

ANSWERED "PRESENT"—2

Gohmert

Tonko

NOT VOTING—13

Bridenstine
Brownley (CA)
Cramer
DeSaulnier
EshooKennedy
Lowenthal
Pocan
Quigley
Rice (NY)Rooney, Thomas
J.
Sewell (AL)
Vargas

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1425

So the Journal was approved.

The result of the vote was announced as above recorded.

FURTHER CONTINUING APPROPRIATIONS ACT, 2018

GENERAL LEAVE

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material in consideration of H.J. Res. 123.

The SPEAKER pro tempore (Mr. BACON). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, pursuant to House Resolution 647, I call up the joint resolution (H.J. Res. 123) making further continuing appropriations for fiscal year 2018, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Pursuant to House Resolution 647, the joint resolution is considered read.

The text of the joint resolution is as follows:

H.J. RES. 123

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

DIVISION A—FURTHER CONTINUING APPROPRIATIONS ACT, 2018

SEC. 101. FURTHER CONTINUING APPROPRIATIONS.

The Continuing Appropriations Act, 2018 (division D of Public Law 115-56) is amended by striking the date specified in section 106(3) and inserting "December 22, 2017".

This division may be cited as the "Further Continuing Appropriations Act, 2018".

DIVISION B—CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) ALLOCATION REDISTRIBUTION SPECIAL RULE

SEC. 201. CHIP ALLOCATION REDISTRIBUTION SPECIAL RULE FOR CERTAIN SHORTFALL STATES DURING FIRST QUARTER OF FISCAL YEAR 2018.

Section 2104(f)(2) of the Social Security Act (42 U.S.C. 1397dd(f)(2)) is amended—

(1) by amending subparagraph (B) to read as follows:

"(B) DETERMINATION OF REDISTRIBUTED AMOUNTS IF INSUFFICIENT AMOUNTS AVAILABLE.—

"(i) PRORATION RULE.—Subject to clause (ii), if the amounts available for redistribution under paragraph (1) for a fiscal year are less than the total amounts of the estimated shortfalls determined for the year under sub-

paragraph (A), the amount to be redistributed under such paragraph for each shortfall State shall be reduced proportionally.

"(ii) SPECIAL RULE FOR FIRST QUARTER OF FISCAL YEAR 2018.—

"(I) IN GENERAL.—For the period beginning on October 1, 2017, and ending December 31, 2017, with respect to any amounts available for redistribution under paragraph (1) for fiscal year 2018, the Secretary shall redistribute under such paragraph such amounts to each emergency shortfall State (as defined in subclause (II)) in such amount as is equal to the amount of the shortfall described in subclause (II) for such State and period (as may be adjusted under subparagraph (C)) before the Secretary may redistribute such amounts to any shortfall State that is not an emergency shortfall State. In the case of any amounts redistributed under this subclause to a State that is not an emergency shortfall State, such amounts shall be determined in accordance with clause (i).

"(II) EMERGENCY SHORTFALL STATE DEFINED.—For purposes of this clause, the term 'emergency shortfall State' means, with respect to the period beginning October 1, 2017, and ending December 31, 2017, a shortfall State for which the Secretary estimates, in accordance with subparagraph (A) (unless otherwise specified in this subclause), that the projected expenditures under the State child health plan and under section 2105(g) (calculated as if the reference under section 2105(g)(4)(A) to '2017' were a reference to '2018' and insofar as the allotments are available to the State under this subsection or subsection (e) or (m)) for such period will exceed the sum of the amounts described in clauses (i) through (iii) of subparagraph (A) for such period, including after application of any amount redistributed under paragraph (1) before such date of enactment to such State. A shortfall State may be an emergency shortfall State under the previous sentence without regard to whether any amounts were redistributed before such date of enactment to such State under paragraph (1) for fiscal year 2018.

"(III) APPLICATION OF QUALIFYING STATE OPTION.—During the period described in subclause (I), section 2105(g)(4) shall apply to a qualifying State (as defined in section 2105(g)(2)) as if under section 2105(g)(4)—

"(aa) the reference to '2017' were a reference to '2018'; and

"(bb) the reference to 'under subsections (e) and (m) of such section' were a reference to 'under subsections (e), (f), and (m) of such section'; and

(2) by adding at the end the following new subparagraph:

"(D) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed as preventing a commonwealth or territory described in subsection (c)(3) from being treated as a shortfall State or an emergency shortfall State."

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentlewoman from New York (Mrs. LOWEY) each will control 30 minutes.

The Chair recognizes the gentleman from New Jersey.

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

I rise today to present H.J. Res. 123, a continuing resolution that maintains funding for Federal Government operations and prevents a shutdown.

Current funding legislation expires tomorrow, Friday, December 8. Con-

gress must act now to prevent a government shutdown and preserve vital Federal programs that Americans rely on. This action is critical to our Nation's stability, our national security, our economic health, and the well-being of the American people.

This simple, clean extension of funding provides fiscal year 2018 funding for government programs through December 22, an additional 2 weeks, and will allow time for leadership to reach a deal on overall topline spending levels for the 2018 fiscal year.

□ 1430

I would note that the executive branch supports adoption of this continuing resolution. Yesterday's Statement of Administration Policy says: "This legislation funds the Federal Government at current spending levels without unnecessary extraneous provisions."

It concludes that his advisers would recommend that the President sign the bill into law.

Mr. Speaker, I include in the RECORD the December 6 Statement of Administration Policy regarding H.J. Res. 123.

STATEMENT OF ADMINISTRATION POLICY

H.J. RES. 123—FURTHER CONTINUING APPROPRIATIONS ACT, 2018—REP. FRELINGHUYSEN, R-NJ

The Administration supports House passage of H.J. Res. 123, the Further Continuing Appropriations Act, 2018.

This legislation funds the Federal Government at current spending levels without unnecessary extraneous provisions through December 22, 2017, while the Congress continues to work on a longer-term funding agreement. The legislation also includes language to ensure that States and Territories have adequate funding for the Children's Health Insurance Program (CHIP) through December.

The Administration believes that funding for national security, including for our military, to secure the Southern Border, and to enhance missile defense capabilities, must be prioritized in a long-term funding agreement, and will continue working with the Congress to achieve that goal.

If H.J. Res. 123 was presented to the President in its current form, his advisors would recommend that he sign the bill into law.

Mr. FRELINGHUYSEN. Mr. Speaker, the House has completed our appropriations work over 80 days ago, passing all 12 bills before the end of the last fiscal year for the first time in nearly a decade. This included critical, important funding for national defense and other important matters.

Unfortunately, the Appropriations Committee cannot proceed without an agreement with the Senate on overall funding levels. The reality is that we are running into a deadline this week, and this resolution is our best and only option at this time.

Once a broader budget agreement has been reached, which I hope will be soon, the committee will continue its work to complete final negotiations with the Senate on all 12 of the regular appropriations bills that will fully fund the Federal Government through September of next year.

Our committee is also moving quickly to act on a third emergency supplemental funding bill to help our communities across the Nation recover from recent major disasters.

In the meantime, Congress must do its job and pass the continuing resolution and then another one into the new year to keep the government open and ensure that all important Federal services are available to all Americans.

Mr. Speaker, I urge support of this necessary and responsible legislation, and I reserve the balance of my time.

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

It is extremely regrettable that we find ourselves here today. Democrats have said all year that there must be a deal to raise statutory budget caps in a manner that allows responsible investments in both defense and nondefense priorities, because both are critical to our continued safety, security, and prosperity.

The majority failed to engage all year, choosing instead to pass partisan appropriation bills that can never be signed into law.

More than 2 months ago, President Trump and Democratic congressional leaders struck an agreement to avoid a government shutdown and buy time for negotiations on new spending caps that would make it possible to enact a responsible, bipartisan full-year spending law. Precious little has been accomplished since then.

Now here we are again with the majority asking support for a 2-week stopgap continuing resolution. So I ask the majority: What do you expect to accomplish in the next 2 weeks that we have been unable to accomplish in the last 2 months? I want to repeat that. I would really like to know what you expect to accomplish in the next 2 weeks, when we haven't been able to accomplish anything in the last 2 months.

The rationale to support a short-term stopgap continuing resolution is that the parties are engaged in good faith negotiations to develop a responsible, bipartisan spending package; negotiations are on a positive trajectory and additional time is simply needed to seal a deal. Can anyone in this Chamber claim that this is the case today?

The President continues to irresponsibly threaten a government shutdown and launch ad hominem attacks. Majority leadership is playing games with the contents of this and future continuing resolutions. Negotiations on new spending caps for defense and nondefense investments are stalled.

The majority is grasping for excuses as to why they have failed to protect 700,000 young Americans from deportation, reauthorize the Children's Health Insurance Program, or move expeditiously on critical disaster assistance.

Is there any evidence whatsoever that this majority intends to fulfill these vital responsibilities to the American people?

Given these failures, I believe it is incumbent on Members of Congress to

say enough is enough. The American people are sick of the games. They want results.

It is time for the Republican leadership and President Trump to get serious, engage with Democrats. We stand ready and willing to help develop a framework for a responsible, bipartisan spending agreement and to negotiate the details of a full year's spending package.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. ROGERS), my colleague, and the distinguished chairman of the State, Foreign Operations, and Related Programs Subcommittee.

Mr. ROGERS of Kentucky. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise today in full support of the second fiscal year 2018 continuing resolution this year, which will fund the Federal Government through December 22 of this year.

This bill is a necessary measure to continue vital government programs and services. It also prevents uncertainty and harm in a shutdown.

This year, the committee worked at a historic pace to produce and then pass all 12 bills to fund the government. Chairman FRELINGHUYSEN should be recognized for this feat of leadership. It is important that we eventually send these bills to the President's desk.

As chairman of the State and Foreign Operations Subcommittee, I want to highlight that the funding provided in our bill supports continued leadership by the U.S. and advances our national security and economic interests. This funding is critical to addressing the many challenges that we face around the world.

Mr. Speaker, while CRs are never our preferred course of action, the bill before us today will give us more time to complete our work with the Senate and put together a final bill that will support the American people. Our current continuing resolution expires tomorrow, so we must act today.

Mr. Speaker, I urge my colleagues to vote "yes" on the CR.

Mrs. LOWEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR), the ranking member of the Energy and Water Development, and Related Agencies Subcommittee.

Ms. KAPTUR. Mr. Speaker, I thank the ranking member, Congresswoman LOWEY from New York, for the phenomenal job that she has done this year, and commend Chairman FRELINGHUYSEN for trying to herd cattle on a very vast range.

Mr. Speaker, here we are again, mere hours away from a needless shutdown, a cliff created by the Republican majority.

Already we are 3 months into the 2018 fiscal year, and Congress is no closer to finalizing one of our chief constitutional responsibilities, and that is

funding the departments of our Nation to do their jobs.

For a nation at war, the Department of Defense, the largest Department in this bill, can't let contracts because of this adolescent dallying by Congress.

I rise with frustration today, as the Appropriations Committee's subcommittees did their job over the last year. They toiled away for months, chipping away in each subcommittee bill, but that proved to be a fruitless effort since we had no agreed upon budget caps within which to make those decisions, because the Republican majority produced no budget.

There is simply no good reason why we are here again kicking decisions down the road, and for 2 weeks. Let me remind my colleagues, we were over 7 months late last fiscal year before we fully funded our government.

This fits and starts, fits and starts surely is not what the American people deserve. For example, we know a million people, our fellow citizens in Puerto Rico, still don't have energy and power, and vast numbers lack access to fresh drinking water. We need that FEMA budget certain so contracts can be let for 2018. Federal funding for the Children's Health Insurance Program covering more than 220,000 children in Ohio expired 68 days ago.

Mrs. LOWEY. Mr. Speaker, I yield an additional 1 minute to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, this disruption to those responsible for managing healthcare adds an unnecessary burden under the circumstances they confront daily. Many States are now preparing to shut down their CHIP program in case Congress doesn't act. How is that for a Christmas or Hanukkah present to the children of America?

The Republican majority's priorities are out of line, and no leadership on budgetary caps, no leadership on working with Democrats to find common ground on funding priorities, no leadership to finalize government funding for the entire 2018 fiscal year, which began 3 months ago. Unacceptable.

Instead, Republicans choose to avoid doing what is critical. Rather than pass a tax bill that rewards the wealthiest in our country and wreaks havoc on America's hardworking middle class families, they ought to do the dutiful work of managing the funds to operate the departments that serve the people of the United States. The American people are worried, Mr. Speaker, and the majority has abdicated their leadership.

I urge my colleagues to keep their powder dry on any hasty vote on this bill, and demand the majority come to the table to finalize the fiscal year 2018 spending plan.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. ADERHOLT), the chairman of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee on Appropriations.

Mr. ADERHOLT. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise also in support of H.J. Res. 123, which obviously would extend funding for the Federal Government for the next 2 weeks.

We have had a highly condensed schedule this year, but the Appropriations Committee has made tremendous progress in an open and very deliberative process as we have moved forward over the last several months.

As an example, the Subcommittee on Agricultural Appropriations, which I have the privilege to chair, received input from over 350 individual Members, and we produced our bill in less than 2 months.

Just a few months ago, as most of my colleagues here in the House know, the House took up and we passed all 12 appropriation bills. The chairman and the leadership delivered on the promise that they would do so.

Now we are coming to the end of the year; there are final negotiations to be done. I and my colleagues agree that a CR is not the best option; however, I would ask my colleagues to support this resolution to ensure that we have basic services that continue for our constituents until we have the final time to complete our work.

Mrs. LOWEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ), the ranking member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise in strong opposition to this continuing resolution, which is yet again a complete abdication of our responsibilities.

Instead of adopting fully funded appropriations bills or an omnibus with an actual chance of passing this Congress, we remain mired in this unbreakable habit of passing continuing resolutions. This not only creates needless legislative and economic uncertainty, it costs the government, especially our military, billions in wasted taxpayer dollars. Moreover, this abdication reflects the Republican leadership's complete abandonment of our values and the needs of our constituents.

For one, we have yet to pass the Dream Act. Despite widespread support nationally and with growing fear of deportations, this Congress has ignored the 122 DREAMers who lose their protected status every day. These are Americans by any definition, and this is their home. I will not stand by as this President cruelly threatens to send these brave young people back to countries about which they have no memory.

When will this body fully address the horrific disasters that have ravaged Florida, Texas, Puerto Rico, the Virgin Islands, and California? Countless communities, including my own, are anxiously awaiting vital recovery assist-

ance that only the Federal Government can provide. These abdications are simply immoral. It doesn't end there.

Congress has failed to renew the Children's Health Insurance Program. States and families across America are scrambling to find replacement funds and healthcare alternatives for their children.

□ 1445

When did CHIP and protecting the health of our children become a partisan issue?

My Republican colleagues want to add more than \$1 trillion to the deficit for tax cuts for big corporations and the top 1 percent, while they are at it; but then they say we can't afford to spend a fraction of that on healthcare for children?

These priorities are backward and morally indefensible.

Instead of protecting Americans from the scourge of gun violence, Republicans are weakening our already feeble gun laws by passing more legislation that ensures more deadly gun violence in our towns and cities.

We need to pass an omnibus budget that doesn't threaten programs for our veterans and children or make drastic cuts to the Medicare and Medicaid programs that our seniors rely upon.

Instead of handing massive tax cuts to millionaires and powerful corporations, we should pass a budget that supports education, expands women's health, and provides real economic relief to the middle class.

In short, we have to break this body's obsession with promoting the interests of the well-off and special interests, and ignoring the needs of children, DREAMers, seniors, and the middle class.

This continuing resolution does nothing more than provide another short-term fix for the Republican leadership's unhealthy addiction. It is abominable, it is irresponsible, and we should set it aside and focus on making long-term decisions for the American people.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GRANGER), the chairwoman of the Appropriations Subcommittee on Defense.

Ms. GRANGER. Mr. Speaker, I rise today in support of this continuing resolution.

Our most solemn responsibility as Members of Congress is to provide for our Nation's security.

The world is more dangerous and unstable than at any time in recent history. The threat from North Korea grows each day. Russia continues to create instability in Ukraine, the Baltics, and the Balkans. Chinese is militarizing the South China Sea and modernizing their military at an alarming pace.

Meanwhile, ISIS and al-Qaida continue to spread their perverted version of Islam across Europe, Africa, Asia, and the Middle East.

We must send a clear message to our adversaries that our military is prepared to confront anyone who threatens us at any time.

A shutdown in the Department of Defense will only embolden our adversaries and threaten our national security. Our military needs stable, predictable, and timely funding to ensure it is prepared to meet the threats we face now and in the future.

Members demonstrated their commitment to rebuilding our military this past summer by passing the Make America Secure Appropriations Act, which included the defense appropriations bill for fiscal year 2018. Only a budget agreement that gives our men and women in uniform the funding they need and removes the threat of sequestration will provide them that certainty.

The House must pass this continuing resolution to allow time for an agreement to be reached that will fully fund our Nation's defense. Shutting down the government is not an option.

Mr. Speaker, I urge all Members to support this very important legislation.

Mrs. LOWEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut (Ms. DELAURO), the ranking member of the Labor, Health and Human Services, Education, and Related Agencies Subcommittee.

Ms. DELAURO. Mr. Speaker, I rise to comment on this continuing resolution and on the past year of this Congress.

The biggest economic challenge of our time is that people are in jobs that do not pay them enough to live on. Wages are not keeping up with rising costs for healthcare, childcare, and housing. Too many families struggle to make ends meet, let alone put money in a college fund or go on vacation. That is what we should be focused on. We ought to be creating jobs and raising wages.

Yet, for the first 9 months of this year, this Congress attempted again and again to repeal the Affordable Care Act, which would have raised premiums and deductibles, thrown millions off insurance, and made healthcare unaffordable.

Then we spent our entire fall on the Republican tax scam. Big corporations, millionaires, billionaires write the rules to make this government work for them, and Republicans are their comrades-in-arms in rigging the game against the middle class.

Just a few days ago, Senator ORRIN HATCH said: "I have a rough time wanting to spend billions and billions and trillions of dollars to help people who won't help themselves, won't lift a finger, and expect the Federal Government to do everything."

Get out of the Senate Chamber. Understand what people's lives are about today. Walk in their shoes and understand their struggles.

But this is the ugly truth of the Republican tax bill. This is what the vote was about. These are their values on display.

This tax scam is going to raise the deficit, and the Republicans will use it as an excuse to cut vital social safety net programs: Medicare, Medicaid, Social Security, LIHEAP, TANF, education programs, SNAP, food stamps.

Right now, funding is insufficient to provide childcare assistance to all who are eligible; yet, if we pass this tax bill, we will be under intense pressure to cut this assistance. That is what they want to do. This is wrong.

Now we are punting one of our core obligations as a Congress: funding our government programs.

This is unacceptable. It is a disturbing pattern and it is unsustainable. We should be negotiating spending levels for 2018.

The majority can never again speak about regular order. This year has been one partisan attempt after another to harm working class and middle class Americans so that they could fulfill their campaign promises.

We have no budget agreement. We have no resolve on the Children's Health Insurance Program. We have no resolve on a myriad of programs that people rely on to live their lives every day. There is no resolve on the DREAMers.

Why would we need another 2 weeks when they have had all this time to work on these issues?

The American people deserve better. I say: Shame on this Congress, and vote "no" on this continuing resolution extension.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. SIMPSON), the chairman of the Energy and Water Development, and Related Agencies Subcommittee.

Mr. SIMPSON. Mr. Speaker, first, I would like to acknowledge the chairman of the Appropriations Committee (Mr. FRELINGHUYSEN). Under his leadership, the committee reported and the whole House considered and passed all 12 appropriation bills for fiscal year 2018. This year is the first time since 2010 that the House passed all 12 appropriations bills.

I would hope my colleagues on the other side of the aisle would listen for just a minute.

In 2010, the Democrats controlled both the House, the Senate, and the White House.

Guess what. They passed all of the appropriations bills on time.

But you know what they also did?

They passed a CR until December 19. When they hadn't completed their work yet, even though they had passed all 12 appropriations bills in the House, they passed another CR until December 22. When they hadn't completed their work, guess what. They passed another CR until January.

Then, when we took the majority, we ended up finishing the appropriations process. So their outrage now is a little bit misplaced.

Now we need to finish the final details with our colleagues in the Senate,

and we must do this to ensure that the government stays open.

Continuing resolutions at this time or of any length are not anyone's ideal solution to funding our government. Ideally, all 12 appropriations bills would be enacted by October 1. That process provides the Congress with its best opportunity to set priorities across government programs, and it provides the most stability for agencies to carry out these programs in an efficient and effective manner.

But when we need more time to complete those negotiations, supporting a CR to keep our government functioning is the only responsible vote for national security, for our economy, and for the general welfare of the American people.

As chairman of the Energy and Water Development, and Related Agencies Subcommittee, I am very familiar with the positive impacts the Federal Government has in each of these areas. Whether it is the Department of Energy maintaining our nuclear weapons stockpile, the Corps of Engineers dredging our ports and waterways so that goods and materials can move freely, or the Bureau of Reclamation providing tens of millions of people with water, we must avoid disruptions to these vital activities by passing this continuing resolution before us today.

Will we get all our work done by December 22?

I don't know.

But one thing I can guarantee is that we will not get it done by tomorrow, and a vote against this resolution is a vote to shut down the government. So if my colleagues on the other side of the aisle want to shut down the government, all they have to do is vote "no."

Mr. Speaker, I urge my colleagues to vote "yes."

Mrs. LOWEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON LEE).

Ms. JACKSON LEE. Mr. Speaker, I really rise on behalf of the American people. All it takes is a simple pen and cooperation between appropriators to get the job done.

Just a few days ago, I listened to representatives from the city of Houston. They are only a sample of the hurting people who have suffered after hurricanes—one of the toughest hurricane seasons in the history of the United States. They indicated that there are 300,000 single-family homes and multi-family homes still under.

In my district alone, among other districts, from one part of the State to the next, there are people living in shells of a house. We have yet had a response to be able to help those individuals who have either maxed out or don't have the insurance because they were not in a flood zone. That requires us to not do a CR, but to work on the appropriations.

I have got health clinics and the Texas Children's Hospital coming to me every day wondering about the

Children's Health Insurance Program because people are hurting.

You see, I am not trying to oppose a bill for myself. I am opposing a bill that doesn't have the needs of the American people. It doesn't have healthcare in it. It doesn't have the hurricane funding in it. It doesn't have the funding we need for the Army Corps for pending projects to stop the major catastrophic flooding in Houston, Harris County; and it has low non-defense spending.

Let me be very clear. I want a prepared military. I want them to have the training and the equipment that they need. It doesn't have that as well.

So, frankly, I believe that we have to stand against a war on the American people, a tax bill that is moving along, but the appropriations is not; \$1.4 trillion taken out of the fat that does not exist so the bones of the American people's budget—so that a tax cut can go to the top 62 percent and 80 percent, but we can't have the funding that we need for the American people.

This is a war on the American people and, for once, Mr. Speaker, I have got to be on the winning side and fight for the American people.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. CULBERSON), the chairman of the Commerce, Justice, Science, and Related Agencies Subcommittee.

Mr. CULBERSON. Mr. Speaker, I want to thank Congresswoman JACKSON LEE, and I look forward to having her vote in support of this continuing resolution because she is committed, as I am, and everyone in Texas is committed to making sure the money continues to flow to the victims of Hurricanes Harvey, Irma, and Maria.

As Congresswoman JACKSON LEE knows, if this continuing resolution is defeated, if she votes against it, she is voting to stop the flow of money to the hurricane victims in Houston, and I know she doesn't want that to happen.

That is one of many reasons I rise today in support of this continuing resolution, because we want to ensure that the military has the funds it needs to operate.

As chairman of the Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies, I want to be sure that the FBI and the Department of Justice has the funds that they need to continue to protect the people of America against terrorism, to protect women and children against violence, to stop the scourge of human trafficking and sex trafficking, to stop the scourge of opioid trafficking and abuse, and to stop the international drug cartels from pouring their poison into this country.

I am proud of the work that this full committee has done, and the hard work of my subcommittee—the Commerce, Justice, Science, and Related Agencies Subcommittee—to ensure that the law enforcement agencies in this country have the funds they need; to ensure the

Department of Commerce, the National Science Foundation, and NASA have the funds they need to make sure America continues to be the world leader in scientific and space exploration.

My colleagues on the Appropriations Committee, working along with the Houston delegation, including Ms. JACKSON LEE, we are working together arm in arm with the Florida delegation to create a hurricane relief package that will ensure that the people of Texas and Florida and Puerto Rico are adequately compensated for their losses, that we repair the damage to our flood control infrastructure.

But this is going to take time, Mr. Speaker. The Senate has not passed any appropriations bills, while the House has passed all 12 of them. We do not yet have an overall spending agreement on what level of funding is necessary for the military and for domestic purposes, and we have got to finish that hurricane relief package that Ms. JACKSON LEE and all of us have been such strong advocates for.

So I urge Ms. JACKSON LEE and the entire House to vote in support of the CR to make sure our hurricane victims are taken care of and the government continues to function.

□ 1500

Mrs. LOWEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON LEE).

Ms. JACKSON LEE. Mr. Speaker, my good friend just spoke on the floor of the House, and I certainly look forward to working with him and being committed to standing against any legislation that does not provide Hurricane Harvey funding, and the CR does not.

There is nothing in the CR that has anything to do with those who are suffering, with houses that are in disrepair or destroyed, as well as other items, Army Corps of Engineers items. That is why I stand ready not to be in a dispute, but to really raise the issue with my colleagues of how urgent it is to move to the appropriations process.

I mentioned in my remarks that I am concerned as much about military preparedness as I am about nondefense discretionary spending. I want everybody to be helped. I want the American people to be helped.

So my vote, whatever it might be, is going to be to drive this engine forward to make sure resources get down to Harris County, Houston, Corpus Christi, and all the parts of Texas that are in need, and my fellow brothers and sisters in Puerto Rico, the U.S. Virgin Islands, and Florida.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. CARTER), the chairman of the Homeland Security Subcommittee.

Mr. CARTER of Texas. Mr. Speaker, I thank the chairman for yielding time to me.

Mr. Speaker, I rise in support of this 2-week continuing resolution. This

short-term CR is a necessary stopgap to keep the government operating until we can finalize an agreement for the top line numbers and finish our work on all 12 appropriations bills.

As some of my colleagues have noted, the House Appropriations Committee completed its work several months ago, passing all 12 of the bills out of this Chamber back in September, about 80 days ago. The other Chamber has not made the same progress, and the resolution before us today will buy us a little time to negotiate with our counterparts who are behind.

Once our budget deal is done, we will be able to begin those negotiations, and I am very confident we will be able to quickly finish our work.

I cannot overstate the importance of getting all 12 appropriations bills conferenced and across the line, but I would be remiss if I did not emphasize the critical operations funded in my bill. A final FY18 bill for the Department of Homeland Security is necessary to ensure our Nation is safe, secure, and resilient against terrorism and other threats.

Mr. Speaker, the American people count on us to get the job done. I urge my colleagues to support this short-term CR to avert a government shutdown and allow us to complete our work.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CALVERT), the chairman of the Committee on Appropriations Interior, Environment, and Related Agencies Subcommittee.

Mr. CALVERT. Mr. Speaker, I rise in support of the continuing resolution, or the CR. I want to commend Chairman FRELINGHUYSEN and the committee staff for their work on this legislation which provides for continuity of government operations through December 22. This CR will provide Congress time to work with the administration on a comprehensive budget agreement, which is necessary for Congress to complete its work on the fiscal year 2018 budget.

The House Appropriations Committee has worked tirelessly this year. Each of the 12 Appropriations subcommittees scrubbed the fiscal year 2018 budget request, held numerous oversight hearings, marked up individual bills in subcommittee and full committee, and each of those bills came to the House floor where they were amended and passed in the full House.

In the case of the Interior, Environment, and Related Agencies Subcommittee, which I have the privilege to serve as chairman, 80 amendments were offered by both Republicans and Democrats prior to final passage. This is a demonstration that the House Appropriations Committee continues to be the workhorse committee in the House. Even with all this work completed, a great deal of work remains.

This CR provides a bridge necessary to give our bipartisan leadership the time it needs to determine the top line number in both defense and nondefense discretionary spending for fiscal year 2018. Once that agreement is in place, my Interior, Environment, and Related Agencies Subcommittee and other subcommittees will get to work negotiating a comprehensive fiscal year 2018 budget. It is vitally important that we complete this work.

Another reason why I support this short-term continuing resolution is so we have time to determine the needs to ensure that sufficient funds are available to respond to the fires burning in my home State of California. There are three major fires burning today in Los Angeles and Ventura Counties. The largest, the Thomas fire, which is north of Santa Paula, has already burned 96,000 acres. Earlier this morning, there was only 5 percent contained.

All Californians know about the infamous Santa Ana winds. They are blowing now. When these hot winds mix with the high temperatures and low humidity we are experiencing now in southern California, they make for very dangerous conditions.

The SPEAKER pro tempore (Mr. COLLINS of New York). The time of the gentleman has expired.

Mr. FRELINGHUYSEN. Mr. Speaker, I yield an additional 15 seconds to the gentleman from California.

Mr. CALVERT. Mr. Speaker, just one spark can result in devastating wildfire, putting life and property at risk.

Mr. Speaker, I urge passage of the continuing resolution.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. COLE), the chairman of the Labor, Health and Human Services, Education, and Related Agencies Subcommittee.

Mr. COLE. Mr. Speaker, I thank the chairman, and I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to urge support for H.J. Res. 123, the short-term continuing resolution.

I want to begin my remarks by, frankly, congratulating the chairman. It is his leadership, and my good friend on the other side, they have put together the bill in April that actually is funding the government today. A majority of Democrats voted for that in the House and the Senate. A majority of Republicans voted for it. The President signed it.

Under the chairman's leadership, all 12 bills passed well before the deadline that fund the government of September 30. He has been prepared to negotiate for 80 days. He hasn't been sitting around in those 80 days. He also passed two disaster relief bills and is working on a third one right now. I think you probably have the hardest working chairman and committee in Congress. The rest of the government, the Senate

in particular, needs to catch up with us.

Now, to their credit, they are actually sitting down with the President today, and we are beginning to see some progress. We need this additional time to allow us to fund the government.

To my friends who oppose it, what is your alternative? Shutting down the government? I know they don't want to do that. They have always argued against it. I have always thought they were right when they argued against it, but if we follow their advice and reject this amendment, the government will shut down on Friday. That doesn't do any American any good.

Mr. Speaker, the chairman has offered the responsible alternative here. I urge its passage.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. DIAZ-BALART), the chairman of the Transportation, Housing and Urban Development, and Related Agencies.

Mr. DIAZ-BALART. Mr. Speaker, I want to first thank the chairman for, again, bringing the 12 bills, once again, through the process. This is just a short-term continuing resolution. It is a clean date extension, and this CR will give an opportunity to continue to move forward quickly, by the way, towards finalizing appropriations bills.

It is important to note that, for example, in the Transportation and HUD bill, we considered 22 amendments in committee, 39 amendments here on the floor. You see, this has been an open and fair process the entire way. Now we must—we must—move quickly to finish the job and conference all 12 of these bills.

In the meantime, however, we must keep the government open and funded. This is especially, by the way, important now that our communities are pulling together to recover from three devastating hurricanes, as well as the thousands of families threatened by raging wildfires in California.

Look, we can't take the risk of short-changing our first responders, our military, given the natural disasters at home and the threats from our adversaries abroad. A vote against this CR would do just that.

Again, just for the Transportation and Housing segment, this CR will support ongoing transportation and safety missions, air traffic control, housing for vulnerable citizens, including our veterans.

Mr. Speaker, I strongly urge a "yes" vote on the CR. We cannot let those folks down. We cannot shut the Federal Government down, and it allows us to finish the job, and I thank the chairman for his steadfast leadership.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT), the

chairman of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee.

Mr. DENT. Mr. Speaker, I, too, rise to join my colleagues in urging the House to pass the continuing resolution before us. This is not the course of action any of us would prefer, obviously, but the House passed all 12 appropriations bills, and it was on the path to complete action on appropriations before the start of fiscal year 2018, but our ambition was overtaken by events, whether you want to blame the ponderous pace of the Senate or time devoted to important issues like ObamaCare or tax reform.

In any event, we need to pass this short-term continuing resolution to prevent disruption of important governmental programs and create a window in which budget caps discussions can occur.

All of us stand ready to conference our appropriations bills once a debate on budget caps is resolved.

I want to emphasize how important it is for us to pass each of the 12 appropriations bills. It is important that each be enacted rather than cherry-picking a few that may have the broadest support. It is dangerous to allow any part of the government to run on CR autopilot for a full year, when we have worked hard to include oversight provisions and targeted funding reductions in our bills. All of these would be lost with a yearlong CR.

And speaking about the programs in the Military Construction-VA bill, which I chair, a full-year CR prevents DOD from starting 204 new projects. This is the core of our MILCON program. Each year we appropriate funding for hundreds of new projects. DOD can manage in a short-term CR, but a full-year CR would be devastating.

On the VA side of our bill, while some of the VA programs are advance-funded to prevent a government shutdown from cutting off services to veterans, there are important new VA activities that would be blocked by a full-year CR, like the new electronic health record VA is unveiling, or the Choice Program, or its successor for care outside the VA system.

Mr. Speaker, I urge Members to vote "yes" for this short-term measure to give us the time and tools we need to move forward on passage of all 12 appropriations bills, and also to avert a government shutdown. Again, I urge an affirmative vote on the CR.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. WALDEN), the distinguished chairman of the Energy and Commerce Committee.

Mr. WALDEN. Mr. Speaker, I thank the distinguished chairman of the Appropriations Committee from New Jersey for his great work on this and so many other issues.

Mr. Speaker, I rise today to support the continuing resolution and espe-

cially to highlight a very important short-term provision in here that provides certainty for children, families, and States that rely on the Children's Health Insurance Program, known as CHIP.

This adjustment, which was introduced by Mr. COSTELLO from Pennsylvania and Mr. EMMER from Minnesota, will provide the Centers for Medicare and Medicaid Services with greater flexibility over existing dollars so that the agencies can ensure that CHIP programs across the country, including now in my home State of Oregon, can continue to have vital Federal funding that they need this month to continue CHIP.

This emergency funding will help families and States while Congress finishes the job of providing funding for children's health insurance, public health priorities, our community health centers, Medicare extenders that seniors rely on. All that work needs to get done.

It is important to note, we did not arrive at this place of needing a stop-gap funding resolution because this House failed to act. We acted. We did our part. We did our part. I am disappointed that the House has passed CHAMPIONING HEALTHY KIDS Act, which passed this Chamber a couple months ago with bipartisan support, has yet to be hammered out in the Senate. Of course, over there they need 60 votes to get anything done. So a minority of the minority can lock things up, which they have done.

What makes the inaction on CHIP even more frustrating is that the House-passed bill mirrors the bipartisan policy framework that was voted out of the Senate Finance Committee under the able leadership of Chairman HATCH more than 2 months ago. Unfortunately, though, again, Democrats over there have failed to agree on how to fund these programs. That is different than what we did.

Here in the House, the CHAMPIONING HEALTHY KIDS Act delivers high-quality healthcare, peace of mind to millions of Americans, providing 5 years of funding for the Children's Health Insurance Program, which is one of the longest extensions ever for the program.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield an additional 1 minute to the gentleman from Oregon.

Mr. WALDEN. Mr. Speaker, it would mean continued access to healthcare for approximately 9 million children across the country who are enrolled in CHIP, another 122,700 in Oregon alone.

Our House bill was fully funded. We did the heavy lift. We funded it through responsible reforms like asking seniors who make \$40,000 a month, that is \$480,000 a year, to pay about \$135 more for their Medicare. Rich seniors pay a little more, and I am sure these grandmothers and grandfathers would do that to help kids afford their health

insurance, and that is what happened here.

Mr. Speaker, we paid it. It is ready to go. We need the Senate to act. I commend the Appropriations Committee and the leadership there for putting this provision in so we won't let kids fall through the gap.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BURGESS), chairman of the Health Subcommittee of the Energy and Commerce Committee.

Mr. BURGESS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I must confess, today I was astonished to read an article in one of the online magazines that House Democratic leadership had asked their Members to vote against this stopgap funding bill because of the stalemate over the funding of the State Children's Health Insurance Program. We just heard the chairman of the Energy and Commerce Committee detail the work that has already been done on this bill.

Let me assure this Congress, there are probably people in here saying: What do you mean? We voted on this bill. We voted this bill out of the House weeks ago. It was offset. Everything that the Senate asked for, they were delivered: the 5-year timeframe, the funding levels the Senate asked for. They got everything they wanted.

Yes, it was offset in a responsible fashion, but now we are told House Democratic leadership says vote "no" on this continuing resolution because we don't like the stopgap funding for the State Children's Health Insurance Program.

What in the devil do they want to happen? We did our work. We did our work. We had our legislative hearings on this bill in the summertime. We did delay things, unfortunately, 1 day. There was a shooting at a House baseball game—you may remember that—that caused us some delay, but we came back 2 weeks later. We got our work done.

We had a responsible bill. It was reflective of everything that was requested by the Senate. It was offset, as was requested by a number of Members of this body, and it has languished over in the Senate since the early part of October. It is time for the Senate to take up and pass that bill so we don't have to have this continued discussion.

This continuing resolution is important because it stops a problem that some of our States are going to face. It was completely unnecessary. The other body could fix it, and they should.

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

Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. EMMER).

Mr. EMMER. Mr. Speaker, I thank the distinguished chair of the Appropriations Committee. I appreciate the time.

Mr. Speaker, in my home State of Minnesota, the Children's Health Insurance Program, better known as CHIP, provides coverage for thousands of low-income, pregnant women as well as new mothers and their children.

When funds for my State's CHIP program ran out, these Minnesotans were left wondering the fate of their healthcare. That is why we teamed up with Representative RYAN COSTELLO, Chairman WALDEN, and Subcommittee Chair BURGESS to introduce the CHIP Stability Act to bring certainty and support to Minnesotans and millions of families across the country. I am so grateful that our responsible, short-term funding solution is incorporated into this continuing resolution today.

But let me be clear: This is not enough. When the House passed the Championing Healthy Kids Act, a fully paid-for and long-term CHIP reauthorization solution, we put politics aside and America's most vulnerable first. It is my hope that the Senate will do the same very soon.

Mr. Speaker, I encourage all of my colleagues to support this continuing resolution so CHIP recipients are able to receive the coverage they need.

Mrs. LOWEY. Mr. Speaker, I yield myself the balance of my time.

I reiterate, the Democrats have said all year there must be a deal to raise spending caps in order to enact appropriation bills. Instead of heeding that advice, the majority is once again stumbling from crisis to crisis trying to fund the government 2 weeks at a time.

Without a path forward to keep our country secure and make investments to grow our economy, we should immediately lift the caps on defense and nondefense spending.

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

Mr. FRELINGHUYSEN. Mr. Speaker, in closing, I strongly urge my colleagues to vote "yes" on this responsible, necessary legislation. Let's keep the Federal Government open for business to serve our constituents across the Nation.

I yield back the balance of my time.

Mr. DeFAZIO. Mr. Speaker, I voted against H.J. Res. 123, a stop-gap resolution that keeps the government open for another two weeks, through December 22, 2017. Once again Republicans, who control both the House and the Senate, cannot get their work done. Instead they continue to kick the can down the road.

The resolution keeps funding transportation at last year's levels rather than the higher funding levels provided by the FAST Act for 2018, meaning it cuts the mandated increases in transportation investment by more than \$950 million for Federal-aid highways and almost \$200 million for public transit investment. As a result, this bill withholds \$1.2 billion from

Federal highway, public transit, and highway safety investments—preventing States, local governments, and public transit agencies from making critical investments, letting contracts, creating good-paying jobs, and working to relieve the Nation's crippling traffic congestion.

A two-week resolution gives Republicans more time to complete their massive tax scam bill, which benefits corporations and the wealthy at the cost of middle class workers, seniors, students, and our national debt. PAUL RYAN has said after the bill passes, Republicans will move to cut Medicare and Medicaid benefits.

Further, the resolution does not reauthorize the Children's Health Insurance Program (CHIP). Instead, it includes a technical fix to ensure no state runs out of CHIP funding in December. If Congress does not reauthorize CHIP by December 31st, Oregon will not have enough funds to fully fund CHIP on January 1, 2018.

The resolution does not include a permanent fire borrowing fix or additional disaster aid for communities devastated by wildfire or other natural disasters. Oregon suffered through one of the worst fire seasons in decades. Congress has twice provided USFS emergency funding to repay non-wildfire accounts this year. Without a permanent fire borrowing fix, USFS will continue to have to rob forest management accounts to pay for fire suppression—meaning our forests will continue to be overgrown and infested with insects and disease, powder kegs waiting to burn next year.

Finally, the resolution does not include any solutions for the Deferred Action for Childhood Arrivals (DACA) program. Roughly 800,000 law-abiding individuals are at risk of deportation otherwise. Congress must work together to ensure that individuals who were brought illegally into this country as children, through no fault of their own, are not targeted for deportation.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, it is extremely disheartening that this Congress is once again debating the merits of a temporary funding measure to keep the federal government funded. The American people sent their elected representatives to Washington to fulfill basic promises to fund the federal government and provide for the safety and prosperity of all Americans. A stopgap funding bill like the two-week extension before us today falls drastically short of our responsibilities to properly serve our constituents.

A continuing resolution should only be used as a temporary measure. Instead, the passage of CRs has become regular order. That is not how Congress was intended to work. This continued inaction is costing taxpayers billions in wasted dollars, not to mention the opportunity costs associated with short-term extensions. I find the complete lack of bipartisan talks in Congress alarming, particularly since countless families, seniors, and others rely on these programs for their wellbeing and safety.

In addition to our basic responsibility to fund the government, it is vitally important that we work to lift the crippling budget caps that have

been holding back critical investments in our nation's infrastructure, benefits for our veterans, and other defense and nondefense priorities. Democrats in Congress were promised an opportunity to negotiate new spending caps after the last CR was adopted in September. Instead, the only spending measures we have seen leave this Chamber are partisan bills that can never reasonably expect to make it into law.

There also needs to be a recognition that many Americans have come to rely on the federal government for basic services or benefits they were promised after serving in our military. For example, I was deeply troubled by the Administration's recent effort to eliminate \$460 million for the HUD-VA Supportive Housing program, which provides rent assistance to homeless veterans and their families. It was only until veterans' advocates, state officials, and Members of Congress protested the dramatic reduction did VA Secretary Shulkin reverse course on the planned cuts.

Mr. Speaker, Republicans in Congress are putting politics over the wellbeing of our nation by passing temporary spending bills while also proposing dramatic cuts to social programs. Ultimately, it will be the American people and the U.S. economy who will be stuck dealing with the consequences. I urge my colleagues across the aisle to come together to engage in good-faith negotiations with me and my Democratic colleagues on bipartisan, full-year legislation to fund the federal government.

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

Pursuant to House Resolution 647, the previous question is ordered on the joint resolution.

The question is on the engrossment and third reading of the joint resolution.

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

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

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

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

The yeas and nays were ordered.

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

SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 647, I call up the bill (H.R. 477) to amend the Securities Exchange Act of 1934 to exempt from registration brokers performing services in connection with the transfer of ownership of smaller privately held companies, 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 647, an amendment in the nature of a substitute consisting of the text of Rules Committee

Print 115-43 is adopted and the bill, as amended, is considered read.

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

H.R. 477

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 "Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2017".

SEC. 2. REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.

Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended by adding at the end the following:

"(13) REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an M&A broker shall be exempt from registration under this section.

"(B) EXCLUDED ACTIVITIES.—An M&A broker is not exempt from registration under this paragraph if such broker does any of the following:

"(i) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

"(ii) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the Commission under section 12 or with respect to which the issuer files, or is required to file, periodic information, documents, and reports under subsection (d).

"(iii) Engages on behalf of any party in a transaction involving a public shell company.

"(C) DISQUALIFICATIONS.—An M&A broker is not exempt from registration under this paragraph if such broker is subject to—

"(i) suspension or revocation of registration under paragraph (4);

"(ii) a statutory disqualification described in section 3(a)(39);

"(iii) a disqualification under the rules adopted by the Commission under section 926 of the Investor Protection and Securities Reform Act of 2010 (15 U.S.C. 77d note); or

"(iv) a final order described in paragraph (4)(H).

"(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit any other authority of the Commission to exempt any person, or any class of persons, from any provision of this title, or from any provision of any rule or regulation thereunder.

"(E) DEFINITIONS.—In this paragraph:

"(i) CONTROL.—The term 'control' means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. There is a presumption of control for any person who—

"(I) is a director, general partner, member or manager of a limited liability company, or officer exercising executive responsibility (or has similar status or functions);

"(II) has the right to vote 20 percent or more of a class of voting securities or the power to sell or direct the sale of 20 percent or more of a class of voting securities; or

"(III) in the case of a partnership or limited liability company, has the right to receive upon dissolution, or has contributed, 20 percent or more of the capital.

"(ii) ELIGIBLE PRIVATELY HELD COMPANY.—The term 'eligible privately held company' means a privately held company that meets both of the following conditions:

"(I) The company does not have any class of securities registered, or required to be registered, with the Commission under section 12 or with respect to which the company files, or is required to file, periodic information, documents, and reports under subsection (d).

"(II) In the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the securities transaction, the company meets either or both of the following conditions (determined in accordance with the historical financial accounting records of the company):

"(aa) The earnings of the company before interest, taxes, depreciation, and amortization are less than \$25,000,000.

"(bb) The gross revenues of the company are less than \$250,000,000.

"(iii) M&A BROKER.—The term 'M&A broker' means a broker, and any person associated with a broker, engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company, if the broker reasonably believes that—

"(I) upon consummation of the transaction, any person acquiring securities or assets of the eligible privately held company, acting alone or in concert, will control and, directly or indirectly, will be active in the management of the eligible privately held company or the business conducted with the assets of the eligible privately held company; and

"(II) if any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will, prior to becoming legally bound to consummate the transaction, receive or have reasonable access to the most recent fiscal year-end financial statements of the issuer of the securities as customarily prepared by the management of the issuer in the normal course of operations and, if the financial statements of the issuer are audited, reviewed, or compiled, any related statement by the independent accountant, a balance sheet dated not more than 120 days before the date of the offer, and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

"(iv) PUBLIC SHELL COMPANY.—The term 'public shell company' is a company that at the time of a transaction with an eligible privately held company—

"(I) has any class of securities registered, or required to be registered, with the Commission under section 12 or that is required to file reports pursuant to subsection (d);

"(II) has no or nominal operations; and

"(III) has—

"(aa) no or nominal assets;

"(bb) assets consisting solely of cash and cash equivalents; or

"(cc) assets consisting of any amount of cash and cash equivalents and nominal other assets.

"(F) INFLATION ADJUSTMENT.—

"(i) IN GENERAL.—On the date that is 5 years after the date of the enactment of the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2017, and every 5 years thereafter, each dollar amount in subparagraph (E)(ii)(II) shall be adjusted by—

"(I) dividing the annual value of the Employment Cost Index For Wages and Salaries, Private Industry Workers (or any successor index), as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made by the annual value of such index (or successor) for the calendar year ending December 31, 2012; and

"(II) multiplying such dollar amount by the quotient obtained under subclause (I).

"(ii) ROUNDING.—Each dollar amount determined under clause (i) shall be rounded to the nearest multiple of \$100,000."