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House of Representatives

The House met at 2 p.m. and was called to order by the Speaker.

PRAYER

The Chaplain, the Reverend Margaret Grun Kibben, offered the following prayer:

Almighty God, You spoke, and the world came to being. You breathed life into humanity and gave us the same influence when You allowed us to speak. Remind us this day of the responsibility we have in wielding this authority. Call us to accountability as, even today, we wield the power You have bestowed on us to create and destroy just with a word.

We pray Your blessing on the innumerable words, opinions, and concerns that have been voiced in the last days, weeks, and months, and which will be brought forth during the deliberations facing this body this week. As the concerns of all parties are placed on the table, cast Your light on the decisions to be made, that there would be clarity on each issue. Grant Your wisdom that each Member would receive the gift of Your discernment, and shed Your grace into the process, that all would be inspired to act with the graciousness You have shown us.

Remind all of us of all You have done for us as a nation. Charge us each to avoid unrelated controversy and unprofitable argument, but to commit ourselves to thoughtful speech and careful consideration of each concern.

In this prayer, we dedicate ourselves to the building up of this body and the goodness of this country. In You alone do we trust. May this day reflect our confidence in Your guidance in all our endeavors.

In the strength of Your name, we pray.

Amen.

THE JOURNAL

The SPEAKER. Pursuant to section 3(z) of House Resolution 5, the Journal of the last day's proceedings is approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Pennsylvania (Mr. THOMPSON) come forward and lead the House in the Pledge of Allegiance.

Mr. THOMPSON of Pennsylvania led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ARTILLERY TEA CO. PUTS VETERANS FIRST

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

Mr. THOMPSON of Pennsylvania. Mr. Speaker, in light of Memorial Day, I rise today to recognize three Falls Creek natives, which are Jefferson and Clearfield Counties, for founding the first of its kind tea company with a focus on giving back to veteran and first responder organizations.

Mike, Chris, and Joey Britton founded Artillery Tea Co. with veterans and first responders in mind. The youngest brother, Joey, is a 9-year Army veteran, giving the brothers firsthand access to these organizations.

The company launched on July Fourth last year and is now spreading the word and their mission to "be able to support vets the best we can."

One of the groups they donate to is Gold Star Families. This group supports families of fallen soldiers. They also work with Project Lakeview, a group out of Delaware focused on supporting families of fallen first responders.

Mr. Speaker, the brothers work with a partner in Pennsylvania to manufacture the product, allowing them to keep everything as local as possible. Tea can be ordered from artilleryteaco.com and can be shipped anywhere.

On Memorial Day and every day, we should remember the great sacrifice our men and women make to protect our freedoms and keep us safe. Artillery Tea Co. focuses on continuing to support the families of those whose loved ones paid the ultimate sacrifice.

FISCAL RESPONSIBILITY DESERVES TO FLOURISH

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

Ms. FOXX. Mr. Speaker, mandatory spending programs are the overflowing sinks that have bedeviled Congress for decades on end. Two-thirds of all Federal spending is allocated to mandatory spending programs, and there are few constructive opportunities to curb exceeded cost estimates.

While Congress returns to Washington this week to cut spending in exchange for lifting the debt ceiling, far too little attention is being paid to autopilot spending that far outpaces these cuts.

My bill, the Spending Safeguard Act, would restore congressional control over mandatory spending increases by establishing program-specific caps for new or reauthorized programs. If a program spends more than what was anticipated, then it needs to be reformed or extinguished. It is that simple.

Let's be honest, Mr. Speaker. Congress has a knack for ignoring opportunities to address direct spending head-on. My bill offers a viable pathway to restore both fiscal sanity and fiscal responsibility in Washington.

It is time for Congress to act.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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RECESS

The SPEAKER pro tempore (Mr. VAN ORDEN). Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 5 minutes p.m.), the House stood in recess.

□ 1630

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MEUSER) at 4 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair 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.

SMALL ENTITY UPDATE ACT

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2792) to require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term "small entity" for purposes of the securities laws, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2792

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 Entity Update Act".

SEC. 2. STUDIES, REPORTS, AND RULES REGARDING SMALL ENTITIES.

(a) DEFINITIONS.—In this section—

(1) the term "Commission" means the Securities and Exchange Commission; and

(2) the term "small entity"—

(A) has the meaning given the term in section 601 of title 5, United States Code, with respect to the activities of the Commission; and

(B) includes any definition established by the Commission of the term "small business", "small organization", or "small governmental jurisdiction" under paragraph (3), (4), or (5), respectively, of section 601 of title 5, United States Code, with respect to the activities of the Commission.

(b) STUDIES AND REPORTS.—Not later than 1 year after the date of enactment of this Act, and again 5 years thereafter, the Commission shall—

(1) conduct a study of the definition of the term "small entity" with respect to the activities of the Commission for the purposes of chapter 6 of title 5, United States Code, which shall consider—

(A) the extent to which the definition of the term "small entity", as in effect during the period in which the study is conducted, aligns with the findings and declarations made under section 2(a) of the Regulatory Flexibility Act (5 U.S.C. 601 note);

(B) the amount by which financial markets in the United States have grown since the last time the Commission amended the definition of the term "small entity", if applicable; and

(C) how the Commission should define the term "small entity" to ensure that a meaningful number of entities would fall under that definition; and

(2) submit to Congress a report that includes—

(A) the results of the applicable study conducted under paragraph (1); and

(B) specific and detailed recommendations on the ways in which the Commission could amend the definition of the term "small entity" to—

(i) be consistent with the results described in subparagraph (A); and

(ii) expand the number of entities covered by such definition.

(c) RULEMAKING.—After the completion of each study required under subsection (b), the Commission shall, subject to public notice and comment, revise the rules of the Commission consistent with the results of such study.

(d) INFLATION ADJUSTMENTS.—As soon as practicable following the date of enactment of this Act, and every 5 years thereafter, the Commission shall adjust all dollar figures under the definition of small entity established by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

Mrs. WAGNER. 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 this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

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

Mr. Speaker, I rise today in support of my bill, H.R. 2792, the Small Entity Update Act.

Mr. Speaker, the slated bills that we are considering today are the culmination of four hearings that the Capital Markets Subcommittee, which I have the honor and privilege of chairing, has held this year, where we heard from over a dozen witnesses, including founders of private and public companies, investors, former SEC Commissioners, security law practitioners, and even one of the authors of the IPO-related provisions of the JOBS Act.

All of these bills play a vital role in expanding investment opportunities for all Americans, improving access to capital for small businesses, and strengthening our public markets.

Mr. Speaker, 11 years ago, the Jumpstart Our Business Startups Act, or JOBS Act of 2012, was enacted into law by a divided Congress with the intention of increasing access to capital for small businesses and entrepreneurs in the United States. The purpose of

the JOBS Act was to provide greater opportunities for small business owners and entrepreneurs to grow their companies and create jobs in their communities.

Despite the successes of the JOBS Act, there are still significant regulatory barriers that impede the growth of small businesses and hinder the competitiveness of job growth in the United States.

Small businesses, Mr. Speaker, make up 99 percent of all enterprises, employ almost half of the United States' workforce, and are disproportionately affected by these barriers. These companies represent the engine of our economy and are far too often subject to one-size-fits-all regulation. The lack of access to capital makes it challenging for small business owners to grow and expand their companies, which can limit job creation and economic growth.

That is why I introduced the Small Entity Update Act. This bipartisan bill would direct the SEC to conduct a study, followed by a rulemaking that is consistent with the results of such study every 5 years. This study would focus on defining the term "small entity" under the Regulatory Flexibility Act.

Regulations often impose disproportionate burdens on startups, small businesses, and other small entities. Small entities simply can't afford the number of lawyers and regulatory experts that large multinational firms can to comply with every regulation while still being able to afford the cost of doing business.

The government cannot and should not treat a small startup in my hometown of Ballwin, Missouri, with seven employees as it would a Fortune 500 company. The reality is that the size of companies and the underlying makeup of market forces behind them change over time, which is why my bill requires the SEC to reevaluate their small business definition every 5 years. What makes sense for companies today in terms of regulatory compliance may not in 5 years.

My bill addresses longstanding concerns that numerous SEC rules do not appropriately balance the SEC's mandates to protect investors and facilitate capital formation. Studying and revising these definitions will result in a better understanding of regulatory costs on small entities and ensure that the SEC modernizes its criteria for defining them.

In order for our economy to thrive, Mr. Speaker, Congress and regulators must ensure that any policies enacted keep in mind any impacts they would have on our millions of small businesses.

H.R. 2792 will lead to a more targeted regulatory framework for these entities and help make the American Dream a reality for all entrepreneurs.

Mr. Speaker, I thank Mr. HIMES, Mr. TORRES, Mr. SCOTT, and Mr. CASTEN for their bipartisan support of this