will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL ACCOUNTABILITY ACT OF 2018

Mr. KATKO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5729) to restrict the department in which the Coast Guard is operating from implementing any rule requiring the use of biometric readers for biometric transportation security cards until after submission to Congress of the results of an assessment of the effectiveness of the transportation security card program, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5729

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 ''Transportation Worker Identification Credential Accountability Act of 2018''.

SEC. 2. RESTRICTION ON IMPLEMENTATION OF TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL BIOMETRIC READER RULE.

The department in which the Coast Guard is operating may not implement the rule entitled ''Transportation Worker Identification Credential (TWIC)–Reader Requirements'' (81 Fed. Reg. 57651), and may not propose or issue a notice of proposed rulemaking for any revision to such rule except to extend its effective date, or for any other rule requiring the use of biometric readers for biometric transportation security cards under section 70105(k)(3) of title 46, United States Code, before the end of the 60-day period beginning on the date of the submission under paragraph (5) of section 1(b) of Public Law 114–278 (130 Stat. 1411 to 1412) of the results of the assessment required by that section.

SEC. 3. PROGRESS UPDATES.

Not later than 30 days after the date of the enactment of this Act, and every 90 days thereafter until the submission under paragraph (5) of section 1(b) of Public Law 114–278 (130 Stat. 1411 et seq.) of the results of the assessment required by that section, the Secretary of Homeland Security shall report to the Committee on Homeland Security and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate regarding the implementation of that section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. KATKO) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

GENERAL LEAVE

Mr. KATKO. 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 on H.R. 5729, as amended.

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

There was no objection.

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

Mr. Speaker, to comply with the Maritime Transportation Security Act of 2002 and the Security and Accountability for Every Port Act of 2006, the Coast Guard is establishing rules requiring electronic readers for use at high-risk vessel facilities.

The intent of the rule is to ensure that, prior to being granted unescorted access to a designated secure area, an individual will have his or her Transportation Worker Identification Credential, or TWIC, authenticated.

The Coast Guard issued a proposed rule to this effect in March 2013. The proposed rule limited the scope of the TWIC authentication requirements at facilities to secure areas that handle certain dangerous cargos in bulk through a vessel-to-facility interface. This was consistent with existing Coast Guard policy.

Industry commented on the proposed rule, and the Coast Guard also held four public meetings across the country and worked with the Transportation Security Administration to conduct a pilot program.

The Coast Guard issued its final rule in August of 2016, with an implementation date of August 23, 2018. The service noted that the final rule made a number of changes from the proposed rule, including flexibility with regard to purchase, installation, and use of electronic readers; clarifying that the rule only affects risk group A vessels and facilities; and eliminating the distinction between risk group B and C for both vessels and facilities.

However, industry was surprised by the expanded scope of the final rule where facility areas subject to the TWIC reader requirement went beyond what was included in the proposed rule and regulatory analysis accompanying that rule.

The Coast Guard has acknowledged the discrepancy between the proposed and final rules. To date, the service has not been able to identify any security benefits to the expanded scope of the final rule or definitively state how it will address industry concerns.

The Office of Management and Budget recently completed its review of a proposed rule to delay the implementation date of the TWIC reader requirements. The text of the proposed rule was released on June 22, 2018, 2 months prior to the implementation date.

Unfortunately, the rule proposed only partially addresses industry concerns. It delays implementation of the requirements until August 23, 2021, for two categories of facilities that handle certain dangerous cargo in bulk but do not transfer it. However, for facilities and vessels that handle certain dangerous cargo in bulk and transfer that cargo to or from a vessel or from facilities that receive large passenger vessels, the final rule requirements go into effect on August 23, 2018.

Industry has been involved and willing to address security concerns, but facilities should not have to bear the burden of implementing a final rule proposal that has not yet been fully vetted to understand the impacts of the requirements.

H.R. 5729 requires the Secretary to submit to Congress the comprehensive security assessment of the transportation security card program, as required in section 1(b) of Public Law 114–278, before implementation of its final rule. Doing so will provide Congress and stakeholders further information on any deficiencies in the effectiveness of the program.

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

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

Mr. Speaker, I rise in support of H.R. 5729, the Transportation Worker Identification Credential Accountability Act of 2018.

Since 2002, when Congress passed the Maritime Transportation Security Act, problems have beset the Transportation Worker Identification Credential card, or TWIC card, as it is called, a maritime security credential.

Since its inception, concerns and questions about the reliability of background check information, the efficacy of fraud detection capabilities, and the relatively high cost of the credential have been persistent shortfalls that the Department of Homeland Security has never gotten right.

As explained by the bill's sponsor, the Coast Guard issued a flawed final rule in 2016 for the use of TWIC card biometric readers at high-risk maritime facilities. The Coast Guard issued this rule despite Congress directing the Department of Homeland Security in 2016 to conduct a ''top-to-bottom'' review of the effectiveness of the entire TWIC program.

If there was ever an example of the left hand not knowing what the right hand was doing, the issuance of this reader rule was it. Considering the history and pattern of mismanagement of TWIC credentials, I agree with the purpose of this legislation. It makes prudent sense to put a hold on any new TWIC rulemaking until such time that the Department of Homeland Security completes its effectiveness review as required by Congress.

Ensuring the security of high-risk maritime facilities remains a vitally important homeland security priority. If the TWIC card is not up to the task, it is best for Congress to understand why and how the deficiencies might best be resolved.

On the other hand, if it is determined that the best course of action is to abandon the TWIC card, we need to evaluate alternative security measures that might fill the gap immediately.

I urge my colleagues to join me and support this noncontroversial legislation.

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

Mr. KATKO. Mr. Speaker, I appreciate the comments of my colleague from the District of Columbia.

H.R. 5729 is a very straightforward bill. It fixes something that needs to be fixed quickly, and I urge Members to support it.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. KATKO) that the House suspend the rules and pass the bill, H.R. 5729, as amended.

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

A motion to reconsider was laid on the table.

IMPROVING INVESTMENT RESEARCH FOR SMALL AND EMERGING ISSUERS ACT

Mr. HUIZENGA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6139) to require the Securities and Exchange Commission to carry out a study to evaluate the issues affecting the provision of and reliance upon investment research into small issuers.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6139

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 ''Improving Investment Research for Small and Emerging Issuers Act''.

SEC. 2. RESEARCH STUDY.

(a) STUDY REQUIRED.—The Securities and Exchange Commission shall conduct a study to evaluate the issues affecting the provision of and reliance upon investment research into small issuers, including emerging growth companies and companies considering initial public offerings.

(b) CONTENTS OF STUDY.—The study required under subsection (a) shall consider—

(1) factors related to the demand for such research by institutional and retail investors;

(2) the availability of such research, including—

(A) the number and types of firms who provide such research;

(B) the volume of such research over time; and

(C) competition in the research market;

(3) conflicts of interest relating to the production and distribution of investment research;

(4) the costs of such research;

(5) the impacts of different payment mechanisms for investment research into small issuers, including whether such research is paid for by—

(A) hard-dollar payments from research clients;

(B) payments directed from the client's commission income (i.e., ''soft dollars''); or

(C) payments from the issuer that is the subject of such research;

(6) any unique challenges faced by minority-owned, women-owned, and veteran-owned small issuers in obtaining research coverage; and

(7) the impact on the availability of research coverage for small issuers due to—

(A) investment adviser concentration and consolidation, including any potential impacts of fund-size on demand for investment research of small issuers;

(B) broker and dealer concentration and consolidation, including any relationships between the size of the firm and allocation of resources for investment research into small issuers;

(C) Securities and Exchange Commission rules;

(D) registered national securities association rules;

(E) State and Federal liability concerns;

(F) the settlement agreements referenced in Securities and Exchange Commission Litigation Release No. 18438 (i.e., the ''Global Research Analyst Settlement''); and

(G) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as implemented by the European Union (''EU'') member states (''MiFID II'').

(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Securities and Exchange Commission shall submit to Congress a report that includes—

(1) the results of the study required by subsection (a); and

(2) recommendations to increase the demand for, volume of, and quality of investment research into small issuers, including emerging growth companies and companies considering initial public offerings.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. HUIZENGA) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan.

GENERAL LEAVE

Mr. HUIZENGA. 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 materials on this bill.

The SPEAKER pro tempore (Mr. KATKO). Is there objection to the request of the gentleman from Michigan?

There was no objection.

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

Mr. Speaker, initial public offerings, or IPOs, have historically been one of the most meaningful steps in the lifecycle of a company.

Going public was the ultimate goal for many entrepreneurs. You start a business from scratch, build it into a successful enterprise, and then open up an opportunity for the public to share in your success. Going public not only affords companies many benefits, including access to the capital markets, but IPOs are also important to the investing public. By completing an IPO, a company is able to raise much-needed capital for job creation and expansion opportunities, while allowing Main Street investors an opportunity to have an economic piece of the action and the ability to participate in the growth phase of a company.

However, over the past two decades, our Nation has experienced a 37 percent decline in the number of U.S.-listed companies. Equally troubling, we have seen the number of public companies fall to around 5,700. These statistics are concerning because they are similar to the data we saw in the 1980s when our economy was less than half of its current size.

For a myriad of reasons, the public model is no longer viewed as the most attractive means of raising capital. Instead, small and emerging growth companies are choosing to go public much later in their lifecycle or, frankly, choosing not to go public at all.

We must work to change that trajectory, in my mind. In speaking to the New York Economic Club, SEC Chairman Jay Clayton stated: ''Regardless of the cause, the reduction in the number of U.S.-listed public companies is a serious issue for our markets and the country more generally. To the extent companies are eschewing our public markets, the vast majority of Main Street investors will be unable to participate in their growth. The potential lasting effects of such an outcome to the economy and society are, in two words, not good.''

That is from SEC Chairman Jay Clayton.

I share Chairman Clayton's concerns. We need to ensure that our capital markets are open for innovators and job creators, and we must work to rightsize regulations for smaller companies as well.

One way that Congress worked to lift burdensome regulations and help small companies gain access to these capital markets was the bipartisan Jumpstart Our Business Startups Act, commonly known as the JOBS Act. Section 105 of the JOBS Act changed the ''gun-jumping rules'' to provide an exception from the definition of an offer to allow for the publication or distribution by a broker or dealer of a research report about an emerging growth company that is the subject of a proposed public offering.

However, few investment banks have published any pre-IPO research since passage of the JOBS Act, and research coverage, in general, on small issuers continues to be an issue. This negatively affects investor interest and awareness in a company as well as its trading liquidity and, therefore, does not allow the company to launch the way that it properly could.

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This provision is intended to increase research, but, unfortunately, it has had the opposite effect, and, instead, there has been a significant decline—we have seen a significant decline over recent years in analyst research covering small public companies.

According to the U.S. Chamber, ''61 percent of all companies listed on a major exchange with less than $100 million market capitalization have no research coverage at all.''

For equities with a market cap below $750 million, the average number of research analysts covering that stock is one, while equities above $750 million