

While we hear White House officials continue to dismiss the sticker shock that Americans face every day, House Republicans are committed to reining in the reckless spending in Washington and restoring fiscal sanity.

DISASTER SUPPLEMENTAL REQUEST

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

Ms. TOKUDA. Mr. Speaker, 8 months ago, the President put forth a supplemental disaster recovery funding request, and while Congress has failed to act, wildfires, hurricanes, and extreme weather conditions have continued to strike.

On June 28, the President submitted to Congress an updated request for \$700 million for the Community Development Block Grant Disaster Recovery program. These funds play an essential role in communities across the country in towns like Lahaina that have been devastated by fire and help to rebuild housing, infrastructure, and other facilities.

The need for this request is urgent. As we look ahead to a hyperactive hurricane and wildfire season, working families and communities across the country are still struggling to rebuild homes and businesses ravaged by the impacts of the last storm cycle.

Mr. Speaker, disaster does not discriminate, and it does not wait. I urge this House to immediately bring the disaster supplemental request up for a vote before we depart for the August recess. Doing so ensures we get the work of the people done and deliver much-needed relief to our communities across the country.

BUREAUCRATIC WASTE

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

Mr. LAMALFA. Mr. Speaker, so far Congress has provided \$7.5 billion for electric vehicle charging stations via the so-called infrastructure bill.

Mr. Speaker, \$5 billion of that money is allocated to individual States to build a network of fast chargers along major highways in the National Electric Vehicle Infrastructure program.

This outpouring of funds, the intense focus of the Department of Transportation and the Biden administration has only managed to finish seven of these stations in only four States.

Investment seems to be the term used on this topic to get around the fact that nothing is getting done and an incredible amount of taxpayer money is being spent.

There is a consistent pattern of electric vehicle charging stations being exempted also from the Buy America provisions that were expanded in the Infrastructure Investment and Jobs Act.

We are buying these components from China because most are not sourced from U.S. manufacturing because we are in a big hurry, it seems, to not actually build them.

This is a pathetic and embarrassing show of bureaucratic waste and a slap in the face to American workers.

The whole Biden administration at every level, be it funding or regulation, have forced electric vehicles and have forced the demand that the infrastructure isn't even close to being in place for.

Mr. Speaker, 7 in 10 Americans said they don't want to buy an EV and are already trying to give back what they have.

□ 1230

BELTED GALLOWAY JUNIOR NATIONALS

(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, I rise today to recognize three outstanding young people from Venango County, Pennsylvania, who competed in the first-ever Belted Galloway Junior Nationals event at the Medina County Fairgrounds in Medina, Ohio.

The Belted Galloway is a traditional Scottish breed of beef cattle. The Buckeye Battle of the Belts took place June 26 through June 30. I proudly recognize these livestock enthusiasts from Venango County:

Mark Snyder, 18, of Titusville, won the grand champion overall pure breed Belted Galloway bull, fourth overall intermediate sales talk, third intermediate team fitting, reserve grand champion overall purebred Belted Galloway heifer, and two class winners Belted Galloway heifer.

Coltin Cross, 16, of Rockland, won Belted Galloway class winner heifer, third intermediate overall cattlemen's quiz, third intermediate team fitting, and 10th overall intermediate points.

Marie Schwab, 13, of Oil City, won third junior public speaking, fifth junior sales talk, reserve team fitting, fourth junior judging contest, seventh overall junior points, champion Belted Galloway immediate heifer, champion Belted Galloway prospect steer, champion overall purebred Belted Galloway steer.

Mr. Speaker, I am so impressed with these young people. The Belted Galloway Junior Nationals provide a platform for youths aged 18 to 21 to showcase their skills, dedication, and passion for agriculture. I congratulate them all.

HONORING BOONE COUNTY FIRE PROTECTION DISTRICT ASSISTANT CHIEF MATTHEW TOBBEN

(Mr. ALFORD asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ALFORD. Mr. Speaker, it is with a heavy heart today that I rise to honor the life and service of Boone County Fire Protection District Assistant Chief Matthew Tobben, who lost his life in the line of duty this week during a high-water rescue.

Prior to joining the Boone County team this year, Matt spent 19 years with the Union Fire Department and was part of Missouri Task Force One for 12 years.

Today, we honor and remember Matt, especially his selfless dedication to others and his courage to always answer the call. He never turned down an opportunity to make a rescue or help his community.

Our sincere condolences are with his family, friends, and loved ones. The Fourth District of Missouri will forever be grateful to Matt for his service and heroism.

PROTECTING HOME APPLIANCE CHOICE

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

Ms. LEE of Florida. Mr. Speaker, I rise today to state my support for H.R. 7700, the Stop Unaffordable Dishwasher Standards Act, and H.R. 7637, the Refrigerator Freedom Act, which passed the House this week.

Since his first day in office, President Biden has repeatedly advanced burdensome rules, regulations, and mandates that have made Americans' lives more difficult and caused prices to skyrocket. Across the board, prices are up 20 percent because of President Biden's failed and inflationary policies.

Families in Florida cannot afford Bidenomics. House Republicans are fighting to protect families from burdensome mandates, safeguard consumer choice, and defend cost-effective energy solutions.

That is what these important bills will do. President Biden's war on everyday household appliances only hurts hardworking Americans and small businesses. People in Florida, not bureaucrats in Washington, should be able to decide what appliances they want in their homes.

These bills will protect affordability and choice, allowing all Americans the ability to make the right decision for themselves and their families.

PROVIDING FOR CONGRESSIONAL DISAPPROVAL OF THE RULE SUBMITTED BY THE SECURITIES AND EXCHANGE COMMISSION RELATING TO "STAFF ACCOUNTING BULLETIN NO. 121"—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore. Pursuant to the order of the House of June 3, 2024, the unfinished business is the further consideration of the veto message

of the President on the joint resolution (H.J. Res. 109) providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121".

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

(For veto message, see proceedings of the House of June 3, 2024, at page H3548.)

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. MCHENRY) is recognized for 1 hour.

Mr. MCHENRY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from California (Ms. WATERS), the ranking member on the Committee on Financial Services, pending which I will yield myself such time as I may consume.

GENERAL LEAVE

Mr. MCHENRY. 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 the veto message of H.J. Res. 109.

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

There was no objection.

Mr. MCHENRY. Mr. Speaker, I rise in support of overriding President Biden's veto of H.J. Res. 109.

It didn't have to be this way. It did not have to be this way on digital assets, on the regulation of digital assets, on the functioning of a new asset class that a substantial number of Americans, and those around the world, are using, a new set of technology.

The Biden administration has been given every opportunity to work with this Congress on digital asset policy and to come to a reasonable conclusion on digital asset policy.

In May, Congress passed a resolution to overturn the Securities and Exchange Commission's SAB 121 with broad bipartisan support in both the House and Senate. A lot has changed since that time.

Following that vote, the House passed historic digital asset market structure legislation, called FIT21, with an overwhelming two-thirds support of this Chamber. In divided times, a vote like that in this Chamber is a substantial statement of the validity of a policy. That means that 71 members of the President's own party voted for that bill.

Today's vote should mirror the support of FIT21, given that this policy change was also in that legislation they voted for.

SAB 121 is one of the most glaring examples of the regulatory overreach that has defined Chair Gary Gensler's tenure at the Securities and Exchange

Commission. It limits consumers' options to safely custody their digital assets, upending decades of bank custody practices and increasing concentration risk.

This is real consumer harm that is now in the marketplace because of these rules that Gensler has put in place.

Congress used the mechanism available to us, the Congressional Review Act, to overturn this harmful so-called guidance. To be clear, a bipartisan CRA sends a strong message. A bipartisan Congressional Review Act vote that passes both Chambers, well, that is a mandate from the Americans we represent.

Despite all the recent progress and bipartisan agreement, President Biden vetoed the first digital asset-specific legislation that ever passed the House and Senate. It has never been clearer that this administration would rather play politics and side with power-hungry bureaucrats over the American people and over new technology and the safe use of new technology.

Mr. Speaker, I urge my colleagues to support today's resolution, overturn the veto, and take a small step to bring sanity to the American digital asset policy landscape.

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

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

Mr. Speaker, I rise today in opposition to H.J. Res. 109, which if passed would undermine the Securities and Exchange Commission's ability to protect people who buy cryptocurrency.

Today, Republicans want to override President Biden's veto and block the SEC from setting accounting standards for companies that hold digital assets, like crypto, on behalf of their customers. This resolution is part of a long list of efforts by industry and its allies to attack the good work of the SEC, which has made significant progress in protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation.

Preserving the power of the SEC to protect investors and our markets is now more important than ever, especially in light of the recent Supreme Court ruling in *Loper v. Raimondo*, which, by overturning *Chevron* deference, has now undermined the authority of the SEC and other Federal agencies.

The SEC staff accounting bulletin, SAB 121, is an informal guidance intended to clarify confusion raised by market participants. One prong of SAB 121 that would be repealed by today's resolution is about giving the public disclosures to increase transparency about these cryptoassets.

This kind of transparency helps prevent the kind of fraud and mishandling of crypto that led to the collapse of companies like FTX and a dozen other crypto firms that were handling and safeguarding customers' assets.

The second part of SAB 121's guidance advises companies to record cryptoassets as liabilities on their balance sheets and to ensure those liabilities correspond to the fair value of the cryptoassets they are obligated to safeguard.

This ensures that the company providing custody has sufficient resources to secure these assets for the users against any loss or misuse. The SEC has explained that this guidance is prudent due to the unique risk and uncertainties associated with cryptoassets. These risks include hacks, theft, and technical failures.

SEC's guidance simply says a firm that safeguards cryptoassets on behalf of customers should account for these unique crypto risks by recording these assets on its balance sheet as a liability. These safeguards would be completely undermined by passing H.J. Res. 109.

The crypto industry and its allies have long chided the SEC for not providing enough clarity over how cryptoassets should be regulated. However, SAB 121 directly addressed industry uncertainty. It is just that the industry didn't like the answer they got.

□ 1245

Should H.J. Res. 109 come into law, it would not only eliminate SAB 121's helpful guidance, but it would also permanently block the agency's ability to do anything substantially similar in this area in the future.

One special interest group representing large custody banks has provided the SEC with targeted modifications to SAB 121, which would avoid the sledgehammer effect of this legislation. I understand that the SEC may be close to reaching an agreement on these modifications, which would ensure that well-regulated entities, like custody banks, can offer crypto custody services consistent with SAB 121. Nevertheless, despite the fact that this issue will soon be moot, Republicans are pushing ahead anyway with this blunt and overly broad approach.

So, Mr. Speaker, I urge my colleagues to oppose this veto override, and I reserve the balance of my time.

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

Mr. Speaker, I would like to ask the ranking member to yield. There is this rumor that has been going about that there is this resolution at the SEC with a group of banks, and they are going to let certain banks custody digital assets in some deal that is being made. I have no details of it. The first public pronouncement of this I heard from the ranking member.

I was just wondering, Mr. Speaker, if I could inquire of the ranking member if there is paper on this or any published accounts of what the ranking member said.

Mr. Speaker, I am happy to yield to the ranking member.

I am interested in this deal that she has talked about that certain banks

can custody digital assets and there is a deal made with the Securities and Exchange Commission. The first I heard of this was the pronouncement that the ranking member just made. I am just wondering if there is any published account of this or anything in writing we have from the SEC?

Ms. WATERS. If I may respond to the gentleman.

Mr. MCHENRY. I am happy to yield.

Ms. WATERS. As I said when I made the presentation, they are close to working out the deal with SAB and the custody bank.

Mr. MCHENRY. Mr. Speaker, reclaiming my time, I would just say that the idea that Congress is going to wait because you have banks trying to get a special carve-out for themselves from Gary Gensler and the SEC, that is not sound public policy. The idea that Congress is going to wait and pause on overriding the President's veto is really bad policy that harms consumers. Just because we have a rumor that two people are talking or 10 people are talking, that is not the way a great state should do business. A great nation-state with the best capital markets on the globe should not be doing business this way.

We should have clarity under the law that peoples' financial assets are going to be protected, and they are going to be protected in a resilient regime, which we have. We have it for securities. We have it for commodities. We should have it for digital assets, the same protections we have for these other financial assets, and we don't because of the actions of Gary Gensler and the Biden administration that have said that you can't hold these assets in custody. It has made it more risky for consumers to own digital assets.

So let's reject this idea that we just wait for a couple of people to strike some private deal for a group of banks. Let's make this correct. Let's make it right for the American people. Let's vote to override this veto.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. FLOOD), who is the author of the original bill that the President vetoed that we are now voting on again.

Mr. FLOOD. Mr. Speaker, I thank the chairman for his leadership on this issue.

Mr. Speaker, I feel like we should start with a definition of "custody." It is that basic, Mr. Speaker. Banks hold others' assets in custody, and they don't put them on their balance sheet.

This is an example of Mr. Gensler at the SEC using a staff accounting bulletin to keep banks out of digital asset custody. The first time this resolution went through Congress, it received, as the chairman said, bipartisan support from both the House and the Senate, including Majority Leader SCHUMER. Think about that, Mr. Speaker: Majority Leader SCHUMER broke with his own party and with his own party's President on this issue.

The reason for that support, and it is really simple, the SEC got its hand caught in the cookie jar. They overstepped in a blatant way that runs contrary to its obligation to protect investors.

What is the SEC doing in banking policy?

Somebody, ask the Federal Reserve. Ask the OCC. Ask the Treasury Department.

Do they think this is right?

Look at the testimony in front of the Financial Services Committee.

SAB 121 is not a political issue. It is simply a bad regulation. No matter what your feelings are about cryptocurrency, the SEC shouldn't be writing bank custody rules, and they definitely shouldn't be overstepping their authority to do it.

Moreover, now on this floor today we hear from the ranking member that there is some private deal with a couple of banks. To the chairman's point, that is not good public policy. That is amateur hour. That is trying to avoid the embarrassment of having the House of Representatives vote like it did on FIT21 where a better than two-thirds majority were in support of this very policy.

Finally, let's be clear. SAB 121 is bad policy that affects the entire banking system, not just one bank or one small group of banks. If the SEC wants to fix this problem themselves, then they shouldn't rescind the bulletin for every bank in America that is publicly traded. One-off agreements do not fix underlying problems with this fatally flawed legislation.

Mr. Speaker, I urge my colleagues to support this measure.

Ms. WATERS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. SHERMAN), who is also the ranking member of the Subcommittee on Capital Markets.

Mr. SHERMAN. Mr. Speaker, let me address the Democrats in this Chamber and say: Sustain President Biden's veto.

This is the worst possible week for Democrats to do anything else but to stand behind President Biden's veto. If you vote the other way, then you can explain to the press that you repudiated the President's decision and that you voted to override a Presidential veto—something I don't think we have done in a long time—because you had extensive conversations with Paul Munter, the chief accountant of the SEC, and he was unable to convince you that Staff Accounting Bulletin 121 properly lays out for generally accepted accounting principle purposes which asset should be on the balance sheet.

You can then discuss with them how you also commented on a host of other accounting principles that put assets on the balance sheet that are not actually owned but might be leased or held by the company on whose balance sheet they are listed.

You can then discuss with them your personal views on accounting theory

and try to convince them that you repudiated the President because of deeply held concerns on what assets should and should not be on the balance sheet. However, they will not listen. They will tell you that you voted to override a Presidential veto this very week.

Now, we are told that somehow this is going to prevent banks from acting as custodians. It does not because we have three accounting systems in this country.

We have tax accounting, which is separate from GAAP, or generally accepted accounting principles, which are for disclosures to investors; and we have a third accounting system for regulated companies, particularly banks, called regulatory accounting principles, or RAP.

This pronouncement doesn't deal with RAP. Banks are free to do what they want. They must inform their investors what they did, and then the investors can decide whether that bank is one they want to invest in.

Now we are told that we should override SAB 121.

What effect does that have?

Not only does it take crypto off the balance sheet, it prevents the chief accountant from writing another regulation or staff accounting bulletin requiring footnote disclosure. So then you would be voting for no disclosure to investors of the very significant risk of holding these crypto assets.

You can argue for balance sheet disclosure. You can argue instead for footnote disclosure. However, if you vote today for no disclosure in the financial statements, then that is a repudiation of all modern accounting theory.

I did want to point out, as the ranking member has, that there is a substantial risk to banks in holding crypto assets, and Sam Bankman-Fried's fraud is just one of many in the crypto world. So this disclosure is necessary for investors to decide what risks they are taking when they invest in the stock of a bank.

So, in summary, if you believe that crypto assets that the bank is holding as a custodian should be on the balance sheet, then vote "no." If you believe that crypto asset risks, the risks that the bank has by acting as a custodian for crypto, should only be disclosed in the footnotes, then vote "no."

If you have no deeply felt opinion on whether generally accepted accounting principles should cause assets that are being held by a custodian or a lessee should be on the balance sheet, should be in the footnotes, or should not be in the financial statements at all, if you do not have a deeply held personal belief on this technical matter of accounting, then vote "no" and sustain President Biden's veto.

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

I have to address this, Mr. Speaker, because there is a lot of gibberish that I just heard about this vote being an endorsement of President Biden or something like that, and I don't want to get into that debate. I don't.

The question of whether or not the President cares about the veto or is going to look through the vote count on this day or whatever else or the politics of what is happening in the hallways here with all my Democratic colleagues being asked about the President, I am trying to withhold from opining about those things.

I see in press reports that the President is really dialed in between 10 and 4 and this vote being at 1 p.m., perhaps he is going to look at the vote total. Perhaps. However, that is all conjecture, and I don't want to get into the conjecture of this stuff. It is not part of the decorum of the House here.

The substance here is about digital assets. What we have shown in this Chamber with a two-thirds vote, 71 Democrats joining with just about every Republican, saying that we want a market structure so that we can develop the next generation of internet technology here in the United States. We want to have consumer protection, safety and soundness ensured so that we can have the best capital markets on the globe, with capital attracted from around the globe here in the United States so it can be deployed safely, and then cutting-edge technologies and digital assets. Just as we had this debate on artificial intelligence, we voted with a two-thirds vote to have a regulatory regime that looks like our capital markets for crypto, and my colleagues, after 21 voted to repeal this stupid accounting—I am sorry—this ill-fitting, ill-designed, poorly thought-out accounting standard that says that crypto is not a real asset and we are going to treat it as this other thing so it can't be in regulated finance. We had 21 Democrats vote with us to repeal this rule. Then we had 71 Democrats vote for a full market structure for crypto.

I would say to those 50 Democrats who voted on the large regulation, the larger regulation package on crypto, look at this anew, and if you want to send a message that you are pro-crypto, if you want to send the message to your voters that you are pro-crypto and you want to protect their assets, those 50 who voted for the market structure but didn't vote for this should vote with us. We should have a two-thirds vote of this House to repeal this ill-designed accounting standard.

This is not a marker of Presidential leadership. What we have heard from this administration is all over the map on what they want to do with crypto, and now they are contorting themselves as the election gets closer.

So let's just do the right thing. Let's support sound policy. Let's override this veto and send a message that America will remain the best place in the world to deploy capital with the best cutting-edge technology with consumer protection and law-abiding rights connected with those digital assets.

Madam Speaker, I would say to my colleague that I am prepared to close, and I reserve the balance of my time.

□ 1300

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

Madam Speaker, no matter what is said, this is about overriding the President's veto. My colleagues argue that SAB 121 undermines the investor protection by discouraging crypto firms and other entities from providing custody services.

However, the numbers show this couldn't be further from the truth. According to figures provided by SEC staff, at least 10 U.S. firms are already offering SAB 121-compliant crypto safeguarding services. As of the end of last year, they were safeguarding close to \$210 billion worth of crypto assets in a SAB 121-compliant way.

This just goes to show, despite all of the talk, that SAB 121 will lead to less companies wanting to safeguard crypto assets. There are, indeed, plenty of firms out there that are doing so in compliance with this staff accounting bulletin.

Madam Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Madam Speaker, this resolution is terrible accounting policy. It has nothing to do with whether banks are allowed to act as custodians since it has no effect on bank regulation, no effect on the calculation of their capital, and no effect on regulatory accounting.

This resolution deprives investors of the knowledge of what risks the bank they are investing in is running. It says you can't put it on the balance sheet on the theory that nothing should be on the balance sheet unless it is owned by the entity whose balance sheet is being filed.

Anyone familiar with lease accounting knows that that is not the basic principle that is carried out with an awful lot of assets that are listed on the balance sheet.

It goes further. It says not only can't the chief accountant and the staff accounting bulletin require disclosure on the balance sheet, but they are prohibited from doing another regulation and disclose it in the footnotes. This is terrible accounting policy.

Madam Speaker, I urge my colleagues to vote "no."

Ms. WATERS. Madam Speaker, I yield myself the balance of my time to close.

Madam Speaker, I strongly urge my colleagues to vote "no" on this effort to override the President's veto of H.J. Res. 109. If passed, Congress would block the SEC from providing much-needed and timely clarity to our markets.

We would also be preventing the SEC from ensuring companies that hold crypto on behalf of Americans take the necessary care to ensure those holdings are transparent and accounted for.

For all of the handwringing about the lack of regulatory clarity in the crypto space, it is baffling to me how

the industry wants to make it harder for the SEC to use one of the primary mechanisms it has to provide clarity around crypto: Staff guidance and accounting bulletins.

H.J. Res. 109 is a sledgehammer when what may be needed to address concerns is a scalpel. CRA resolutions, as these are referred to, not only overturn the agency guidance that is the subject of the resolution, but also prevents the SEC from issuing any substantially similar guidance in the future. In essence, even if the SEC wanted to offer clarity around crypto custody in the future, they would no longer be able to do so.

If Republicans want to address the issue previously raised by custody banks, Members could have done that, but now my colleagues have put forth a bill that causes broad harm not only to the SEC, but all the people and companies that rely on the agency to maintain safety and stability.

Madam Speaker, I call on all of my colleagues to vote "no" on this dangerous measure, and I yield back the balance of my time.

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

Madam Speaker, I include in the RECORD a letter of support from the bank trades, the American Bankers Association, the Bank Policy Institute, the Financial Services Forum, and SIFMA, which represents the securities industry in banking, in support of the vote to override the veto.

JULY 10, 2024.

Re Providing for Congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121" (H.J. Res. 109)

Hon. MIKE JOHNSON,
Speaker, House of Representatives,
Washington, DC.

Hon. HAKEEM JEFFRIES,
Minority Leader, House of Representatives,
Washington, DC.

DEAR SPEAKER JOHNSON AND MINORITY LEADER JEFFRIES: The American Bankers Association, Bank Policy Institute, Financial Services Forum, and Securities Industry and Financial Markets Association (Associations) write to express our support for H.J. Res. 109, the Congressional Review Act resolution of disapproval for the Securities and Exchange Commission's "Staff Accounting Bulletin 121." H.J. Res. 109 is being led by Reps. Mike Flood (R-NE) and Wiley Nickel (D-NC) and Sen. Cynthia Lummis (R-WY). Both the House and Senate passed the measure with a strong bipartisan vote on May 8 and May 16, respectively. Pres. Biden vetoed the measure on May 31, and we write today to voice our support for the House's vote later today to overturn the veto of H.J. Res. 109.

In March 2022, the Securities and Exchange Commission's (SEC) Office of the Chief Accountant released Staff Accounting Bulletin (SAB) 121, without consulting the prudential regulators or soliciting public comment, to address perceived risks to publicly traded companies that safeguard digital assets for their customers. Under SAB 121, an entity responsible for safeguarding digital assets

for platform users must measure safeguarding assets and obligations on its balance sheet at the fair value of the related assets, which is a departure from accounting standards and the historical practice of treating custodial assets as off-balance sheet. As this effectively treats the custodied assets as those owned by a bank, SAB 121 effectively precludes banks from offering digital asset custody at scale since placing the value of client assets on their balance sheets will impact certain capital, liquidity, and other prudential requirements. Furthermore, SAB 121 undercuts the ability of banks to develop responsible use cases for distributed ledger technology (DLT) and encumbers regulated broker-dealers from custody services as a result of the net capital rule (Rule 15c3-1), which treats the on-balance sheet items as non-allowable assets.

On February 14, 2024, the Associations sent a joint letter to the SEC noting that over the past two years SAB 121 has curbed the ability of our member banks to develop and bring to market at scale certain digital asset products and services. This includes spot bitcoin exchange traded products (recently approved by the Commission for investors) and the use of DLT to record traditional financial assets (i.e. tokenization).

SAB 121 represents a significant departure from longstanding accounting treatment for custodial assets and threatens the industry's ability to provide its customers with safe and sound custody of digital assets. Other, non-bank digital asset platforms subject to SAB 121 are not required to meet the same capital, liquidity, or other prudential standards as banks and therefore do not face the economically prohibitive implications of SAB 121. Limiting banks' ability to offer these services leaves customers with few well-regulated, trusted options for safeguarding their digital asset portfolios and ultimately exposes them to increased risk.

The Associations respectfully request that Members of the House vote in favor of overturning the veto of H.J. Res. 109.

Sincerely,

American Bankers Association, Bank Policy Institute, Financial Services Forum, Securities Industry and Financial Markets Association.

Mr. McHENRY. Madam Speaker, a lot has happened since the original vote in the House in May. A lot has happened. This is an asset class that more Americans own than ever before. This is a new technology being deployed that is going to be the backbone of the next generation of internet technology.

Europeans are establishing a standard and clear rules of the road for crypto and a regulatory regime there. There are clear standards in Japan. There are clear standards in Singapore, the Middle East, and even Hong Kong. There is clarity and rules of the road for crypto.

We had a two-thirds vote in support of clarity for crypto and a full regulatory regime for digital assets, like we have for securities, like we have for commodities, like we have for banking in the United States. These are clear rules of the road, a best-in-class set of regulations for consumers, for those who are creating the technology, who are deploying capital, and for the users of this technology.

Madam Speaker, I know my two colleagues on the other side of the aisle who have spoken in opposition to this

veto override voted against that regulatory regime, along with part of their party. I would say we need to look to the wider vote.

Two-thirds of the House voted for a regulatory regime for crypto and clarity for crypto. There were 21 of my Democratic colleagues who voted for this original bill coming out of the House.

Then it went to the Senate, and an interesting thing happened in the Senate. There were 12 Democratic Senators, Senator WYDEN, Senator LUJÁN, Senator BOOKER, Senator KELLY, Senator CASEY, Senator HICKENLOOPER, Senator ROSEN, Senator TESTER, Senator PETERS, Senator SINEMA, and Senator GILLIBRAND, who represents the capital markets in the United States in New York, and her colleague, New York Senator SCHUMER, who also happens to be the Democratic majority leader in the Senate.

Madam Speaker, I say to my Democratic colleagues: This is not an unsafe vote to override this President's veto. It is a very safe vote for the minority to say to their constituents: I am pro-crypto, and I will stand up and do the right thing for clarity for crypto.

Madam Speaker, we should have a wide bipartisan vote. We should override this veto. We should provide clarity under law. We should do this for consumer protection, and we should do this to be best in class in the world for digital assets.

Madam Speaker, I ask my colleagues to support this veto override and vote "yes."

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

The SPEAKER pro tempore (Mrs. MILLER of West Virginia). Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

Under the Constitution, the vote must be by the yeas and nays.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Deirdre Kelly, one of his secretaries.

PROVIDING FOR CONGRESSIONAL DISAPPROVAL OF THE RULE SUBMITTED BY THE DEPARTMENT OF EDUCATION RELATING TO "NONDISCRIMINATION ON THE BASIS OF SEX IN EDUCATION PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE"

GENERAL LEAVE

Ms. FOXX. Madam Speaker, I ask unanimous consent that all Members

may have 5 legislative days to revise and extend their remarks and include extraneous material on the joint resolution under consideration.

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

There was no objection.

Ms. FOXX. Madam Speaker, pursuant to House Resolution 1341, I call up the joint resolution (H.J. Res. 165) providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Education relating to "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Pursuant to House Resolution 1341, the joint resolution is considered read.

The text of the joint resolution is as follows:

H.J. RES. 165

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the rule submitted by the Department of Education relating to "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance" (89 Fed. Reg. 33474; published April 29, 2024), and such rule shall have no force or effect.

The SPEAKER pro tempore. The joint resolution shall be debatable for 1 hour, equally divided and controlled by the chair and ranking minority member of the Committee on Education and the Workforce or their respective designees.

The gentleman from North Carolina (Ms. FOXX) and the gentleman from Oregon (Ms. BONAMICI) each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina.

Ms. FOXX. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today to address the single most important issue for the next generation of daughters soon to enter the world of women's sports.

President Biden issued a final Title IX rule that would effectively end a woman's right to female-only organized athletics. The resolution up for debate today sponsored by the gentleman from Illinois (Mrs. MILLER) would put a stop to it.

A woman's athletic journey starts at a young age. At the outset, it serves as a vital source of empowerment for young girls. Every young woman remembers gym class and the experience of getting hit with a rogue football or being caught in the middle of a boy-dominated dodge ball dispute. Even from a young age, the inherent value of female-only sports is readily apparent. Young girls grow together, learn from each other, and earn a unique sense of female camaraderie.

Then some women get the chance to carry their talent on to college. Post-