.

So, Mr. Speaker, shouldn't we want more American workers to have the opportunities like at Google and MoPub? Don't we want more Americans to have an opportunity to obtain an ownership stake in the places that they work? That way the workers can earn the large financial upside that comes when the company performs well, and the company benefits by being able to attract talented workers.

Unfortunately, again, Mr. Speaker, too many companies right now shy away from offering employees greater ownership opportunities because an expensive, bureaucratic, burdensome, top-down regulation in Washington hasn't been updated in nearly 20 years. Mr. Speaker, we can fix that today. We can fix that by passing this common-sense, bipartisan bill, the Encouraging Employee Ownership Act.

We can provide American workers with more opportunities to share in the successes and profits of companies they work for. We can help to foster capital formation so more Americans can go back to work, have good careers, pay their mortgages, plan for a secure retirement, and ultimately give their families a better life.

Mr. Speaker, I urge all my colleagues to join me in supporting this common-sense bipartisan legislation, and I reserve the balance of my time.

□ 1515

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

H.R. 1343, Encouraging Employee Ownership Act of 2017, eliminates important disclosures that private companies must provide to their employees in the event they are compensating those employees with stock.

This bill would limit transparency. If companies want to pay their employees in stocks, they should have to simply disclose to their workers the risks associated with those investments.

Currently, private companies can provide up to \$5 million worth of stock compensation annually to their employees and are not required to provide any financial disclosure. This bill would lift that cap to \$10 million.

If companies choose to provide an employee with stock compensation, they should be required to inform that employee of the appropriate financial information, benefits, and the risks associated with that investment, including 2 years of company financial statements. All of this information is commonly available to typical investors.

Let's be clear: this stock is compensation for their work. Employees deserve to understand the value of their compensation prior to accepting it. They deserve the same protections that other investors would get.

I agree with Professor Mercer Bullard, who is a professor of law at the University of Mississippi School of Law, who testified before the Capital Markets, Securities, and Investments Subcommittee voicing his concerns about the bill. In his testimony, he noted that to take advantage of the terms of this legislation, an issuer would have to have at least \$34 million in total assets. Surely, such minimal disclosures are not too burdensome for those sort of companies.

I do also understand that some proponents of this legislation argue that such an exemption is needed because disclosure of company information to employees runs the risk that confidential information could be leaked to competitors.

Employees with access to such information could simply be subject to non-disclosure agreements, which are typical today. Indeed, nondisclosure agreements are a simple solution that protects the company, but does not deny the employees the right to understand the worth of, or the risks associated with, the compensation they are receiving. Unfortunately, this bill would limit that transparency and those protections.

Mr. Speaker, I oppose this legislation, and I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan (Mr. HUIZENGA), and I ask unanimous consent that he may control that time.

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

There was no objection.

Mr. HUIZENGA. Mr. Speaker, I yield myself such time as I may consume, and I thank the chairman for his leadership on this particular issue.

Mr. Speaker, small businesses and entrepreneurs are what drive the American economy. I meet with them in my district, the Second District of Michigan, all the time. I know my colleagues do as well back in their districts.

We see them firsthand. We see firsthand the benefits that their dreams, their innovations, their inspiration, and their hard work provide to our communities.

These innovators, entrepreneurs, and risk-takers are critical for our country's economic growth and prosperity. In fact, small businesses are responsible for 60 percent of the Nation's net new jobs over the past two decades. Not 2 years, not 10 years, but over the last 20 years, the last two decades.

If our Nation is going to have an economy that provides opportunity for every American, then we must promote and encourage success and growth in our small businesses and our startups. It is this notion that brings us this legislation we are discussing today.

H.R. 1343, Encouraging Employee Ownership Act, would simply level the playing field for small companies by updating Federal rules that allow small businesses to better compensate their employees with ownership in their own businesses.

Currently, Securities and Exchange Commission rule 701 permits private companies to offer their securities as part of written compensation agreements to employees, directors, general partners, trustees, officers, or certain consultants without having to comply with rigid Federal securities registration requirements. SEC rule 701, therefore, allows small companies to reward its employees.

Despite the SEC having the authority to increase the \$5 million threshold disclosure via rulemaking, the SEC has once again chosen to prioritize highly politicized regulatory undertakings instead of focusing on its core mission. That mission includes facilitating capital formation. If the SEC cannot or will not focus its priorities, Congress will.

It is imperative that small businesses in west Michigan, all of Michigan, and across America have the ability to compete. A critical element of competition and success is for those small businesses to be able to offer compensation packages that attract and retain top-tier talent.

In today's world, that includes rewarding employees in stock options. To me, this just makes common sense. Small-business employees have a clear and vested interest in the success of their employer.

By increasing the rule 701 threshold to \$10 million, it will give private companies more flexibility to attract, reward, and retain those highly valuable

employees. This simple change will allow companies to offer twice as much stock to their employers annually, as they currently can, without having to trigger additional disclosure information to investors about compensation packages that include these security offerings.

By reforming this regulatory burden, startups, small businesses, and emerging growth companies will be better equipped to attract highly talented individuals from companies that are better capitalized and able to maybe provide some additional cash compensation.

By incentivizing employees with stock options, small businesses will now be able to compete on a more level playing field with older, larger, and maybe more established companies. They are going to be able to retain their invaluable employees as well.

This bill is an example of the positive bipartisan results that can be achieved when Republicans and Democrats reach across the aisle. I commend the sponsors of the bill, Representatives Hultgren, Delaney, Higgins, MacArthur, Sinema, and Stivers for their leadership on this issue. I encourage my colleagues to support H.R. 1343.

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

Mr. KILDEE. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota (Mr. ELLISON), a member of the Financial Services Committee.

Mr. ELLISON. Mr. Speaker, the value of companies doesn't always go up. It is not true that the stock market always goes up and only goes up. It would be nice if Methuselahs at Google and every other company in America could get stock options and end up millionaires, but the truth is the world doesn't work that way. That is why disclosure is very important. That is why there is nothing wrong and no one objects to employees being compensated with stock options, but those employees ought to at least know the value of those stock options.

If you give me a check and it has a monetary value, I can read it and I know how much it is. If you give me stock options and you don't tell me because you don't have to disclose how much they are worth, then that is not fair, and that is what we object to.

This bill simply allows companies to avoid disclosure to employees of what those stock options are worth. That is wrong, and that is why we oppose it.

Let me just start in terms of the context, Mr. Speaker. Today we consider yet another bill in favor of the moneyed interests. Today we consider another bill that basically helps out people who have a lot while so many Americans are struggling to get by and problems abound almost everywhere.

I have got to wonder, of all the things the American public want, why is a revision to the SEC's rule—section 701, to be precise—the priority for this week?

We have been here for about 3 months now. The Republicans have set

the agenda. They are in the majority. They get to decide which bills come up. Why do they keep on bringing up bills that only the moneyed interests want?

Mr. Speaker, in the past few months, congressional Republicans—I almost called them corporate Republicans—who decide which bills are the priority, have brought forth a hodgepodge of pieces of legislation. I will just review a few.

Republicans made it easier to drug test people receiving unemployment compensation.

Do you think the unemployed want that?

I doubt it.

Republicans have passed and the President even signed a law to protect corporate firms from having to disclose labor violations like wage theft before winning government contracts. I have got a feeling the employees were not calling for that.

House and Senate Republicans passed laws that allow internet service providers to sell your browser history. I don't think most folks on the internet today were clamoring for that gem, which I was proud to vote "no" on.

Republicans enacted a new law making it easier to dump coal debris near rivers and streams.

Republicans stopped efforts to help governments around the world avoid corruption.

H.J. Res. 41 removed the requirement that corporations disclose resource payments to foreign governments, which is a crushing blow to democracy activists working in fragile nations.

Mr. Speaker, this particular piece of legislation comes within a certain kind of context—a context where we are not talking about increase in pay, making people safer, making water cleaner, making foreign governments more honest. It is quite the opposite.

In the 3 months that we have been back in Congress, these laws removing competition, removing disclosure, and removing consumer privacy are all priorities of Republicans, who set the agenda.

Mr. Speaker, people who might be clued into this broadcast today need to know what the majority has been up to. It has not been up to business.

These are all multinational corporate interests that don't punish people for polluting, allow them to sell your internet browser's history, allow them to make money off of testing laid-off workers receiving employment compensation that is due them, and don't make corporate interests disclose payments to foreign governments when they drill for oil and minerals.

I just want the American people and Members to understand what is going on here, what is the larger context of this piece of legislation that we look at today.

When I talk to my constituents, they don't bring up any of this stuff. Mr. Speaker, they want to know: Where is the jobs bill? When are we going to get back to work? Somebody said we were

going to work on real infrastructure, real fair trade. When is that going to happen?

Well, the people who are in charge around here, I guess they are going to get around to it at some point.

My constituents say: Can't we raise the minimum wage from something higher than \$7.25 an hour, which is the Federal minimum wage? When is that bill coming up? Or, what about reconstructing our roads and our bridges and allowing us to raise a gas tax to invest in our Nation's infrastructure?

They say they want to increase skills. Let's invest in preschool, Pell grants, and community college. Let's put the people, not the corporate wish list, first.

Today we are asked to vote on a bill that basically makes it easier for private companies to provide options, like stocks, rather than compensation to their employees. As I have said, fundamentally, this may not be a bad thing if disclosure is made. This bill makes it not required. This bill makes it easier for firms to offload some of their options to employees without disclosing financial information to them.

While I am glad to see employers reward employees with stock and other compensation in addition to salaries, workers should be told the value of the compensation they receive. I don't think that is asking too much, Mr. Speaker.

With this bill, H.R. 1343, it is possible that employees would be promised stock options which could be worth less than promised or even completely worthless.

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

Mr. KILDEE. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Minnesota.

Mr. ELLISON. Employees could decide to forego a salary increase and accept lower pay in order to receive more stock options; yet, those stock options could be worth way less than they expected.

Why should employees receive less information than any other minority shareholder?

If an employee is trusted enough to run day-to-day aspects of the business, they should be trusted enough to receive full disclosure about the stock. Employees should be able to receive information on the financial position of the company so they can make an educated decision.

It is not difficult to allow participating employees to sign nondisclosure agreements, and it can't be because these disclosures are an additional burden on the firm. These firms prepare these types of disclosures to receive rule 701 exemption from the SEC in the first place.

□ 1530

So I am also concerned about the mismatch of power between corporations and their employees, and I am very concerned that employees can be

susceptible to pressure. Let me do a quick example.

George Maddox was one of 21,000 people who worked for Enron. After working at Enron for 30 years, he had 14,000 shares of company stock valued at \$1.3 million. When Enron collapsed, he had literally nothing, Mr. Speaker. All of his retirement was Enron stocks. If you haven't watched the movie "Enron: The Smartest Guys in the Room" recently, I would urge you to watch it again. You could also read Bethany McLean's book by the same name.

One image consistently stuck with me: a staff rally where leaders extolled the virtues of the firm. Just as we heard on the other side of the aisle a moment ago, leaders whipped employees into a frenzy to buy Enron stock, even as leaders knew it was worthless. In fact, corporate leaders had already sold their stock while urging employees to buy. Enron had a strategy of buying companies and then pressuring new employees to buy Enron stock to keep the stock price inflated. Since Enron usually fired 10 percent of the workers every year, workers felt pressured to buy stock to show commitment to the firm.

I can't just support a bill that gives employees fewer protections than investors. I can't support a bill that encourages employees to possibly forgo cash in their paychecks in exchange for some unverified investment option. It is not right.

Mr. Speaker, I see you reaching for the gavel. I will include the rest of my comments in the RECORD. I urge a "no" vote on this particular piece of legislation until it allows for disclosures.

Today we consider another bill requested by corporations.

But, I got to wonder, of all the things the American public want, why is a revision to the Securities and Exchange Commission rules—Section 701 to be precise—the priority for this week?

We've been here for three months now.

House Republicans set the agenda.

They lead this governing body.

Why do they keep bringing us bills that corporate America wants?

In the past few months, Congressional Republicans, who decide which bills are priorities have brought forward a hodgepodge of corporate requests.

Here are some of the bills that are now law.

Republicans made it easier to drug test people receiving unemployment compensation (H.J. Res. 42).

Republicans passed—and the President signed—a law to protect corporate firms from having to disclose labor violations—like wage theft—before winning government contracts (H.J. Res. 37).

House and Senate Republicans passed laws that allow internet services providers to sell your browser history.

Republicans enacted a new law making it easier to dump coal debris near rivers and streams (H.J. Res. 38).

Republicans stopped efforts to help governments around the world avoid corruption.

H.J. Res. 41 removed the requirement that corporations disclose resource payments to foreign governments.

Which is a crushing blow to democracy activists working in fragile nations.

And, a law preventing State governments from setting up retirement plans for residents who do not have a work-based plan.

So, in the three months we've been back, these laws—removing competition, disclosure, and consumer privacy—are the priorities of Republicans who set the agenda.

These are all asks of corporate America—don't punish us for polluting streams; let us sell your internet browser history; let us make money drug testing laid off workers receiving unemployment due them, and; don't make us disclose our payments to foreign governments when we drill for oil or minerals.

When I talk to my constituents, they don't ask for any of these.

They say, "Where's the jobs bill?"

My constituents say, can't we raise the minimum wage from \$7.25 an hour?

They say, our roads and bridges need work. Let's raise the gas tax a skoch and invest in infrastructure?

They say, we want to increase our skills; let's invest in pre-school, Pell grants and community colleges.

Let's put people, not corporate wish lists—first.

But, nope, today we are asked to vote on a bill that makes it easier for private companies to provide options—like stocks—rather than compensation to their employees.

This bill makes it easier for firms to offload some of their options to their employees without disclosing financial information to them.

While I'm glad to see companies reward employees with stock and other compensation in addition to salaries, workers should be told the value of the compensation they receive.

With this bill—H.R. 1343—it is possible that employees would be promised stock options which could be worth less than promised, or even, completely worthless.

So, employees could decide to forego a salary increase—or accept lower pay—in order to receive more stock options, yet, those stock options could be worth way less than expected.

Why should employees receive less information than that of any other minority shareholder?

If an employee is trusted enough to run the day-to-day aspects of the business, they should be trusted enough to receive full disclosure about the stock.

Employees should be able to receive information on the financial position of the company so they can make an educated decision.

It's not difficult to allow participating employees to sign non-disclosure agreements.

And it can't be because these disclosures are an additional burden on the firm.

Because these companies prepared these types of disclosures to receive the Rule 701 exemption from the SEC in the first place.

I'm also concerned about the mismatch in power between the corporations and their employees.

I am very concerned that employees can be more susceptible to pressure to take options instead of salary increases.

For example, we could ask George Maddox.

George was one of the 21,000 people who worked at ENRON.

After working at ENRON for 30 years, he had 14,000 shares of company stock. It was valued at \$1.3 million.

Then ENRON collapsed, and he had literally nothing.

All his retirement was in ENRON stocks.

If you haven't watched the movie ENRON: The Smartest Guys in the Room recently, I'd urge you to watch it again.

You could also read Bethany McLean's book by the same name.

One image has consistently stuck with me.

A staff rally where leadership extolled the virtues of the firm.

Leaders whipped employees into a frenzy to buy ENRON stock even as the leaders knew it was worthless.

In fact, corporate leaders had already sold their stock while urging employees to buy.

ENRON had a strategy of buying companies and then pressuring the new employees to buy ENRON stock to keep the stock price inflated.

And since ENRON usually fired 10% of workers every year, workers felt pressured to buy stock to show a commitment to the firm.

I just can't support a bill that gives employees fewer protections than investors.

I can't support a bill that encourages employees to possibly forego cash in their paychecks in exchange for some unverified investment option.

I don't think the supporters of this bill are doing this for nefarious reasons.

I'm sure they find my reference to Enron hyperbolic.

They might also say that it's irrelevant since Enron was a public company and we are talking about private companies.

So, let's talk about Palantir Technologies.

This \$20 billion company convinced top-tier engineers to accept below-market salaries by promising them generous stock options.

But some employees who accepted this bargain, hoping to make money on selling their shares, cannot sell them.

The only buyer of their stocks is Palantir Technologies themselves—or a buyer approved by Palantir Technologies.

Palantir is not a small firm.

Palantir is the third biggest American tech startup, behind only Uber and AIR B-N-B.

It was also founded in 2004, which makes Palantir as old as Facebook—which is a long time to wait to cash in your options.

Pushing employees to own more of employer's stock exposes workers—like George Maddox—to put all their retirement eggs in one basket—what we call "concentration risk."

I ask this Congress to stop doing the bidding of corporate America until we address the priorities of American families and workers.

We should increase wages and access to affordable housing, provide clean air and clean water, and protect our privacy.

We should not make it easier for employers to pressure workers to choose options over salary without adequate disclosures. Vote no on H.R. 1343.

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), my fellow subcommittee chairman.

Mr. LUETKEMEYER. Mr. Speaker, I thank the gentleman for yielding me this time. I also want to thank the distinguished gentleman from Illinois (Mr. HULTGREN) for his work on this legislation and, more broadly, issues surrounding American entrepreneurship. He has been a tireless advocate.

Mr. Speaker, over the last 2 weeks, the Subcommittee on Financial Institutions and Consumer Credit, which I chair, has held hearings to examine the impact regulations have had on financial institutions, small businesses, and American consumers. What we have seen is that the burdens stemming from Dodd-Frank and associated Obama era policies continue to harm consumers and small businesses.

We have what some have referred to as a two-speed economy. Large banks and their large customers are thriving, but the story isn't as bright for small businesses. That is why H.R. 1343 is so important. Small businesses and startups don't necessarily have the same opportunities to access the capital markets as their larger competitors, but from a regulatory standpoint, the small guys are treated the same as the big guys.

Mr. HULTGREN's legislation takes an important step in addressing some of the disparities that exist. H.R. 1343 will allow small businesses to attract and retain employees through incentives similar to those that may be offered by large businesses. Unlike the gentleman who just got done speaking, this is not about Enrons. It is about small businesses that we are talking about.

It will also ease some of the reporting burden on small and emerging businesses. The bill does so simply by increasing the SEC rule 701 threshold, taking the existing rule and simply expanding it, a figure that hasn't been touched since 1999.

It is essential that Washington take steps to level the playing field for small businesses and eliminate this two-speed economy. The bill the House will consider today is another step toward job creation and a more reasonable regulatory environment.

I again want to thank and commend Mr. HULTGREN for his leadership and ask that my colleagues join me in supporting H.R. 1343.

Mr. KILDEE. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland (Mr. DELANEY), a member of the Committee on Financial Services, my classmate, and a cosponsor of this legislation.

Mr. DELANEY. Mr. Speaker, I want to thank my good friend from Michigan for yielding me this time, the vice ranking member of our committee, and the gentleman from Illinois (Mr. HULTGREN), my good friend, for cosponsoring this legislation with me.

I do rise in support of H.R. 1343, Mr. Speaker, and I think it is a very simple piece of legislation. The chairman of the committee said it was a simple piece of legislation. It is very straightforward. It simply raises the threshold as to the amount of stock a private corporation can give its employees, from \$5 million to \$10 million, without triggering additional disclosure.

What this bill is not about is rolling back disclosure because, as a practical matter, it simply defines the threshold as to when additional disclosure is required. That threshold was originally

established in 1988 at \$5 million. Five million dollars was good in 1988; it is no longer good in 2017. We have simply escalated that amount by inflation, and we have come up with the number \$10 million, which is proposed in the legislation.

One of the reasons this legislation does not roll back disclosures, which is a myth that I intend to debunk here this afternoon, is because, as a practical matter, what corporations will do is, in fact, not give additional stock to their employees if, in fact, it triggers additional disclosures. That is what actually happens in the private market is this threshold defines the amount of stock that a company will, in fact, give to its employees in any given year; and, if we don't raise the cap from \$5 million to \$10 million, we are effectively preventing companies from allowing their employees to share in stock ownership.

Private companies make decisions, Mr. Speaker, to stay private for many reasons: either because they are too small and they don't want to go public; or they don't want to, in fact, disclose their confidential information; or they don't want the costs or burdens of being a public company; or because they don't want to give up control. Whatever reason they have, it is a very important decision for a private company to stay private and not go public. The current threshold of \$5 million effectively forces a company to make the kind of disclosures it would have to make as a public company if it elects to give more than \$5 million of stock to its employees.

We, as policymakers, should encourage more employee ownership in the markets because it is good for both the corporations and the employees. It is good for the corporations because it creates a better culture. It allows the management team and the employees of the company to have a more long-term perspective, and it reduces turnover, which is one of the highest costs that companies have. So it is very good for the companies.

But, in fact, Mr. Speaker, it is even better for the employees. The data suggest that companies that have high employee ownership are much less likely to lay off their employees during a recession. So it creates, effectively, better retention, which is obviously in the interest of employees.

But the other thing it does—and I think this is the most important point—is it encourages kind of an inclusive capitalism whereby workers actually own more of the U.S. economy. This is something, as Democrats, we should care about, in particular, because we have talked for many years about how the growth in the U.S. economy and the increases in productivity have disproportionately gone to capital and not to workers.

We believe there are many reasons this has occurred, but one of the things we should be advocating for, strongly, is increasing workers' ownership of

capital. It will inevitably lead to more savings among workers, and it will start balancing out the distribution of profits in society. One of the ways we do that is to eliminate the barriers for companies to issue stock to their employees, which is effectively what this bill does.

So if we care about this concept of inclusive capitalism, if we believe American workers should own a greater percentage of the economy and, therefore, benefit from the productivity enhancements that are occurring in the economy and the economic growth that is occurring in the economy, we should put policies in place specifically to make it easier for corporations to engage in shared employee ownership, which is exactly what this bill does.

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

Mr. KILDEE. Mr. Speaker, I yield an additional 1 minute to the gentleman from Maryland.

Mr. DELANEY. I had firsthand experience with this prior to coming to Congress. I started two businesses as private companies, and they both became publicly traded companies. I shared ownership in those companies broadly with my team. It was very good for my business, and it was very good for hundreds of them when those initial public offerings occurred.

So I have firsthand experience with this. I do think it is good public policy across the long term, and I encourage my colleagues to support H.R. 1343.

Mr. HUIZENGA. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HULTGREN), the author of this legislation.

Mr. HULTGREN. Mr. Speaker, I thank the chairman.

I do want to thank my colleagues for being here. I think this is a really important discussion that we are having today. It is such an honor to serve with all of my colleagues.

I do think some who have spoken opposed to this legislation really don't understand the impact. There is nothing in this legislation that takes away any disclosures. Disclosures still remain. The same disclosures that have been in place for 30 years remain exactly there. This does not have anything to do with Enron, a publicly traded company. It is completely different. This is private sector. This is opening up opportunity. I think, by arguing against this, ultimately, it is taking away opportunity from employees to benefit.

It is such a privilege to serve with people like the gentleman from Maryland (Mr. DELANEY), who was part of this, opening up opportunities to hundreds of families. Congressman MACARTHUR, similarly, opened up opportunities that changed lives, as well as Congressman TROTT, who is going to be speaking as well. They opened up opportunities to people who would never have had opportunity to own a com-

pany, to own that and to have it completely change their family and their future.

I rise to support H.R. 1343, the Encouraging Employee Ownership Act of 2017.

My legislation is based on a simple principle: Employees who own a stake in the company they work for every day want to see it do well and will do their best to make sure that that business succeeds. Their sense of ownership over details, large and small, makes a real difference to the bottom line and, just as importantly, to the quality of life of the employers and employees. When the company succeeds, the employee succeeds. The business, in turn, receives a large boost in productivity, enabling it to expand its reach and invest in new technology and equipment.

EEOA would make it easier for companies in Illinois and nationwide to let hardworking employees own a stake in the business they pour their sweat into every single day. This benefit also helps companies attract top talent, even if the company is just starting out.

Warren Ribley of the Illinois Biotechnology Industry Organization, which represents companies that employ thousands of residents in the 14th Congressional District, believes: "... offering an ownership stake to employees is a critical tool in recruiting top talent to job-generating companies. And there is no doubt that an equity stake encourages employees to drive hard for success of that enterprise."

Unfortunately, some companies are shying away from offering employee ownership because of regulations that limit how much ownership they can safely offer. SEC rule 701 mandates various disclosures for certain privately held companies that use more than \$5 million worth of securities for employee compensation per year.

This threshold was arbitrarily set by the SEC in 1999. For businesses that want to offer more stock to more employees, this rule forces those businesses to make confidential disclosures that could greatly damage future innovation if they fell into the wrong hands; this includes business-sensitive information, including the financials and corresponding materials like future plans and capital expenditures. The SEC's original rulemaking acknowledged these concerns.

And these disclosures aren't just risky, they are costly. As the Chamber of Commerce has explained, the Encouraging Employee Ownership Act would instead "help give employees of American businesses a greater chance to participate in the success of their company."

EEOA builds off the JOBS Act reform to rule 12(g), which increased the number of shareholders of record that a company could have without SEC registration from 500 to 2,000 and exempted employee compensation securities from the registration requirements. This idea championed in the JOBS Act,

that the law should treat employee compensation securities differently than traditional securities, has not been extended to the SEC rule 701.

My bill is simple. It is a bipartisan fix. EEOA raises the outdated threshold for enhanced disclosure from \$5 million to \$10 million, keeping pace with inflation every 5 years. We are taking something that is already working and making it available for even more companies and, more importantly, more employees.

To be clear, issuers who are exempt from enhanced disclosure would still have to comply with all pertinent anti-fraud civil liability requirements. Furthermore, the employees purchasing these securities observe the business they work for every day and have a closer perspective on its operation that is not available to the traditional investor, thus negating the need for additional disclosure. We should applaud the employee ownership from the board room to the shop floor.

I thank the bipartisan cosponsors of this EEOA legislation, especially Congressman DELANEY for his hard work and Congressmen STIVERS, SINEMA, HIGGINS of New York, MACARTHUR, GOTTHEIMER, and TROTT. I thank Speaker RYAN and Chairman HENSARLING for their support in advancing this critical legislation.

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

I appreciate the comments of my colleague and friend. I do, however, disagree that the question here derives from a lack of understanding of the legislation. I think it is entirely possible—in fact, I would suggest that it is likely—that members of a body such as this, from 435 distinct districts and different experiences, can look at the same information, fully understand it, and come to different conclusions as to what sort of policy ought to be in place, and that is where I have landed on this particular subject. I fully understand.

□ 1545

I also think it is important to note that we can't on one hand say that this is not about disclosure and on the other hand mention that these disclosure requirements could have a negative impact and encourage or discourage companies from engaging in the practice of awarding employees with stock as a part of their compensation.

It is a question of disclosure. This legislation is about the disclosure requirements that should be applied in this case. That is really what we have heard from both sides of this argument: where should that disclosure requirement be, and at what level should it be incurred?

What I would say is—and I think this is important to note, speaking for myself—I know many other members of the Financial Services Committee and Members of this body that may oppose this legislation feel strongly that the direction toward awarding employees

with stock ownership is a positive direction. It is something that my friend, Mr. DELANEY, has not only advocated for, but has practiced in his own private sector experience. It is a positive thing for a company and it is a positive thing for the employees.

The only point that I continue to drive home and that others have reiterated is that it is important that employees understand the nature of the stock that is being awarded to them and that the disclosure requirements make clear employees are aware of the compensation and its true value. That is really the point of my objection.

Mr. Speaker, I include in the RECORD a letter I received from Public Citizen, which articulates some of these same arguments.

PUBLIC CITIZEN,
Washington, DC, March 8, 2017.

MEMBER,
House Committee on Financial Services,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of more than 400,000 members and supporters of Public Citizen, we offer the following comments on bills facing a committee vote March 9, 2017.

In securities lawmaking, we believe the committee's compass should always point to investor protection. Well informed investors who can trust disclosures form the bedrock of capital formation. We are concerned that a few of these measures point in a different direction.

HR 910: The "Fair Access to Investor Research Act of 2017" directs the SEC to eliminate restrictions on research reports that cover Exchange Traded Funds (ETFs). The result of this measure means that firms promoting ETFs can simultaneously publish reports that appear to be impartial analysis. This may lead investors to take unwarranted comfort in the security. In the last decade, ETFs have grown from about 100 funds with \$100 billion in assets to more than 1300 funds with \$1.8 trillion in assets. That makes the playing field for mischief immense.

Puffery parading as research led to the dot-com bubble in the late 1990s, where analysts disregarded fundamental metrics such as a revenue and income when recommending the purchase of new internet-based firms. This measure improves on a previous iteration of the legislation by allowing fundamental fraud oversight by the SEC. But the bill ignores the basic hazard that a firm's motivation in funding research may be sales promotion and not bona fide education for its clients. We also note that ETFs represent the securities of active firms. That is, an ETF holds assets such as stocks or bonds. That means this has little to do with capital formation. Now, research reports insulated from government scrutiny may too often serve to promote more turnover and commissions, not sound guidance. For these reasons, we oppose this bill and encourage members to vote no.

HR 1343: The "Encouraging Employee Ownership Act of 2017" increases from \$5 million to \$10 million the amount of securities a firm may sell annually to its employees without providing certain basic financial information. We believe this is misguided for a number of reasons. First, defenders of this measure reference the potential for leakage of propriety information. There's little evidence of this problem. It's simply not in the self-interest of an employee-owner to divulge critical information to a rival, especially if it would undermine the value of the stock. Second, employees who are compensated in

stock (instead of additional cash) should be entitled to be informed about the financial condition of their company, the same as any other investor. Other company creditors, such as the firm's bank or major supplier, receive this information, however this measure reduces stock-compensated employees to a class below these other creditors. Young firms may be struggling with cash-flow problems and choose to use stock rather than cash for compensation. But those employees should be informed about such risks. Third, the basic thrust of this measure is to lead employees to hold a greater share of their savings in the firm. An employee invested in his or her own firm may be more productive and lead to greater profits at the firm that the employee then shares; but there is a point beyond which this dynamic dissipates. Any prudent investor should diversify. Over-concentration in one asset, especially where the firm's prospects are less than stellar, compounds the employee-investor's risk. We oppose this bill, and encourage members to do the same.

HR 1366: The "U.S. Territories Investor Protection Act" extends basic U.S. securities law oversight to investment firms operating in Puerto Rico and other U.S. territories. To date, these firms have escaped oversight, disclosure and conflict-of-interest requirements that mainland firms face. We support this common sense reform.

Sincerely

BARTLETT NAYLOR,
Public Citizen.

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

Mr. HUIZENGA. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Speaker, I thank my friend from Michigan, the distinguished chairman of the Capital Markets, Securities, and Investments Subcommittee, for yielding the time.

Mr. Speaker, what we are here talking about today is opportunity. We are not talking about the money interests. We are not talking about waving the bloody shirt of the Enron debacle. What we are talking about here today, Mr. Speaker, is in the interest of innovators. It is in the interest of talented Millennials who have huge student loans, who have a great idea to benefit themselves, their community, their economy. We are here to be in the interest of hardworking workers who have no big investment dollars, but have an abundance of sweat equity. We are here in the interest, Mr. Speaker, of building businesses and growing this economy. If we do that, we are growing jobs and opportunity for our citizens. And we are in the interest, Mr. Speaker, again, not of the money interest, but of efforts all over this country, led by people like JOHN DELANEY of Maryland and Stephen Case of Virginia, to build out venture capital and entrepreneurship in places other than Boston, Massachusetts; Menlo Park; places like Detroit; Flint; Little Rock; St. Louis; and Chicago. That is why we are here today. This bill is a simple, common-sense, small step in that effort.

For many years, in my private sector life, I helped young companies form and raise capital for them. In my own business, I extended stock options and

opportunities to buy stock to those very people who did not have the excess cash to invest. Many companies issue stock to compensate their employees, but it is especially important to startup businesses and private businesses. It is especially important to those businesses that are trying to compete with big private enterprises that have a public stock to offer as an incentive. And structuring competitive compensation in private businesses is very challenging.

Further, for employees, this stock ownership is a huge source of pride, allowing individuals to participate in the growth and prosperity that their hard work and sweat equity have helped build.

Through rule 701, the SEC allows private companies to offer up to \$5 million in their own securities without additional regulatory bureaucracy. My friend from Illinois (Mr. HULTGREN) and my friend from Maryland (Mr. DELANEY) have simply made a small change, Mr. Speaker; and that is to raise that commensurate with inflation to \$10 million to reflect the world we live in today. This is not rocket science; this is something we need to do for building our economy.

As we celebrate the fifth anniversary of the signing of the JOBS Act by President Obama and the successes this legislation has yielded in capital formation for small and emerging growth companies, I urge my colleagues to support this effort by my friend from Illinois in this bipartisan, commonsense job-creating proposal.

Mr. KILDEE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Colorado (Mr. POLIS), a member of the Committee on Rules and the Committee on Education and the Workforce.

Mr. POLIS. Mr. Speaker, I thank the gentleman for yielding the time.

Various measurements of the economy have shown economic growth and an increase in the stock market. The frustration that I hear from so many of my constituents is that: With all of this economic growth, why haven't my prospects improved? Why has there been wage stagnation? Why aren't my family and I earning any more than I was?

It is true, because a lot of the benefits of this economic growth have gone to shareholders and consumers rather than workers. We are all consumers, and we have all benefited from that. And do you know what? We are all shareholders through pensions and through retirement accounts, public and private. Many people also put food on their table and pay their rent, wearing their hat as an employee or a worker.

One of the things that we can do not just by passing this bill, but by passing a whole host of legal changes both in the tax framework and in the regulatory framework to make it easier for employees to own companies, is allow employees and workers to share in the

value that is being created on the shareholder side of the ledger. Then, and only then, can we have an economy that works for more people rather than just a few.

This bill is a small step in that direction. It can reduce the cost and remove a detriment that small to midsize companies have from aggressively pursuing employee stock ownership. But it is just a first step.

There is a lot of work that we need to do to reorient the economy around a shareholder economy that aligns the incentives of workers with those of shareholders. It is good for sustainable profits, it is good for long-term economic growth, it is good for stability. It is a better way to make sure that of this vast value that is being created, we all can partake in it on both sides of the ledger, as shareholders and as workers.

That is why I rise today in support of the bill, and that is why I call upon my colleagues on both sides of the aisle to see this as but a modest first step towards a shareholder economy that works for every worker.

Mr. HUIZENGA. Mr. Speaker, may I inquire as to the balance of time remaining on each side?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. HUIZENGA) has 10 minutes remaining. The gentleman from Michigan (Mr. KILDEE) has 10 minutes remaining.

Mr. HUIZENGA. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LOUDERMILK).

Mr. LOUDERMILK. Mr. Speaker, I thank the gentleman from Michigan for yielding the time.

Mr. Speaker, over the last 8 years, our Nation has experienced sluggish economic growth. Americans have suffered through stagnant paychecks and a lack of new opportunities. Last year, the economy grew at a meager 1.6 percent, which is half of the historic average.

However, there has been one job filled that has grown at a faster rate than any other; and that job is those who specialize in regulatory compliance. This is a testament to the crushing onslaught of new regulations under the previous administration, where compliance with regulation and red tape was emphasized more than growing businesses and creating jobs.

We in Congress must do our part to foster economic growth and relieve our job creators of the excessive burden of complying with unnecessary regulation. The bill before us today will do exactly that.

Currently, businesses that offer more than \$5 million in stock to their own employees are required by law to comply with costly financial disclosures. This number was set nearly 20 years ago. It is time to update the law and raise this threshold to encourage small-business startups and give them the resources they need to expand and create jobs.

The Encouraging Employee Ownership Act would raise this threshold to

\$10 million and give private businesses more flexibility to reward their employees with ownership of a company. This bill passed the Financial Services Committee last month with strong bipartisan support.

This is just one of the many steps that we must take to foster innovation and encourage capital formation, to provide every American with opportunities that they deserve. We must build an economy that is open and accessible to every single American, not one that is closed off to those who can't afford to comply with the high cost of bureaucratic red tape and endless government paperwork.

As a former small-business owner for 20 years, I know the employees benefit tremendously from any opportunity to participate in a company's success. I support this bill because I know from personal experience this model works and helps startup companies to retain their best employees over the long term.

Americans are not satisfied with the stagnant economy that has become the new norm in our Nation. It is unacceptable for government to stand in the way of prosperity and make it harder for Americans to succeed. Small businesses employ half of U.S. workers, and we must promote, not hinder, small business growth.

This bill, Mr. Speaker, empowers Main Street, not Wall Street. I encourage all of my colleagues to support this bill.

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

I would just point out again that the position many of us are taking does not contradict the principles that are being articulated. In fact, the law does not preclude any company from awarding stock as compensation at any level. It simply requires that information be provided so that those individuals who are receiving that compensation have the information and have the resources to understand the value of that compensation. I just want to reiterate that because it is important that the position not be mischaracterized as one that wants to dampen the ability of companies to reward their employees with stock or use that as a form of compensation. It is just important that they have transparency in that process so people who are receiving that compensation understand its true value.

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

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. TROTT), my fellow Michigania.

Mr. TROTT. Mr. Speaker, I rise in support of H.R. 1343, the Encouraging Employee Ownership Act.

I want to thank my colleagues, Mr. HULTGREN and Mr. DELANEY, for their thoughtful and bipartisan work on this issue.

This is a commonsense, simple bill that makes it easier for employees to obtain ownership in the companies

they work for. When I was in the private sector, I gave dozens of employees an ownership interest. It worked out great for them, it worked out great for the company, and it worked out great for our customers. Ownership interest gave them an upside that could not be realized through a salary. The stock instilled loyalty and dedication. More importantly, it created a family atmosphere. We were all in it together. Our opportunities would rise and fall, depending on our collective success.

To have a career where someday, through your hard work, you can end up owning a piece of action is what the American Dream is all about. The outdated cap is keeping this dream, for no good reason, from many Americans.

I suspect that those who oppose the bill, while they may understand the legislation, probably have never worked in the private sector and have no clue how meaningful incentives and opportunities, such as stock ownership, are to individuals. I found it was the best way to motivate and reward employees. In fact, it worked so well, no one ever left the company except to retire.

My friends from Michigan and Minnesota oppose the bill because of a lack of transparency. The argument is flawed because it assumes stock ownership opportunities comprise all or a significant portion of the individual's compensation. This is not correct. A stock ownership benefit is typically over and above salary and bonuses.

To require the owner of a small business or a startup to make disclosures will cause many employers not to give employees this opportunity. Implicit in their argument is an assumption, like in so many other areas of life, that individuals cannot be trusted to make decisions on their own, that they need the help of all of the smart politicians and bureaucrats in Washington, D.C., to tell them what to do and what they need to see, and, of course, we cannot trust people to make decisions and discern for themselves whether stock ownership is a fair opportunity.

This bill had the support of a bipartisan group in our committee. I urge all of my colleagues to support H.R. 1343.

□ 1600

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

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ZELDIN).

Mr. ZELDIN. Mr. Speaker, I rise today in strong support of H.R. 1343, the Encouraging Employee Ownership Act of 2017. This is bipartisan legislation that will remove outdated barriers to capital formation and job creation imposed on the small businesses and startups that are driving America's innovation economy.

The SEC still hasn't updated a rule from 17 years ago that imposed an undue burden on entrepreneurs when they want to attract and retain talent

through employee compensation plans. Startup ventures, by offering their employees a stake in the company through equity and other forms of deferred compensation, can reward hardworking employees by giving them direct ownership while their business continues to grow.

SEC rules governing these compensation plans haven't been updated since 1999, and they are imposing burdensome compliance and reporting requirements on the very entrepreneurs we should be encouraging to expand and create more good-paying, private sector jobs. We see the effects of this compliance tax placing a drain on our economy because it diverts the resources and human capital of entrepreneurs away from expansion and job creation.

In my district on Long Island and nationwide, entrepreneurs who have the next great invention or idea are struggling to gain access to capital. By regulating small startup ventures as if they are large, publicly traded companies, the SEC is imposing an unnecessary mound of paperwork on startups. A large corporation may have the lawyers and accountants to fill out the mountain of paperwork imposed on them by the SEC, but a small business can't compete, and that is why they need relief.

This Congress we have an opportunity through bipartisan reforms like this legislation to reverse that troubling trend by removing the regulatory burdens that harm the economy, consumers, and prospects for job growth.

In closing, Mr. Speaker, I want to thank my colleague from the Committee on Financial Services, RANDY HULTGREN, for his leadership on this issue.

I urge adoption of this commonsense bipartisan bill.

Mr. KILDEE. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HUIZENGA. Mr. Speaker, may I inquire as to the balance of time remaining on each side?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Michigan (Mr. HUIZENGA) has 3½ minutes remaining. The gentleman from Michigan (Mr. KILDEE) has 9 minutes remaining.

Mr. HUIZENGA. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. TENNEY).

Ms. TENNEY. Mr. Speaker, I rise today in support of H.R. 1343, which passed the Committee on Financial Services by a very large bipartisan vote of 48-11. I thank the gentleman from Illinois (Mr. HULTGREN) and the gentleman from Maryland (Mr. DELANEY) for introducing this essential piece of legislation.

As the coowner of a small manufacturing business in New York, this legislation would help companies in New York and across our Nation to grow stronger while allowing hardworking employees to have a stake in a business' future through ownership.

Company leaders across America understand that greater employee investment through ownership will develop a stronger workplace culture and increase productivity by giving private companies more flexibility in retaining and rewarding employees, the people we so vitally need to grow our businesses.

I want to thank the sponsors of this bill, and I urge my colleagues to support this legislation.

Mr. KILDEE. Mr. Speaker, I yield myself the balance of my time to close.

I have heard a number of my colleagues point to the red tape and the unnecessary burdens that are placed on a company that wishes to provide stock compensation.

Let me be clear about what it is that we would require. This is what is required for a company that exceeds the threshold: That they provide a copy of the compensation plan or a contract, if they disclose that; a copy of a summary plan description, if it is an ERISA retirement plan or, if not, a summary of the plan's material terms; risk factors associated with the stock; and the company's most recent financial statements from the last 2 years, which don't need to be audited.

This is important information for anyone receiving stock as compensation in order to understand the value of that stock and not a burdensome requirement on a company, particularly a company of the size that would be required under the increased threshold that is being proposed by this law.

If there is any aspect of this debate which is common sense, it is common sense that a person receiving compensation ought to have information that tells them the value of that compensation.

Mr. Speaker, I think this is an important debate and discussion. It is one that this body is well-served by taking on.

I do agree, as I said, that this is an important direction for us to take as a nation. And it certainly makes sense that, in order for us to fully all participate in the economy, employee ownership is a value. It creates more productive companies, more competitive companies. It provides better compensation, and, as has been pointed out, it creates more stable organizations less likely to lay people off, more likely to be sustainable companies. That is all good, and that is important.

It comes down to the question of transparency. Employees deserve to know the state of their employer's finances, if they are to accept stock in lieu of monetary compensation. They deserve no less protection than other investors in the company.

We shouldn't fear that kind of transparency. A company that wants its employees to accept stock instead of monetary compensation should embrace this sort of compensation. If they want to empower those employees and they want to make them a part of the company, they should provide them with

the information that helps them understand the value of that ownership.

Transparency is important for individuals to make informed choices, not informed choices coming from a dictate from Washington but information that they have the right to have. It empowers them with knowledge that allows them to make choices about the form of compensation that they would accept.

That is what this legislation really is about, and that is why I oppose the legislation and encourage my colleagues to join me in that.

I yield back the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I yield myself the balance of my time to close.

My colleague on the other side is trying to maybe split some hairs. We heard some rhetoric earlier on the floor here which, I think, shows why many on both sides of the aisle scratch their heads in opposition to this bill. We heard about monied interests. We heard about corporate wish lists. We heard about Enron which is, by the way, a publicly traded company which has absolutely nothing to do with this bill. Now, that all might play really well on a leftwing political base, but that is detached from the realities of what our economy is about.

As we have talked, 60 percent of all new job creation happens in small businesses. These are not corporations. These are LLCs, limited liability corporations. These are subchapter S sole proprietorships. These are small entrepreneurs and innovators.

By the way, I looked up the definition of innovator. It is a person who introduces new methods, ideas, or products. Those are the kind of dynamic elements that we are seeing here. And I think this confusion between corporations and Enron and what we are trying to do here is really a disservice to the American people.

This is about making sure that we update basically an inflation escalator from 1988. We update a rule that the SEC could have the power to do, which it has not done, that benefits employees and benefits those owner-employer's workers who oftentimes, more often than not, work alongside their employees. So they are the ones who are seeing this on a daily basis.

I can just say to you that, as was pointed out by my colleague from across the aisle from Maryland, if we don't do this, what most of those small businesses are going to do is say: You know what, it is just not worth the effort; I am not going to do it. And we will see that lack of upside going to those employees.

As was pointed out by my fellow colleague from Michigan, this is beyond their salary, this is beyond bonuses. This is an additional way to make sure that those relationships get cemented in.

So, at a minimum, all you would be doing is voting to confirm the inflation escalator from 1988. It is not a radical change to the law. This is a common-

sense, I believe, innovative way of trying to make sure that this next generation of workers has the ability to really reap the benefits of success here in the United States.

I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

AMENDMENT NO. 1 OFFERED BY MR. POLIS

The SPEAKER pro tempore. It is now in order to consider amendment No. 1 printed in House Report 115-75.

Mr. POLIS. 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 2, after line 2, insert the following:

SEC. 3. GAO REPORT ON IMPACT ON EMPLOYEE OWNERSHIP.

Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the impact on employee ownership of the revisions required by section 2, including the impact on—

- (1) the number of employees participating in compensatory benefit plans; and
- (2) diversification of the securities held by employee pension benefit plans subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

The SPEAKER pro tempore. Pursuant to House Resolution 240, the gentleman from Colorado (Mr. POLIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado.

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

Mr. Speaker, my amendment would require GAO to do a study on the impact of this legislation on employee ownership. When employees are offered the opportunity to have an ownership stake in the place they work, there are benefits for both workers and businesses in our entire economy.

Many studies have shown that employee ownership increases productivity, promotes employee retention and stability, and has long-term growth benefits for the business. I believe that the underlying legislation is an important first step to increase employee ownership opportunities, but we should want to make sure that opportunities for participation are widely available to employees at different income levels.

The amendment also requests the GAO to see the effect of this legislation on the diversification of securities held in ERISA-governed retirement plans. As we all know, diversification in any type of financial portfolio can help weather dramatic fluctuations in the economy and limit financial risk for retirees.

By requesting the GAO study, we will be able to understand this legislation's full impact on employee ownership and make necessary changes and improvements in the future.

I yield to the gentleman from Illinois (Mr. HULTGREN) for the purpose of a colloquy.

Mr. HULTGREN. Mr. Speaker, I thank the gentleman from Colorado (Mr. POLIS) for offering this important amendment to study the impact of this legislation on employee ownership.

I believe that employee ownership opportunities should be made widely available to all employees of a company, from the boardroom to the shop floor.

As the gentleman from Colorado (Mr. POLIS) stated, this legislation is an important step forward to increasing ownership opportunities and gives companies more flexibility to make those opportunities available.

We should understand how this legislation would help increase participation for employees at all key levels. A study will help us understand what we can do in the future to incentivize employee ownership and increase employee ownership participation.

If the gentleman would withdraw his amendment, I would like to work with him in requesting GAO to carry out this study.

Mr. POLIS. Mr. Speaker, I thank the gentleman from Illinois (Mr. HULTGREN), and I take the gentleman at his word. I look forward to working with him on this important issue in coordination with GAO.

Mr. Speaker, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The SPEAKER pro tempore. The amendment is withdrawn.

Pursuant to the rule, the previous question is ordered on the bill, as amended.

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. SWALWELL of California. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SWALWELL of California. I am opposed in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Swalwell of California moves to recommit the bill H.R. 1343 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Add at the end the following:

SEC. 3. PROHIBITION.

Any exemption, safe harbor, or other authority provided by this Act or a regulation issued pursuant to this Act shall not apply to an issuer if the issuer or a director, officer, or affiliate of the issuer has withheld information from Congress relevant to its investigation of any collusion between persons associated with the Russian Government and persons associated with the presidential campaign of Donald J. Trump to influence the outcome of the 2016 United States presidential election.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. SWALWELL) is recognized for 5 minutes in support of his motion.

Mr. SWALWELL of California. Mr. Speaker, this is the final amendment to the bill. It will not kill the bill or send it back to committee. If adopted, the bill will immediately proceed to final passage, as amended.

Russia attacked our democracy this past Presidential election. This motion asks Members of this House: Do you want to do something about it? Do you want to do all you can to make sure it doesn't happen again?

□ 1615

If you do, support this amendment. If you don't, vote against it, and watch Russia and other adversaries of ours with similar cyber capabilities carry out similar attacks, and the very democracy that we treasure will erode before our eyes. But I believe we are a better body than one that would let another country attack us and then divide us.

What does this motion to recommit do? It requires any company—particularly, I am concerned about financial institutions—to cooperate with all investigations into collusion between President Trump, his campaign, his family, his businesses, and anyone on his team and Russia's interference campaign during the 2016 election.

The evidence is overwhelming. In the 2016 election, Russia ran a multifaceted electronic interference campaign against our democracy. They used paid social media trolls. They hacked Democratic emails and disseminated the information in those emails through cutouts like WikiLeaks and Guccifer 2.0. They had a clear preference for Donald Trump as their candidate. It was ordered by their own President, Vladimir Putin.

And most concerning for every person in this House—should be—they are sharpening their knives, and they intend to do it again. That was the final finding in the intelligence report. They are sharpening their knives and intend to do it again not just to the United States, but to our allies like France and Germany, who are a part of the best check on Russia, the NATO alliance.

Why are we concerned about finances and companies cooperating with the United States in this investigation? Well, we know from the Kremlin's playbook that they use financial entanglements as a means to recruit individuals or to peddle influence.

Why are we concerned about financial ties among Donald Trump and his team? Because unlike any Presidential candidate in the history of our Presidential elections, there are an unprecedented amount of personal, political, and financial ties to a foreign adversary. They include, but are not limited to:

Paul Manafort, where it is alleged he was paid by pro-Russian Ukraine Gov-

ernment individuals and also paid up to \$10 million a year by Vladimir Putin's associates;

Former national security adviser Michael Flynn, who should have known better as the former Director of the Defense Intelligence Agency, should have known about Russia's playbook and their ability to influence people, but after leaving the DIA, went over to Moscow, sat next to Vladimir Putin, and was paid by Russia's propaganda tool, Russia Today, also known as RT, who General Flynn would have known is an arm of Russia's intelligence services;

Donald J. Trump, Jr., who said in 2008, in terms of high-end product influx into the United States, Russians make up a pretty disproportionate cross section of a lot of our assets. In Dubai, and certainly with our project in SoHo, and anywhere in New York, we see a lot of money pouring in from Russia;

President Trump, who has invested in the past in Russia: over half a dozen trademarks granted to him in Russia, a vodka brand he tried to peddle in Russia, a Miss Universe contest that he held in Moscow in 2013, and Russia has invested in our President. There are Russian businessowners who have bought condos in his Trump Tower building. There are loans from banks that have paid fines for laundering money through Russia. There is a home sale in 2008 where the President reaped 129 percent in profit. He bought a home in 2004 in West Palm Beach for \$40 million; sold it in 2008, as the real estate market was collapsing, for over \$90 million; sold it to a Russian businessman known as the fertilizer king. No one else in that ZIP Code reaped a profit of 129 percent.

So why are banks particularly relevant for this motion? We know they are used by Russia to move money and extend influence. Their cooperation will be crucial to understanding how Russia finances its interference campaign.

Mr. Speaker, I urge my colleagues to support this motion to recommit and get to the bottom of exactly what happened with Russia.

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

Mr. HUIZENGA. Mr. Speaker, I claim the time in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 5 minutes.

Mr. HUIZENGA. Mr. Speaker, I just want to point out a couple of things.

The Senate Banking Committee has moved an identical bill forward, unanimously, recently.

Regarding the subject matter that the gentleman from California was throwing out, this bill is not about anything other than providing hard-working Americans an opportunity to succeed. It is not about relitigating the last election or even about Susan Rice illegally unmasking American citizens. This is about an underlying bill that will help American citizens.

I urge my colleagues to vote "no" on this motion to recommit, and I urge them to vote "yes" on the underlying bill.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. SWALWELL of California. 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, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage of the bill.

The vote was taken by electronic device, and there were—yeas 185, nays 228, not voting 16, as follows:

[Roll No. 215]

YEAS—185

Adams	Evans	Moore
Aguilar	Foster	Moulton
Barragán	Fudge	Nadler
Bass	Gabbard	Napolitano
Beatty	Galleo	Neal
Bera	Garamendi	Nolan
Beyer	Gonzalez (TX)	Norcross
Bishop (GA)	Gotthelmer	O'Halleran
Blumenauer	Green, Al	O'Rourke
Blunt Rochester	Green, Gene	Pallone
Bonamici	Grijalva	Panetta
Boyle, Brendan	Gutiérrez	Pascarell
F.	Hanabusa	Payne
Brady (PA)	Hastings	Pelosi
Brown (MD)	Heck	Perlmutter
Brownley (CA)	Higgins (NY)	Peters
Bustos	Himes	Peterson
Butterfield	Hoyer	Pingree
Capuano	Huffman	Pocan
Carbajal	Jackson Lee	Polis
Cárdenas	Jayapal	Price (NC)
Carson (IN)	Jeffries	Quigley
Cartwright	Johnson (GA)	Raskin
Castor (FL)	Johnson, E. B.	Rice (NY)
Castro (TX)	Kaptur	Richmond
Chu, Judy	Keating	Rosen
Cicilline	Kelly (IL)	Roybal-Allard
Clark (MA)	Kennedy	Ruiz
Clarke (NY)	Khanna	Ruppersberger
Clay	Kihuen	Rush
Cleaver	Kildee	Ryan (OH)
Clyburn	Kilmer	Sánchez
Cohen	Kind	Sarbanes
Connolly	Krishnamoorthi	Schakowsky
Conyers	Kuster (NH)	Schiff
Cooper	Langevin	Schneider
Correa	Larsen (WA)	Schrader
Costa	Lawrence	Scott (VA)
Courtney	Lawson (FL)	Scott, David
Crist	Lee	Serrano
Crowley	Levin	Sewell (AL)
Cuellar	Lewis (GA)	Shea-Porter
Cummings	Lieu, Ted	Sherman
Davis (CA)	Lipinski	Sinema
DeFazio	Loeb	Sires
DeGette	Lofgren	Smith (WA)
Delaney	Lowenthal	Soto
DeLauro	Lowey	Speier
DelBene	Lujan Grisham,	Swalwell (CA)
Demings	M.	Takano
DeSaulnier	Luján, Ben Ray	Thompson (CA)
Deutch	Lynch	Thompson (MS)
Dingell	Maloney,	Titus
Doggett	Carolyn B.	Tonko
Doyle, Michael	Maloney, Sean	Torres
F.	Matsui	Tsongas
Ellison	McCollum	Vargas
Engel	McGovern	Veasey
Eshoo	McNerney	Vela
Español	Meeks	Velázquez
Esty	Meng	Walz

Wasserman Schultz Waters, Maxine	Watson Coleman Welch Wilson (FL)	Yarmuth
NAYS—228		
Abraham Aderholt Allen Amash Amodel Arrington Babin Bacon Banks (IN) Barletta Barr Barton Bergman Biggs Bilirakis Bishop (MI) Black Blackburn Blum Bost Brady (TX) Brat Brooks (AL) Brooks (IN) Buchanan Buck Bucshon Budd Burgess Byrne Calvert Carter (GA) Carter (TX) Chabot Chaffetz Cheney Coffman Cole Collins (GA) Collins (NY) Comer Comstock Conaway Cook Costello (PA) Cramer Crawford Culberson Curbelo (FL) Davidson Davis, Rodney Denham Dent DeSantis DesJarlais Diaz-Balart Donovan Duffy Duncan (SC) Duncan (TN) Dunn Emmer Farenthold Faso Ferguson Fitzpatrick Fleischmann Flores Fortenberry Foxy Frelinghuysen Gaetz Gallagher Garrett Gibbs Gohmert	Goodlatte Gosar Gowdy Granger Graves (GA) Graves (LA) Graves (MO) Griffith Guthrie Harper Harris Hartzler Hensarling Herrera Beutler Hice, Jody B. Higgins (LA) Hill Holding Hollingsworth Hudson Huizenga Hultgren Hunter Hurd Issa Jenkins (KS) Jenkins (WV) Johnson (LA) Johnson (OH) Johnson, Sam Jordan Joyce (OH) Katko Kelly (MS) Kelly (PA) King (IA) King (NY) Kinzinger Knight Kustoff (TN) Labrador LaHood LaMalfa Lance Latta Lieu, Ted Lipinski LoBiondo Loebuck Lofgren Long Loudermilk Love Lucas Luetkemeyer MacArthur Maloney, Carolyn B. Maloney, Sean Marchant Marino Marshall Massie Mast Matsui McCarthy McCaul McClintock McHenry McKinley McMorris McNerney McSally Meadows Meehan Messer Mitchell Moolenaar Mooney (WV) Mullin Murphy (PA) Newhouse Noem Nunes	Olson Palazzo Palmer Paulsen Pearce Perry Pittenger Poliquin Posey Ratcliffe Reed Reichert Renacci Rice (SC) Roby Roe (TN) Rogers (KY) Rokita Rooney, Francis Rooney, Thomas J. Ros-Lehtinen Roskam Ross Rothfus Rouzer Royce (CA) Russell Rutherford Sanford Scalise Schweikert Scott, Austin Sensenbrenner Sessions Shimkus Shuster Simpson Smith (MO) Smith (NE) Smith (NJ) Smith (TX) Smucker Stefanik Stewart Stivers Taylor Thompson (PA) Thornberry Tiberi Tipton Trotter Turner Upton Valadao Wagner Walberg Walton Webster (FL) Wenstrup Westerman Williams Wilson (SC) Wittman Womack Woodall Yarmuth Yoder Yoho Young (AK) Young (IA) Zeldin
NOT VOTING—16		
Bishop (UT) Bridenstine Davis, Danny Frankel (FL) Grothman Jones	Lamborn Larson (CT) McEachin Murphy (FL) Poe (TX) Rogers (AL)	Rohrabacher Slaughter Suozi Visclosky

□ 1644

Messrs. NEWHOUSE, KINZINGER, WEBSTER of Florida, Mrs. BLACKBURN, Messrs. CULBERSON, COLLINS of Georgia, LOUDERMILK, HUDSON, THOMAS J. ROONEY of Florida, WALKER, COOK, MULLIN, BANKS of

Indiana, GRAVES of Georgia, and ROKITA changed their vote from “yea” to “nay.”

Messrs. DOGGETT and CÁRDENAS changed their vote from “nay” to “yea.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. FRANKEL of Florida. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted “yea” on rollcall No. 215.

Mr. SUOZZI. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted “yea” on rollcall No. 215.

Stated against:

Mr. LAMBORN. Mr. Speaker, had I been present, I would have voted “nay” on rollcall No. 215.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 331, nays 87, not voting 11, as follows:

[Roll No. 216]

YEAS—331

Abraham Aderholt Aguilar Allen Amash Amodel Arrington Babin Bacon Banks (IN) Barletta Barr Barton Bera Bergman Beyer Biggs Bilirakis Bishop (GA) Bishop (MI) Bishop (UT) Black Blackburn Blum Blumenauer Blunt Rochester Bost Boyle, Brendan F. Brady (TX) Brat Brooks (AL) Brooks (IN) Brown (MD) Brownley (CA) Buchanan Buck Bucshon Budd Burgess Bustos Byrne Calvert Carbajal Cárdenas Carter (GA) Carter (TX) Cartwright Castor (FL) Chabot Chaffetz	Cheney Clay Cleaver Coffman Cohen Amodei Arrington Babin Collins (NY) Comer Comstock Conaway Connolly Cook Cooper Correa Costa Costello (PA) Courtney Cramer Crawford Crowley Cuellar Culberson Curbelo (FL) Davidson Davis (CA) Davis, Rodney DeGette Delaney DeLauro DelBene Denham Dent DeSantis DesJarlais Deutch Diaz-Balart Donovan Duffy Duncan (SC) Duncan (TN) Dunn Emmer Engel Eshoo Esty Farenthold Faso Ferguson Fitzpatrick Fleischmann	Flores Fortenberry Foster Foxy Franks (AZ) Frelinghuysen Gaetz Gallagher Garrett Gibbs Gohmert Gonzalez (TX) Goodlatte Gosar Gottheimer Gowdy Granger Graves (GA) Graves (LA) Graves (MO) Green, Gene Griffith Guthrie Harper Harris Hartzler Hastings Heck Hensarling Herrera Beutler Hice, Jody B. Higgins (LA) Higgins (NY) Hill Himes Holding Hollingsworth Hoyer Hudson Huffman Huizenga Hultgren Hunter Hurd Issa Jenkins (KS) Jenkins (WV) Johnson (LA) Johnson (OH) Johnson, Sam Jordan
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Joyce (OH) Katko Keating Kelly (MS) Kelly (PA) Kennedy Kihuen Kilmer Kind King (IA) King (NY) Kinzinger Knight Krishnamoorthi Kuster (NH) Kustoff (TN) Labrador LaHood LaMalfa Lamborn Lance Larsen (WA) Larson (CT) Latta Lawson (FL) Lewis (MN) Lieu, Ted Lipinski LoBiondo Loebuck Lofgren Long Loudermilk Love Lucas Luetkemeyer MacArthur Maloney, Carolyn B. Maloney, Sean Marchant Marino Marshall Massie Mast Matsui McCarthy McCaul McClintock McHenry McKinley McMorris McNerney McSally Meadows Meehan Meeks Messer Mitchell Moolenaar	Mooney (WV) Moulton Mullin Murphy (PA) Neal Newhouse Noem Nolan Norcross Nunes O'Halleran O'Rourke Olson Palazzo Palmer Panetta Pascarell Paulsen Pearce Pelosi Perlmutter Perry Peters Peterson Pittenger Poliquin Polls Posey Price (NC) Quigley Ratcliffe Reed Reichert Renacci Rice (NY) Roby Roe (TN) Rogers (KY) Rokita Rooney, Francis Rooney, Thomas J. Ros-Lehtinen Rosen Roskam Ross Rothfus Rouzer Royce (CA) Ruiz Ruppersberger Russell Rutherford Ryan (OH) Sanford Scalise Schneider Schrader Schweikert Scott, Austin Scott, David	Sensenbrenner Sessions Shea-Porter Sherman Shimkus Shuster Simpson Sinema Smith (MO) Smith (NE) Smith (NJ) Smith (TX) Smucker Soto Speier Stefanik Stewart Stivers Suozi Swalwell (CA) Taylor Tenney Thompson (CA) Thompson (PA) Thornberry Tiberi Tipton Titus Torres Trott Tsongas Turner Upton Valadao Vargas Veasey Vela Wagner Walberg Walden Walker Walorski Walters, Mimi Walz Wasserman Schultz Weber (TX) Webster (FL) Wenstrup Westerman Williams Wilson (SC) Wittman Womack Woodall Yarmuth Yoder Yoho Young (AK) Young (IA) Zeldin
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NAYS—87

Adams Barragán Bass Beatty Bonamici Brady (PA) Butterfield Capuano Carson (IN) Castro (TX) Chu, Judy Cicilline Clark (MA) Clarke (NY) Clyburn Conyers Crist Cummings DeFazio Demings DeSaulnier Dingell Doggett Doyle, Michael F. Ellison Espallat Evans Frankel (FL) Fudge	Gabbard Gallego Garamendi Green, Al Grijalva Gutiérrez Hanabusa Jackson Lee Jayapal Jeffries Johnson (GA) Johnson, E. B. Jones Kaptur Kelly (IL) Khanna Kildee Langevin Lawrence Lee Levin Lewis (GA) Lowenthal Lowe Lujan Grisham, M. Luján, Ben Ray Lynch McCollum McGovern	Meng Moore Nadler Napolitano Pallone Payne Pingree Pocan Raskin Richmond Roybal-Allard Rush Sánchez Sarbanes Schakowsky Schiff Scott (VA) Serrano Sewell (AL) Sires Smith (WA) Takano Thompson (MS) Tonko Velázquez Waters, Maxine Watson Coleman Welch Wilson (FL)
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NOT VOTING—11

Bridenstine Davis, Danny Grothman McEachin	Murphy (FL) Poe (TX) Rice (SC) Rogers (AL)	Rohrabacher Slaughter Visclosky
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□ 1657

Mr. DEFAZIO changed his vote from “yea” to “nay.”

Ms. ESTY and Mr. RYAN of Ohio changed their vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.J. RES. 50

Mr. DUNCAN of South Carolina. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.J. Res. 50.

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

There was no objection.

EQUAL PAY DAY

(Ms. MCSALLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MCSALLY. Mr. Speaker, since the passage of the Equal Pay Act in 1963, it has been illegal for an employer to pay a woman less than a man for the same work. But the unfortunate reality is that today, over 50 years later, women are still making less than men, and that is unacceptable.

Labor Department statistics cite, when comparing median salaries for all annual full-time jobs, women are making 81 cents on the dollar compared to men. Some of this is from blatant bias and discrimination, which is illegal and unacceptable. But most of the pay gap comes from factors like women going into lower-paying career fields; seeking flexibility since they are still primary caregivers for children and, increasingly, parents; or not being able to afford child care.

Here in the House, I am working on putting forward ideas and solutions to empower women to close this pay gap. Last year I joined my colleagues to create and lead a Working Group on Women in the 21st century workforce. It is examining the challenges women still face and working to expand equal opportunity and improve outcomes for all women.

Mr. Speaker, I have been fighting for women my whole life. I know we still have work to do, and I am committed to making equal opportunity for women a reality. After all, this is America and we pick the best man for the job, even if she is a woman, and that means making sure she is getting paid what she deserves.

□ 1700

CONGRATULATING TEXAS WESLEYAN MEN'S BASKETBALL TEAM

(Mr. VEASEY asked and was given permission to address the House for 1 minute.)

Mr. VEASEY. Mr. Speaker, I rise today to congratulate my alma mater, Texas Wesleyan University. On March 21, 2017, Texas Wesleyan's men's basketball team brought home their second NAIA title to Fort Worth, Texas. From the start, Texas Wesleyan Rams were up against a tough fight as they faced off with Life University in the championship match.

Thanks to the Ram's MVP, Dion Rogers, who scored 28 points in the final match, and with another 21 points scored by Ryan Harris, the Rams were led to victory.

But the road to the championship wasn't easy. The Rams showed true perseverance, heart, and dedication to win 5 games in 6 days against the toughest competition in the Nation.

Congratulations to the Rams, the coaching staff, parents, families, and the city of Fort Worth for this hard fought victory.

Go Rams.

Mr. Speaker, the Rams were not the only team making Fort Worth proud. Just 9 days later, Texas Christian University across town also won a championship, and my colleague, KAY GRANGER, who represents west Fort Worth, is here to tell that story.

CONGRATULATING TEXAS CHRISTIAN UNIVERSITY'S MEN'S BASKETBALL TEAM

(Ms. GRANGER asked and was given permission to address the House for 1 minute.)

Ms. GRANGER. Mr. Speaker, I rise today to congratulate the Texas Christian University's men's basketball team on their National Invitational Tournament championship.

After a 12-win season last year, the Horned Frogs showed the grit and tenacity my hometown of Fort Worth is known for. They finished the season with 24 wins.

With their win over the Georgia Tech Yellow Jackets in the title game last week, the Horned Frogs capped off a memorable and historic comeback season. In fact, this 2017 NIT title is Texas Christian University's first postseason championship in school history.

I want to recognize the TCU players and coaches for a job well done. Go Frogs.

EQUAL PAY DAY

(Mr. ESPAILLAT asked and was given permission to address the House for 1 minute.)

Mr. ESPAILLAT. Mr. Speaker, I rise to recognize Equal Pay Day. The year is 2017, and women, especially women of color, still earn significantly less than their male counterparts.

Pay inequality disproportionately impacts women of color. For example, White women earn 80 cents to every dollar that her White male counterpart makes, African-American women earn an average of 63 cents per every dollar, and Latina women on average earn 54 cents for every dollar.

This may seem like mere pennies on the dollar, but, over a lifetime, this translates to an estimated loss of almost \$700,000 for a high school graduate and \$1.2 million for a college graduate. \$1.2 million—can you imagine what these earnings mean to working families of today? That is health insurance, retirement savings, and food on the table. Unequal pay for equal work just doesn't add up. It is morally and mathematically wrong.

Pay inequality is not only a women's issue, but a family issue. To my male colleagues, I ask: In 2017, do you not believe in strong women? In 2017, do you not believe in equality?

NATIONAL PET ADOPTION DAY

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute.)

Mr. WILLIAMS. Mr. Speaker, today I rise to talk about H. Res. 133, a bill I introduced with my friend and Texas colleague, Congressman MARC VEASEY.

This resolution expresses support for the designation of April 11 as National Pet Adoption Day and the month of April as National Pet Adoption Month. Simply, we are aiming to highlight the importance of pet adoption.

Mr. Speaker, each year, 2.7 million adoptable dogs and cats are euthanized in the United States. As a rancher and lifelong animal lover, this is heartbreaking.

The Humane Society of the United States, ASPCA, Animal Welfare Institute, and local shelters such as PAWS Shelter of Central Texas have endorsed this resolution.

Mr. Speaker, we request that the President issue a proclamation calling upon the people of the United States to observe April 11 as National Pet Adoption Day and the month of April as National Pet Adoption Month.

More than 60 Members of Congress have signed on to our bipartisan resolution, and I encourage others to do so. For those who may be watching this back home, call your Representative in Washington and have them support this bill.

In God We Trust.

EQUAL PAY DAY

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

Mr. PANETTA. Mr. Speaker, I rise today to recognize Equal Pay Day. This day marks how far into this year that a woman must work to earn what a man earned up to December 31 of last year.

In the United States, a woman is paid 20 percent less than her male counterpart. In California, a woman earns 86 percent of what men earn. Pay disparities in California are even more stark for women of color. Latinas make just 56 percent of what a man makes.

In order to continue to close the pay gap, Congress must pass the Paycheck