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Senate

The Senate was not in session today. Its next meeting will be held on Monday, December 9, 2013, at 2 p.m.

House of Representatives

WEDNESDAY, DECEMBER 4, 2013

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. COOK).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 4, 2013.

I hereby appoint the Honorable PAUL COOK to act as Speaker pro tempore on this day.

JOHN A. BOEHNER,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2013, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 1 hour and each Member other than the majority and minority leaders and the minority whip limited to 5 minutes, but in no event shall debate continue beyond 11:50 a.m.

AFGHANISTAN

The SPEAKER pro tempore. The Chair recognizes the gentleman from North Carolina (Mr. JONES) for 5 minutes.

Mr. JONES. Mr. Speaker, yesterday, I came to the floor to speak about the bilateral strategic agreement and the fact that President Karzai has refused to sign the proposal offered by the administration.

Since we have been in Afghanistan, 2,285 Americans have given their lives for our country, and 19,514 have been wounded. The time has come for Congress to understand history. From the days of Alexander the Great, to the British, to the Russians, no one has ever changed Afghanistan.

The American people are tired of the cost of war, both life and money. As I said yesterday, it is my hope that, in early 2014, the leadership of the House will permit a debate and a vote on the agreement that will obligate our country to Afghanistan for at least 10 more years. I realize that the vote will not change the agreement, because the President does have the authority, but this will give us a chance to represent the people of America who, the majority, are opposed to this agreement.

It is unacceptable that we will continue to spend billions of dollars at a time when, according to Special Inspector General John Sopko, the waste, fraud, and abuse is worse in Afghanistan today than it was 11 years ago.

We in Congress continue to cut funding for programs for the American people, but we refuse to withhold one single dollar from Karzai in Afghanistan. No wonder the American people have given Congress an approval rating of 9 percent.

It is time to end the senseless waste of American lives and American money in Afghanistan.

I want to thank Roger Simon for his editorial in today's Politico, and I would like to read the last paragraph of his editorial. He writes:

> Is this the neighborhood we want to stay in? And fight for? And throw more money at? We have achieved our goals in Afghanistan. We have won. It is time for our troops to come home. If we stay for another decade, our good war could come to a very bad end.

So, again, Mr. Speaker, it is my hope that when we get into 2014, that both parties will come together and say that we need to debate on whether this agreement for 10 years is worth one life or one dollar. And I believe it will be a vigorous debate. I think it will be good that the American people can see that we hear them as it relates to this war in Afghanistan.

Mr. Speaker, before I close, I have got a poster from the Greensboro News & Record dated February 27, 2011. It is the military carrying a flag-draped coffin off the back of a plane. How many more young Americans will have to go and walk the roads of Afghanistan and be killed and lose their limbs?

I hope that my colleagues in both parties will join those of us in both parties who want to have this debate on Afghanistan in 2014.

Mr. Speaker, I will close now by asking God to please bless our men in uniform, to bless the families of our men and women in uniform, and God to hold in His arms the families who have given a child dying for freedom in Afghanistan and Iraq.

THE GAS TAX

The SPEAKER pro tempore. The Chair recognizes the gentleman from

Printed on recycled paper.

Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, for as long as I have been in Congress, both parties and two successive administrations have danced around the issue of our infrastructure deficit. For all the attention to the various fiscal cliffs, the looming infrastructure deficit is every bit as critical.

For two centuries, infrastructure was a bipartisan issue, from Lincoln, with the transcontinental railroad, to Democrats and Republicans coming together to launch the interstate freeway system signed into law by President Eisenhower. Subsequent road, transit and water investments helped fuel our economy and tie the Nation together.

More recently, the failure to address long-term funding has also been bipartisan. The Bush administration ignored strong recommendations from their own private sector experts that they empanelled to give advice.

Although the Obama administration did request and employ some modest funding in the Recovery Act and has proposed an infrastructure bank and talked extensively and, I think, sincerely about the need for investment, what has been lacking has been a specific, concrete proposal from either party to address infrastructure financing in America.

While the political maneuvering has occurred here in Washington, the gap in the highway trust fund has been growing, and conditions of our roads, bridges, and transit systems have been deteriorating. This puts America at a competitive disadvantage, complicates the movement of goods and people, and contributes to congestion and pollution.

At the same time the needs grow, the resources are in significant decline. The gas tax has not been increased since the Clinton administration 20 years ago. The future prospects are even worse. Demands are increasing and deferred maintenance takes its toll while we watch the bottom fall out of the highway trust fund.

We have seen a slowdown in revenue due to the near collapse of the economy, a shift in driving patterns while people, especially young people, drive less, and, of course there is improved fuel efficiency. It is scheduled to further reduce gas consumption dramatically with improved mileage for conventional vehicles, to say nothing of hybrids, plug-in hybrids, and electric vehicles.

It is time for Congress to act. We have seen our partners at the State level increase transportation funding in 13 States, but they need Congress to act to maintain that partnership.

There is a large coalition that stands ready to support Congress. U.S. chamber, the national AFL–CIO, building trades, trucking industry, numerous associations of small and medium businesses, local chambers of commerce, local government, professional organizations, bicyclists, the coalition is broad and persuasive requesting Congress to tax them.

Any resources would have a powerful effect on the economy. The relatively small amount in the Recovery Act for infrastructure created many jobs because there is a strong multiplier effect, about 36,000 jobs for each billion dollars invested. And these are family-wage jobs all across America that aren't going to be outsourced overseas.

In less than a year, the transportation bill expires, and absent congressional action, we face a precipitous drop in transportation funding next year and a reduction of 30 percent overall for the next decade.

It doesn't need to be this way. I am proposing we implement the three-step, 15-cent-per-gallon tax increase that was part of the Simpson-Bowles deficit reduction proposal. Communities and industry need certainty, especially for larger projects that are multistate and multiyear.

And this should be the last Federal gas tax increase. Over the next 10 years, we need to replace funding for transportation that is based on gallons of fuel consumed, which is going to be declining, with something more sustainable, a reasonable adjustment now and a permanent fix in the future, so we can stop this dance of avoidance.

We will find broad support for this form of user fee, which, historically, has been acceptable to Republicans as well, including Ronald Reagan, who increased the gas tax a nickel a gallon back when that was real money in 1982, and he established the mass transit trust fund account.

Let's address the infrastructure deficit, stabilizing transportation funding, and help revitalize and enhance America's all-too-slow economic recovery. The time is now.

AN ADMONITION AND A REDIRECTION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma (Mr. LANKFORD) for 5 minutes.

Mr. LANKFORD. Mr. Speaker, I rise today for an admonition and a redirection, somewhat of a philosophical conversation.

America started with a great, healthy reality of what government can do and what government cannot do. A government can't really control all of what is happening in every State from one central area. We begin at the very beginning with individual States, individual local government, individuals making decisions for their family.

Right now, we see in every poll, in every conversation, that every one of us has this great frustration that is rising among the American people. That frustration is not rising because the American vision, the American Dream, and the American spirit is failing. That frustration is rising somewhat because of what we are doing and because of this constant challenge that is occurring nationwide to the concept of a representative republic, the constant asking of the question: Has this become too gridlocked? Has it become too partisan? Has it become too hard to be able to get things done?

Maybe we need to do it a different way. Quite frankly, the American people know in their hearts that they should be represented, they should be heard, justice should be done, trust should be here, common sense should prevail. The basic principle among so many people, that we should speak for those who cannot speak for themselves, that every American should be heard, it goes from the Book of Proverbs to the very foundation of our constitutional system now.

So what do we do about that?

Well, around the world we see it. We see the frustration of other people in other countries. We see it in Syria as they are split up in a civil war. We see it in Cairo, in the streets at yet another set of protests. We see in Thailand, the absolute corruption of their government breaking out in things. We see votes in the Parliament in the Ukraine right now as worldwide, continent by continent, there is constant frustration with their government and people rise up in the streets.

What do we do about it? How do we lead? We are the leaders in our country. So what do we do?

Here is my quick admonition to us:

Stop running down America and each other. We are different. We think different, we function different, our families function different, but we should still be able to honor each other.

We see each other's worst. We see on the social media sites and we see on the press reports and we see everything else. We know so much about each other that there is this sense that it is different now. But quite frankly, Americans have always been flawed people. But we are people that are gathered around our work, our faith, our community, and our family, and that has made us different.

We have got to stop demeaning a representative republic. This constant statement of ''we are gridlocked and things aren't working'' implies to people all over the country maybe this system of government that made us the most powerful economy, the most powerful military, the greatest bastion for freedom the world has ever known, maybe it doesn't work anymore.

The problem is not a representative republic. The problem is not our Constitution. The problem is we are trying to do something that is not that. We are shifting away from the way that we were founded into something that doesn't really exist.

Quite frankly, the partisan gridlock is not something new. The patron saint of Oklahoma is Will Rogers. You can take every joke he made about Congress in the 1920s and pull it up today and it is still funny because things haven't changed on that because, quite frankly, we think different. But that is

the nature of a country that is like ours.

We have all these voices from all over the country that should come together and that should work together; but they should find us with solutions, not getting into their life and taking things over. They need to see a government that is thinking for them, not trying to make them the servant. They see it.

□ 1015

Why did we have to vote this week about lead in fire hydrants? Isn't that a no-brainer issue? The government has become so strong and so powerful in communities that communities are not sure if they can replace their fire hydrants anymore? Why is it that Americans can't get insurance anymore? Because they are waiting on a government Web site and they are worried about what is going to happen in a month because they are waiting in line for that.

Why is it that the education outcomes continue to decline when we increase Federal control year after year after year, and yet our outcomes continue to decline? Even this week, there is another international poll coming out for that.

Why is it getting harder and harder to start a company, find a job, pay your gas bill? Why is it tougher to fill up your car with gas or pay the bill for your cell phone?

It is because of increasing regulations, increasing fees, increasing control, and Americans continue to get frustrated because they know this is not what we were designed to be. We are doing too many things. We have got to get back to trusting the American people, our State leaders, our local leaders, and we have got to set the standard for what leadership looks like in America by our rhetoric and by our actions.

We can honor people and honor each other, even in our differences, but we have got to get back to doing this Nation's business the way that the American people in their hearts know it should be done, where their voices are heard, and where they get to make the decisions.

ACCOUNTABILITY FOR LABOR CONDITIONS IN BANGLADESH

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. GEORGE MILLER) for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, a year has passed since the 112 garment workers—mostly women—were killed in a factory in Bangladesh that produced clothing for brands like Walmart, Sears, and Kmart.

Earlier this year, I went to Bangladesh and met with women who leapt from the third and fourth floor windows of the factory to escape the fire. There is no good way to jump from that height. The women who survived the fall were broken, crippled, and unable to support their children.

Since the Tazreen fire, several brands have stepped up with payments for survivors, and yet some of the companies that were presumably profiting quite nicely from production at the Tazreen factory have opted not to compensate a single victim.

Walmart is one of those. They have chosen not to compensate a single woman who died in the factory, was crippled in the factory, had lost their job in the factory all because of the fire in the unsafe factory.

The Tazreen factory was known as a deathtrap. Windows were barred, and the management locked the doors in the stairwells, leaving workers with no way to escape.

Walmart knew this factory was a deathtrap. The company had commissioned a series of audits in 2011. Their audits uncovered that Tazreen was an overcrowded factory without proper fire alarms or smoke detectors, that it lacked sufficient fire fighting equipment, with partially blocked exits and stairwells, and did not post adequate evacuation plans.

Because factory management failed to improve conditions, Walmart terminated the contracts with the factory. However, Tazreen factory workers continued to produce for Walmart, even though they terminated their contract.

According to documents found in the ashes, more than half of the factory's total production was dedicated to Walmart just 2 months before the collapse. So while Walmart left the factory because it was unsafe, over half of the production, according to the documents, was still for Walmart, knowing they were producing in an unsafe factory that claimed the lives of 112 women.

Walmart now claims that the Tazreen factory was an unauthorized subcontractor. Half of the work in the factory was there because supposedly Walmart, whose hallmark of efficiency is their supply chain, didn't know their subcontractor was placing these very significant orders in a factory that they abandoned and was also owned, overall, by another company that they were doing business with.

I think Walmart is trying to construct a process so that they can deny the responsibility for the deaths of the women, the responsibility to pay maybe a benefit to those families who were crushed by the loss of their breadwinner, their mother, their sister, their wife. It is time to accept that responsibility.

When Walmart terminated direct contracts at the factory, it never told the workers that it was leaving or why it was leaving.

At a recent public forum, Walmart said that its only responsibility was to notify the factory owner, but that is like notifying a criminal that you are aware of his crime while you keep his next potential victim in the dark.

Workers had no reason to suspect that Walmart walked away due to safety concerns because Walmart garments still dominated the production there. By quietly walking away and failing to tell anybody who could remedy the danger—workers, trade associations, and the government—Walmart left the Tazreen factory vulnerable to a fire that would engulf them. The Walmart actions were calibrated to evade responsibility, and they put those women at risk.

The pattern of evasion was repeated at Rana Plaza, where 1,132 workers—again, mostly women—were killed when the factory collapsed earlier this year. Walmart claims it did not permit production there, but evidence found in the rubble of that collapsed factory shows that Rana Plaza was producing jeans for Walmart less than a year before the collapse.

There is a theme here: when tragedies occur, Walmart claims production was not authorized as a way to disown responsibility. But every brand sourcing garments from Bangladesh knows that extensive subcontracting is part of the business model. That is how fast-fashion is produced.

You can cut your direct dealings with a specific factory, but there is a chance someone in your supply chain is going to subcontract right back to that factory. The ethics are not complicated.

The United Nations Principles on Business and Human Rights call upon multinationals to conduct due diligence through the many layers of their supply chains where the risks are the greatest to identify, mitigate, and prevent the problems.

Had Walmart done that, maybe 1,000 women would be alive today and not have had a factory collapse on them. Maybe 112 women would be alive today. Maybe those women who had to jump out of the third and fourth floor windows to survive the fire would not be crippled today, would be able to support their families, and live somewhat of a normal life.

Audits don't absolve companies of responsibility. If terminating a contract could lead to even greater harm, there is a special obligation, according to these recognized principles of the United Nations, to stay and remedy the problem. Brands have an obligation to both audit working conditions and to help remedy the risk of the most vulnerable in their supply chain.

Walmart, accept responsibility, and start doing business in a humane way.

WWW.HEALTHCARE.GOV WEB SITE CYBERSECURITY ISSUES

The SPEAKER pro tempore. The Chair recognizes the gentleman from Alabama (Mr. BROOKS) for 5 minutes.

Mr. BROOKS of Alabama. Mr. Speaker, the Science, Space, and Technology Committee recently held a hearing on www.healthcare.gov cybersecurity threats. Our bipartisan expert witness

panel included Dr. Frederick Chang, a computer science professor at SMU; Dr. Aviel Rubin, a computer science professor at Johns Hopkins University; David Kennedy, formerly chief security officer of Diebold Incorporated and currently the principal security consultant for TrustedSec; and Morgan Wright, formerly with Cisco security and now CEO of Crowd Sourced Investigations.

Now, I am not a cybersecurity expert, but I can read the words of those who are. The SST committee's hearing charter informs members that, in order to fully use www.healthcare.gov, American citizens must input or verify highly personal information, such as: date of birth and Social Security numbers for all family members, household salary, debt information, credit card information, place of employment, home addresses, and the like, information that is a treasure trove for cybercriminals and identity thieves.

Further, the ObamaCare Web site interacts with the IRS and Social Security Administration databases, thereby exposing Americans to even greater risk of theft of their most private personal information. In their written testimony, these experts warn the following about the www.healthcare.gov Web site:

''There are clear indicators that even basic security was not built into the www.healthcare.gov Web site.''

''The vast amount of www.healthcare.gov code also means applying industry standard security practices is a task that can have no real chance of success.''

Www.healthcare.gov ''creates massive opportunity for fraud, scams, deceptive trade practices, identity theft, and more.''

Mr. Speaker, these threats to American family finances prompted me to ask the panel of cybersecurity experts whether, under ObamaCare, Americans could seek compensation from the Federal Government for financial losses caused by their use of www.healthcare.gov. In reply, not one expert—not one—indicated ObamaCare requires the Federal Government to compensate American citizens for cybersecurity financial losses caused by their forced use of the www.healthcare.gov Web site.

If these experts are right, and if you are an American citizen who obeys ObamaCare dictates, and you suffer from identity theft or other financial losses, the White House response is essentially, Tough luck; you are on your own. Well, that is unsatisfactory and insufferable.

I next asked the bipartisan panel of experts, ''Given www.healthcare.gov security issues and assuming for the moment that you would be personally responsible for all damages incurred, if any, from your advice, would any of you advise an American citizen to use this Web site as the security issues now exist?'' Their bipartisan response was a stunning and unanimous, No; do not use the Web site because the security risks associated with www.healthcare.gov are simply too great.

Mr. Speaker, the ObamaCare Web site, www.healthcare.gov, is the mother lode for identity theft, Internet fraud, and other criminal activity.

For emphasis, Mr. Speaker, a bipartisan panel of cybersecurity experts publicly warns that the www.healthcare.gov cybersecurity threat is so great that no one should use it. Based on their expert advice, I concur and encourage all Americans to avoid www.healthcare.gov, the ObamaCare Web site, in any way, shape, or form, until its cybersecurity risks are fixed.

HUMANITARIAN YANK BARRY, FOUNDER OF THE GLOBAL VILLAGE CHAMPIONS FOUNDATION

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Texas (Ms. JACKSON LEE) for 5 minutes.

Ms. JACKSON LEE. Mr. Speaker, with a lot of enthusiasm, I rise to recognize and to acknowledge a renaissance man, a man with a sense of humor, who, along with his wife, Yvette, was determined to help make the lives of children around the world much better. Yes, he had a sense of humor, and he was also a musician, and he visualized a day without hunger, hoping for it to be December 31, 2013. Yank Barry has many sides to him, but enthusiastically, he takes each challenge—some that he has overcome in life—and put on the boxing gloves and simply won.

I am excited that he joined in partnership with Gary U.S. Bonds and Muhammad Ali to form the Global Village Champions Foundation not just for boxing but really to take boxers and box the troubles of the world away. In the course of his work, he has served almost 1 billion meals—954 million—on his way to 1 billion. He also didn't take ''no'' for an answer in working to release five Bulgarian nurses and a Palestinian in Libya a few years ago, which was not an easy task.

So along with his 30-year music career, jamming with Jimi Hendrix, writing jingles, and, yes, singing with the Kingsmen of ''Louie, Louie'' fame, we can be grateful that he and his wife, Yvette, turned to a very important challenge, the Global Village Champions Foundation, which strives to become the undisputed world leader in private humanitarian delivery of nutrition to needy persons everywhere, sustaining human life and helping to eradicate hunger from the face of the Earth.

As someone who has worked with the Congressional Children's Caucus, it excites me to note that he continues to provide support for the children that we are already supplying with meals and other necessities. He spans the Global Village Champions team to include people with diverse skills and a determination to make a difference in the world.

For more than 17 years, he has joined with his friends Muhammad Ali and Gary U.S. Bonds. They haven't boxed, they haven't sung, but they have worked to put a light in the darkness of the lives of so many.

His career has spanned many aspects. He even wrote jingles. He even was able to put forward a unique form of music. But I would say that one of his greatest challenges and greatest successes is that everywhere he goes, he takes his product that he has developed, Vitapro, and he changes the hearts and minds of those who are suffering.

He started donating some of his food products to various charities and NGOs in Canada and the U.S. Soon, Yank's dear friend Muhammad, as I indicated, joined the Global Village, and they brought food, medical supplies, clothing, and educational tools to refugee camps and orphanages in areas stricken by disaster all over the world, from Africa to Bulgaria and places beyond our imagination. As well, he worked with those like Celine Dion, Michael Jordan, Buzz Aldrin, and many others.

□ 1030

As a result of his ongoing fight against hunger, Mr. Barry has received nearly two dozen awards since 1995, including the India Humanitarian Service Award; the Bahamian Red Cross Humanitarian Award; the Cote d'Ivoire Humanitarian Award; the Juarez, Mexico, Hands of Love and Hope Award. And it goes on and on and on.

He does not do this for the awards. He does this for the simplicity of being able to go into Bulgaria, where those fleeing from the oppression of Syria were in camps that were not ready for humankind. Because of his frustration and because of his heart, he decided to look for hotels that he could lease so he could move some of these desperate Syrian refugees that were already oppressed, already having lost loved ones, into those hotels with clean water and places for their families to be.

As I chatted with him, I was moved by the story of a family of 17. He didn't think anything of moving them out of a room smaller than a classroom and giving them space in a hotel so that they could live in dignity and maybe even think of going back to a Syria that would be free from oppression and devastation.

And so it is good that—his roots being in our neighboring country, Canada—he came here to the United States to make a difference.

I am delighted today to recognize Mr. Yank Barry for his humanitarian service to all of the world and to be able to say to him, Well done in life. Continue to serve and save others.

Mr. Speaker, I rise today to pay tribute and to recognize the humanitarian deeds of an icon in the music industry and a giant on the world scene to eradicate hunger from the face of the Earth. Yank Barry was born in Montreal,

Canada in 1948. A gifted musician, Yank enjoyed 27 years in the music industry as a singer, composer, arranger and producer. His career began in 1965 as the lead singer of the Footprints, singing Never Say Die and in 1967, he became the lead singer of the touring Kingsmen, best known for Louie, Louie. He has enjoyed success in the field of advertising jingles including Kellogg's Raisin Bran, Dr. Pepper, Kodak, Red Lobster and General Motors.

Barry pioneered the first quadraphonic album—now known as surround sound—along with Robert Lifton and Ben Lanzarone at Regent Sound Studios in New York in 1970. In 1971, he recorded the rock opera ''The Diary of Mr. Gray'', which put him on the cover of many trade magazines and produced the Broadway show ''Let My People Come'' at the Imperial Theater in 1979. He has also appeared on the The Mike Douglas Show, The Merv Griffin Show, The Smothers Brothers Comedy Hour and The Sally Jessy Raphael Show. And in 1975, Yank was commissioned by the White House to write and compose ''Welcome Home P.O.W.s''.

In 1990, Yank developed Vitapro, a dehydrated soy-based meat-replacement product. While traveling on business, Yank witnessed desperate living conditions that touched his heart. He started donating some of his food product to various charities and NGOs in Canada and the U.S. Soon Yank's dear friend Muhammad Ali joined Global Village Champions and they brought food, medical supplies, clothing and educational tools to refugee camps, orphanages and areas stricken by disaster all over the world.

In 1995 Yank Barry founded the Global Village Champions Foundation which has been used as a vehicle through which Yank, Muhammad Ali, Evander Holyfield and numerous other World Class Champions have provided nearly a billion meals to people in need across the globe. Celine Dion, Michael Jordan, Buzz Aldrin, King Mohammed VI of Morocco and Dr. Michael Nobel are only a few of the exceptional people who have joined Yank as he strives for ''A Day Without Hunger'' on a global scale.

As a result of his ongoing Fight Against Hunger, Mr. Yank Barry has received nearly two dozen awards since 1995 including the India Humanitarian Service Award 2008, Bahamian Red Cross Humanitarian Award, the Cote D'Ivoire Humanitarian Peace award and the Juarez, Mexico Hands of Love and Hope Award for his determined efforts to deliver food and bring hope to hungry people around the world. In November of 2010 Yank received the Gusi Peace Prize for Social Services, Philanthropy and International Humanitarianism in Manila, The Philippines. Yank was also named Philanthropist of the Year at the GLA 2011 Awards in Kuala Lumpur, Malaysia. This award was presented by The Leaders Magazine and the American Leadership Development Association. The most recent acknowledgement of Yank's humanitarian efforts is his nomination for the 2012 & 2013 Nobel Peace Prize. These awards are a byproduct of Mr. Barry sharing his good fortune in a tangible way.

Most recently, Yank Barry and the Global Village Champions Foundation along with Evander Holyfield have freed more than 50 Syrian refugees, many of them children who are now beginning new lives in Bulgaria. The families, who fled Syria, are getting a chance at a fresh start and living. Yank's goal is to provide these refugees with stable living conditions and food.

Working hand-in-hand with local agencies and NGOs, he has helped countless people in their time of need, often traveling to politically unstable areas when very few would lend a helping hand. Yank's goal is to have delivered 1 billion meals by Dec. 31, 2013.

RURAL AMERICA

The SPEAKER pro tempore. The Chair recognizes the gentleman from Nebraska (Mr. FORTENBERRY) for 5 minutes.

Mr. FORTENBERRY. Mr. Speaker, it has been said that there is nothing that is wrong in America that can't be fixed by what is right in America.

Clearly, there are very significant difficulties in this body. There is turmoil in our health care system. The paralysis in Washington, a sluggish economy, and a fractured culture all lend themselves to a search for deeper ideals and for something to cling to.

Mr. Speaker, we are quite fortunate where I live in Nebraska to maintain a strong tradition and connection to the past, which gives guidance for the time in which we live. But we don't often reflect upon our strength. In the final analysis, it really is our land, it is our people, and it is our values.

Recently, in the heart of America's farm country, I had the pleasure of speaking with very attentive and engaged high school students eager to discuss the issues before our Nation. We discussed the proud history of our country, the Declaration of Independence, the ties that continue to define us as a Nation, and the debates that will define us as to where we go as a country.

Mr. Speaker, an essential part of regaining our balance as a Nation is to understand, celebrate, and enhance America's rural heritage. As Americans are more and more removed from farm life, we don't think about the contribution rural life makes to the country as a whole.

Production agriculture remains a key strength of America's economy. Exciting new opportunities are emerging. Expanding domestic food markets such as those for natural and organic foods grown within local food systems provides new opportunities for young and beginning farmers. There is also a new bio-based economy that converts, for instance, corncobs to pop bottles and livestock waste to electricity, while bringing about a new kind of American manufacturing based upon the resources of rural communities.

Another notable point is this, Mr. Speaker: young men and women from rural areas of America serve in the military in much more significant numbers.

Farm policy has an important role in growing new opportunities in rural America. Mr. Speaker, we need to pass a farm bill. The arduous process of reconciling House and Senate versions of the farm legislation is now taking place.

It is important for all Americans to understand that the farm bill is not just about farms or food; but it is also a jobs bill, a trade bill, an energy bill, a conservation bill, and even a national security bill. One out of every 12 jobs in the United States is related to agriculture.

In the House version of the bill, I strongly support initiatives that help beginning farmers and ranchers start their agriculture operations. I support initiatives to promote the development of local food markets, tighten payment limitations, and enact reasonable reforms to the SNAP program while also protecting those with food security needs. I am hopeful that the final bill written will retain the important reforms that actually help save taxpayer money and ensure farmers receive important risk management tools.

Mr. Speaker, a recent University of Nebraska survey showed that a majority of students desire to move home to their rural hometowns, given the right opportunity to provide for themselves and raise a family. In recent years, our State, through hard work, personal responsibility, and responsible governance, has distinguished itself as an ideal place to live, work, and to raise a family. More than any one piece of legislation, these are the deeper values that we need to nurture and protect.

Those of us in farm country have a great story to tell. We have the resources and sensible stewardship to use them responsibly. We have a great tradition of values that keeps us tethered to an honorable past, which also serves as a guide for the future.

Mr. Speaker, I believe this will help America find her way.

PUERTO RICO'S TERRITORY STATUS IS THE PRIMARY CAUSE OF ITS ECONOMIC PROBLEMS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Puerto Rico (Mr. PIERLUISI) for 5 minutes.

Mr. PIERLUISI. Mr. Speaker, over the last several months, the press has been filled with stories about the severe economic problems in the U.S. territory of Puerto Rico. These economic problems have aggravated social problems like crime, have generated anxiety for individuals and institutions that have invested in Puerto Rico's bonds, and have caused island residents to relocate to the 50 States in unprecedented numbers.

The statistics are staggering. In recent years, Puerto Rico's population has fallen by more than 4 percent, while the number of Puerto Ricans living in the States has increased by over 45 percent.

As Puerto Rico's representative in Congress, it pains me to read media accounts of the island's troubles, especially because I know that my constituents are just as capable and industrious as their fellow citizens in any other jurisdiction. Puerto Rico has enormous potential, but the reality is that this potential is not being fulfilled.

Although the island's problems have certainly grown worse in recent months, it is critical for policymakers and the American public to understand that these problems are not of recent vintage. To the contrary, for at least four decades, Puerto Rico's economic performance—and by extension, quality of life on the island—has been far worse than any State, according to every indicator, including unemployment, average household income, and the ratio of government debt to economic production.

In other words, Puerto Rico's difficulties have endured in more or less the same form, regardless of who holds power in Washington and San Juan and irrespective of the public policies they formulate.

To be sure, fiscal mismanagement at the local level and insufficient attention at the Federal level have both been factors contributing to Puerto Rico's problems, but the record clearly establishes that they are not the main factor.

What, then, is the principle source of Puerto Rico's longstanding woes?

In a recent editorial, The Washington Post correctly identified the culprit, noting that the territory's economic problems are ''structural—traceable, ultimately, to its muddled political status.'' Curiously, The Post then asserted that ''there will be time enough to debate'' the status issue later and that Puerto Rico, for the time being, should concentrate on fixing its finances.

As I observed in a letter to The Post's editor, this is like a doctor recommending medicine to alleviate a patient's symptoms but doing nothing to treat the underlying disease.

As long as Puerto Rico remains a territory, deprived of equal treatment under critical Federal spending and tax credit programs, forced to borrow heavily to make up the difference, and lacking the ability to vote for the President and Members of Congress who make our national laws, the island will be in a position merely to manage, rather than surmount, its economic problems. This is the only reasonable conclusion to draw from decades of empirical evidence.

A majority of my constituents understand this, which is why they voted to reject territory status in a referendum held 1 year ago. The Obama administration recognizes this as well, which is why it proposed the first federally sponsored status vote in Puerto Rico's history to resolve the issue once and for all.

And, finally, Members of Congress from both parties comprehend this, which is why 125 of them have cosponsored legislation I introduced that provides for an up-or-down vote in Puerto Rico on the territory's admission as a state and outlines the steps the Federal Government will take if a majority of voters favor admission.

There are many reasons to oppose Puerto Rico's territory status, which is unequal, undemocratic, and un-American. One of the most important reasons why Puerto Rico must discard this status in favor of either statehood or nationhood is because the current status has failed—and will continue to fail—to provide the island's 3.6 million American citizens with the economic opportunities and the quality of life they deserve.

Those who refuse to acknowledge this fundamental truth for ideological reasons are doing a great disservice to the people of Puerto Rico. They are on the wrong side of history.

OBAMACARE IMPACT ON HOSPITALS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. THOMPSON) for 5 minutes.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, there has been much documented and published about the problems resulting from the Affordable Health Care Act. Millions of Americans are waking up to the cancelation of health insurance policies that they have depended on to meet their families' needs at an affordable price. There are skyrocketing premiums and deductible increases under the pressures of paying for coverage mandates they do not want, cannot afford, or may even have a moral objection to.

One area that has received little attention so far in this debate is what the impact will be on our hospitals, where much of the needed health care is provided by caring and competent professionals.

As a health care professional who served in rural hospitals for nearly 30 years as a therapist and a manager, I am confident that the future of rural and underserved urban hospitals is not good under the pressures and the mandates of ObamaCare.

While some point to tens of millions of Americans who were uninsured and now having some type of coverage—a plus for the bottom lines of hospitals—I would encourage a closer and more thoughtful look.

First, the CBO has estimated that, even after full implementation, there will still be tens of millions of Americans uninsured. Based on current reports from across America, this may include a lot of middle class Americans who find themselves, for the first time, unable to afford what ObamaCare dictated.

For hospitals, that ensures the continuation of bad debt and charity care that hampers their balance sheets. For lower-income individuals now insured under expanded medical assistance, it is true that hospitals will be paid, but they are going to be paid 40 to 60 cents for every dollar of care that they provide—not exactly a sustainable margin. More accurately, it is a pathway to bankruptcy for hospitals when coupled with the new-found population of uninsured.

Mix this with the cost of compliance that will be rolling out from the Obama administration of the approximately 130 new regulatory agencies founded under the ObamaCare legislation.

Today, the cost of compliance with government mandates, including Medicare billing and HIPAA, account for a significant part of any hospital's overhead expenses. Multiply this by 100 under the yet-to-be-administered mandates and the costs of care will have to dramatically increase just to keep the doors open and the lights on for every hospital.

The human resources cost of providing health care coverage for hospitals, whose number one asset is a qualified and trained employee, will increase as the ObamaCare employer mandate is finally implemented just a year from now.

Finally, consider the fees and taxes imposed on hospitals in 2014, just weeks away.

Earlier this week a hospital CEO from my district reported:

> We're going to have to pay close to $200,000 next year, as will every hospital.

Hospitals will see various new fees, including a $5,000 levy so the government can do research on the effectiveness of hospitals working within the plan. Additionally, hospitals will pay a $19,500 health insurer's fee and a $160,000 transitional reinsurance fee that will go into a pot to protect insurance companies against the risk of winding up with numerous high-risk customers.

These are added costs for the hospitals that Americans rely on for access to health care. I have to wonder what now is so affordable about the Affordable Care Act. Bankrupt hospitals serve no one.

Americans deserve better.

□ 1045

THE AFFORDABLE CARE ACT AND PREVENTIVE HEALTH

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Connecticut (Ms. DELAURO) for 5 minutes.

Ms. DELAURO. Mr. Speaker, 27 years ago, I was diagnosed with ovarian cancer. I was lucky. I had excellent doctors who detected the cancer by chance in stage 1. I underwent radiation treatment for 2½ months. Because of the grace of God and biomedical research, I stand here today, and I am fortunate to say that I have been cancer free ever since.

I can tell you for a fact that access to preventive health care saved my life. If

my ovarian cancer had not been diagnosed and caught in stage 1, I might not be here today, but many women are not so lucky as over 15,000 die every year from ovarian cancer. While I survived by that off chance of luck in that diagnosis, no one should have to survive by luck, which is why my Democratic colleagues and I worked hard.

We worked very hard to make sure that prevention and wellness are such a critical part of the Affordable Care Act. Before we passed this transformative piece of legislation, one in five women over age 50 had not had a mammogram in the past 2 years, mostly because she could not afford one. Now mammograms are covered—they are covered for all Americans—with no out-of-pocket costs. So are annual checkups, colonoscopies, diabetes, and other cancer screenings—at no cost. Let me repeat that. They are the beneficiaries of lifesaving treatments.

Preventive care not only helps to keep Americans healthier; it also helps to drive down the cost of health care so that people can get access to the services that they need. Chronic and often preventable diseases, such as heart disease and diabetes, cause seven out of 10 deaths in the United States of America, and they account for 75 percent of our health spending. Preventive care can help Americans avoid these ailments or to catch them before it is too late.

That is what the Affordable Care Act does. That is what the people of this country need to know. There are countless stories, after stories, after stories of people's lives being saved because they have the opportunity to get a treatment or something that says you may be at risk for a particular disease, and you can get that identification not by luck but as a routine checkup. No one in the United States of America should survive by luck. Now we have an opportunity through the Affordable Care Act, which is the law of the land today, to make sure that everyone—man and woman—can get those services.

If you expand access to preventive health, it drives the costs down, but most importantly, it saves lives. Isn't that worth doing, to be able to save someone's life? That is what the Affordable Care Act is all about. It is just one of the many ways that it is good for men, for women, for families in this Nation, and it is good for America to move in this direction.

NONEXISTENT REPUBLICAN BUDGET

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. So, here is a ''Jeopardy'' question for you, Mr. Speaker:

How many days is the Republican majority now overdue in getting its work done to produce a budget for the Nation for 2014?

Our Nation needs a budget to operate the Government of the United States for the upcoming year, and by law, April 15 was the deadline by which the budget was to have been completed, but that hasn't happened. Now it is December 4, so that means that their bill is 234 days overdue. In fact, technically, the Federal fiscal year began on October 1. The majority's bill is actually 7 months and 20 days overdue. A parking ticket that old might land you in jail. Not making your car payments for 7 months might likely result in your car's being repossessed, right? The Budget Committee is supposed to finish its one bill by April 15, but it just can't seem to find a way to do it.

Then, if it were to have done that, the Appropriations Committee, which depends on the Budget Committee for a total budget number, could get its work done to produce not just the one but the 12 bills it is mandated to move through to passage to run the Federal departments of the Government of the United States of America—everything from the Forest Service, to the veterans' clinics, to the Social Security Administration, department after department.

The American people are waiting for this House, led by the Republican majority, to get the job done of producing the 2014 budget. America doesn't need any more beauty pictures of committee chairs prancing and posturing in front of cameras. They need to go into the committee rooms and get the work done. The majority is 234 days overdue. Tomorrow, it will be 235 days overdue.

My goodness. There are only 26 days left in this calendar year. Even Santa Claus must be shaking his head in disbelief. Talk about running the ship of state aground. Let the majority produce the budget bill. It is way over time.

Don't hold up our Republic anymore. You are 234 days overdue, and we are all counting.

OUR BROKEN IMMIGRATION SYSTEM

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Wisconsin (Ms. MOORE) for 5 minutes.

Ms. MOORE. Mr. Speaker, I rise today to implore you and the House majority to reach across the aisle to find common ground, to reach out their hands to fix our broken immigration system.

Last summer, Republicans and Democrats in the Senate came together and passed comprehensive immigration reform with a strong bipartisan vote, a vote of 68–32. That is like a super-duper majority. In fact, one poll last month showed that 63 percent of Americans—two-thirds of Americans—support a path to citizenship for undocumented immigrants. Business leaders, chambers of commerce, labor unions, faith groups, immigrant families, law enforcement officials, and Americans of every race, creed, color, and ethnicity all across our country applauded our Senators for reaching across the aisle. For many, it really gave hope and a belief in our government that we are still capable of putting aside political posturing and of building consensus around the difficult issues that face our country.

But today, as I speak, Americans are asking: What happened? They are confused as to why the House of Representatives can't do the same thing that the Senate did and pass immigration reform. They are even more confused as to why the House can't even dignify the issue with a simple up-or-down vote.

Those people have not gone away, Mr. Speaker. Oh, no. In fact, today, the call to action is still as loud and clear as it has ever been.

Just yesterday, I visited the Fast for Families movement on The National Mall, where faith leaders had actually been fasting for 22 days—22 days with no food. Some were hospitalized to safely break the fast per the doctor's orders, but others pressed on. Replacement fasters stepped up, including our own Representative KENNEDY, who, in the legacy of his grandfather, Bobby, acknowledged the need to embrace the immigrant issue.

So I ask my colleagues in the majority, my colleagues on the other side of the aisle: What are we waiting for? Our job creators want reform. Our workforce wants it, and our spiritual leaders say it is the right thing to do. Overwhelmingly, so do the American people.

The facts are so clear that reform will tremendously benefit all of our country. In fact, the Congressional Budget Office has followed the money, and it estimates that immigration reform will increase the gross domestic product by $700 billion in 2023 and by $1.4 trillion in 2033; but here we are today, facing government shutdowns and sequester levels that eviscerate services that so many vulnerable Americans rely on.

This is where we are stuck. It has been 5 months since the Senate passed its bill; yet we have only 6 days scheduled until the end of the year, and we haven't had one serious vote on immigration reform. Americans have put their differences aside for the common good of our country, and they expect us to do the same thing in this, our beloved democracy.

Once again, I want to reiterate that I stand here, ready to work with my colleagues on the other side of the aisle in order to move our country forward. I applaud my brave colleagues on the other side who have already taken a stand and have put politics aside, and I encourage more of my colleagues to answer that calling and meet us halfway.

The American people are fed up with the status quo and gridlock here in Washington. Let's come together and strengthen our businesses, our economy, our workforce, and our families.

JOBS FOR HEROES ACT

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Illinois (Mrs. BUSTOS) for 5 minutes.

Mrs. BUSTOS. Mr. Speaker, I rise today to talk about a piece of legislation I will be introducing that will help put our brave veterans back to work in good-paying jobs in the communities across our country. It is called the Jobs for Heroes Act—good for vets and good for the economy.

It would extend and expand two tax credits for businesses that prioritize hiring veterans. Without congressional action, both of these tax credits are set to expire at the end of the month. The time to act is now.

□ 1100

Last month, I traveled to all corners of my district to meet with local veterans to listen to their priorities and to their concerns. I also hosted an economic summit attended by roughly 200 people whom I am here to serve.

This was all about jobs and all about the economy, and this is also about our veterans. Making sure veterans have access to good-paying jobs came up everywhere I went from Pekin to Peoria, Rock Island to Rockford. Literally, everywhere I went.

Legislation to help prioritize the hiring of veterans is especially crucial due to the high unemployment rate of young veterans. Veterans between the ages of 18 and 24 have an unemployment rate of more than 20 percent. That is 5 percent higher than nonveterans of the same age. That is absolutely shameful.

I hope all Members of Congress will join me in supporting my commonsense bill to help put veterans back to work and to making sure that those who have served always remain a priority—good for veterans, good for the economy, and good for America.

CONGRATULATING SERGEANT MANELLA FOR WINNING ARMY'S BEST WARRIOR COMPETITION

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. SWALWELL) for 5 minutes.

Mr. SWALWELL of California. Mr. Speaker, today I rise to recognize Sergeant First Class Jason Manella, who recently won the Non-Commissioned Officer of the Year Award last week during the Army's best warrior competition. Jason is from my district in Fremont, California, and recently moved within my district to Hayward, California.

The Army's best warrior competition is a 3-day event that tests the soldier's physical and mental toughness. Sergeant Manella is the first ever reservist to win this prestigious Army-wide title.

Sergeant Manella is a member of the Reserve's 445th Civil Affairs Battalion based in Mountain View. While serving in Afghanistan in 2012, Sergeant Manella had his convoy attacked. While it was attacked, it left him with a traumatic brain injury.

Sergeant Manella's story is one of hope and the power of resilience. As part of Sergeant Manella's recovery, he focused on training for the Army's Best Warrior Competition.

Back in August of this year, I had the opportunity to visit Afghanistan. I was able to meet with soldiers, men and women, serving from California's 15th Congressional District. Over in Afghanistan, I saw firsthand what our men and women in the armed services endure each day to make sure that we rid Afghanistan as a breeding ground for terrorism and make sure that never again the United States is attacked from enemies created abroad.

I am very thankful for the service of people like Sergeant Manella and those I met with while I was in Afghanistan. I know that Operation Enduring Freedom has led to thousands of Americans being wounded who served over in Afghanistan and are healing today back home on their own path to recovery.

Sergeant Manella's story is truly one that is uplifting for every soldier, man and woman, who is recovering.

Congratulations again to Sergeant Manella. Your strength, your determination, and your character is an inspiration to thousands of other wounded men and women of our armed services.

PRESERVE THE CONSTITUTION

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. MCCLINTOCK) for 5 minutes.

Mr. MCCLINTOCK. Mr. Speaker, the House Judiciary Committee yesterday raised the overarching question of our generation: Will the American Constitution stand?

All the laws passed under that Constitution have elaborate enforcement mechanisms backed by armed force, but the Constitution itself has no such enforcement mechanism. It was designed to be internally self-enforcing, with the powers of government clearly divided among three separate and equal branches of government.

But this self-enforcement mechanism can only work when the powers are evenly divided, when those who exercise those powers are devoted to the Constitution, and when the American people insist on it. That is the great question for our generation and for which we are deeply answerable. Are we allowing the Constitution to disintegrate before our eyes?

The Constitution makes very clear that only Congress may make laws and that the principal responsibility of the executive is to take care that the laws be faithfully executed. Yet the executive branch has increasingly asserted sweeping powers to unilaterally nullify laws that it dislikes, to pick and choose who must obey the law and who need not, and even to impose entirely new laws that Congress has explicitly refused to enact.

James Madison, the father of the Constitution, said that its single most important feature was giving the legislative and not the executive branch the decision of war or peace. Yet the executive now asserts the authority to attack other nations without congressional authorization.

The Bill of Rights protects every American from retribution for expressing their political beliefs; it protects a free press from intimidation; it protects the free and open expression religious beliefs; it protects the means of individuals to protect themselves and their freedom; it protects every individual from having their records searched or their property seized without due process of law. Yet, these fundamental rights have been made a mockery of by the agents of this administration from the IRS to the Justice Department to the NSA.

The rot began long before this administration, but under this administration it has become a crisis. All this is happening, we are told, for the common good. Ours wouldn't be the first civilization to succumb to the siren song of a benevolent and all-powerful government, but every society that has fallen for this lie has awakened one morning to discover that the benevolence is gone and that the all-powerful government is still there.

Much of the structure of the American Constitution that has preserved our liberty for 225 years, that has contained the unwarranted expansion of governmental power, and that has preserved the natural and individual rights of every citizen has been allowed to decay.

The form is still there—the institutions continue to function—but they no longer serve their principle role to protect the rule of law and the liberty of the people.

Here in this Capitol, we are surrounded by the symbols of the Roman Republic. They should be a warning to us. The Roman Senate continued to exist 400 years after the fall of the Republic, but its nature and purpose had become empty.

Chairman GOODLATTE quoted Gibbon yesterday, who observed that ''the principles of a free Constitution are irrevocably lost when the legislative power is dominated by the executive.'' That is precisely what is happening.

The institutions of our American Republic continue to operate, but the structures within it are rapidly degrading. In this condition, our Constitution is becoming like a rotting porch: we can still discern its form and purpose, but the structure that gave it strength and support is hollowing out through years of abuse and neglect until one day it will simply collapse.

The Judiciary Committee hearing yesterday was the first step by Congress to assess the harm already done and to begin reversing that damage before it is too late. But I must warn that

in its current divided condition Congress cannot do so alone. Ultimately, it will require the active assistance of the rightful owners of the Constitution, the American people.

How ironic it would be if the liberties of this Nation, heroically defended by the sacrifices of nine generations of Americans on far-off battlefields, might someday be carelessly thrown away here at home.

Let that not be said of our generation. Let it be said instead that just when our Constitution seemed most in peril, this generation rose up, insisted on absolute fidelity to the Constitution by those it elected, and then went on to revive, restore, and preserve that Constitution for the many generations of Americans who followed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 11 o'clock and 8 minutes a.m.), the House stood in recess.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

PRAYER

The Chaplain, the Reverend Patrick J. Conroy, offered the following prayer:

Eternal God, we give You thanks for giving us another day.

Once again we come to You to ask wisdom, patience, peace, and understanding for the Members of this people's House.

Give them the generosity of heart and the courage of true leadership to work toward a common solution to the many issues facing our Nation.

As true statesmen and -women, may they find the fortitude to make judgments to benefit all Americans in their time of need.

May all that is done this day be for Your greater honor and glory.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Kansas (Ms. JENKINS) come forward and lead the House in the Pledge of Allegiance.

Ms. JENKINS 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to 15 requests for 1-minute speeches on each side of the aisle.

MARY COTHRAN: AN ADVOCATE

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

Mr. WILSON of South Carolina. Mr. Speaker, the President has broken multiple promises to the American people. Constituents living in South Carolina's Second Congressional District have lost their coverage and access to doctors because of the President's health care takeover, which destroys jobs. And now citizens are seeing massive premium increases.

James from Lexington says:

My son got a letter from his employer informing him that his health insurance would increase $179 per month, 52 percent more than he is presently paying. He is a plumber and his wife works as a home health aide. Now their dream of home ownership is highly unlikely.

Mary Cothran of Williston was tireless promoting limited government and advocating alternatives to ObamaCare. Congress should work together to replace it with reforms such as those introduced by Congressman Dr. TOM PRICE which have been ignored by the media, which is failing to fulfill its First Amendment opportunities.

In conclusion, God bless our troops, and we will never forget September the 11th in the global war on terrorism.

WE NEED A PRO-BUSINESS POLICY

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

Mr. HIGGINS. Mr. Speaker, last month the President and CEO of FedEx Freight spoke at a conference for the National Industrial Transportation League. He warned that our Nation's roads, highways, and bridges weren't equipped to handle current or future needs.

The American Society of Civil Engineers reports that there are 69,000 structurally deficient bridges in this country—meaning that every second of every day, seven cars are driving over a bridge that is structurally deficient—and that $3.6 trillion will be needed by 2020 to address our aging infrastructure. Despite this, the most recent transportation bill passed by Congress spends a pathetically weak $52 billion a year on infrastructure.

Companies like FedEx understand the long-term benefits of efficient transportation of people and goods. The United States Chamber of Commerce estimates that we will experience $336 billion in lost growth over the next 5 years due to inadequate infrastructure.

I urge my colleagues to understand that a robust infrastructure investment not only creates jobs but promotes pro-business policies that sustain and produce economic growth.

WHEN WILL THE DEMOCRATS START LISTENING TO THE AMERICAN PEOPLE

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

Mr. BOEHNER. Mr. Speaker, the American people work hard, and they have got a right to expect their elected Representatives to do the same. House Republicans are listening. To date, the House has passed nearly 150 bills this Congress that the United States Senate has failed to act on. Many of them would help our economy and boost job creation.

Nearly 150 bills passed by this House have yet to be acted on by the Senate. These bills would do things like increase the supply of American energy and build the Keystone pipeline, roll back red tape and unnecessary regulations, provide for flexibility to working families, reform and improve job training programs, protect Americans from cyberattacks, help schools to recruit and keep the best teachers, delay the individual mandate and allow the American people to keep the health care plans that they would like, or to scrap the health care law that is wreaking havoc on our economy. Every single one of these bills has been blocked by Washington Democrats. The Senate and the President continue to stand in the way of the people's priorities.

Now we are trying to come to an agreement on the budget and on the farm bill, amongst other issues that are in conference. Chairman RYAN and Chairman LUCAS have made serious good faith efforts to Senate Democrats. When will they learn to say ''yes'' to common ground? When will they start listening to the American people?

250TH ANNIVERSARY OF THE TOURO SYNAGOGUE

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

Mr. CICILLINE. Mr. Speaker, I rise today to recognize the 250th anniversary of the Touro Synagogue in Newport, Rhode Island, the oldest synagogue in America. Dedicated in 1763, the Touro Synagogue has been a monument to the history of religious tolerance in Rhode Island and the legacy of religious freedom in America.

Before construction even began, the design of the building was conceived as a balance between European architecture and traditional Jewish worship. This synagogue became a symbol of the freedom to worship in peace widely

promoted across our new Nation in the 17th century and championed by Roger Williams.

In 1790, in a letter reassuring the members of the Hebrew congregation of their right to the free exercise of religion, George Washington famously declared the values of our Nation at its start, pledging that the United States would give ''to bigotry no sanction, to persecution no assistance.''

This weekend, it was my honor to attend the rededication of the Touro Synagogue, which remains a testament to the enduring freedoms of our Nation and the tradition of religious freedom that began in my home State and that is now deeply embedded in the American experience.

IRAN

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

Ms. JENKINS. Mr. Speaker, on November 20, during critical negotiations in Geneva about Tehran's nuclear program, Iran's supreme leader tweeted this disturbing statement: ''Israel is the sinister, unclean rabid dog of the region.'' That same day, he added, The United States and Israel are a ''threat to the world'' and ''enemies'' that ''should be resisted.''

This is the Iranian regime we are dealing with. They have ignored diplomatic efforts for years, and they cannot be trusted. An interim deal might seem like good news, but it does not make our Nation or our allies in the Middle East safer, especially when Iran claims the agreement is a victory over the great aggressor—the West.

This rhetoric leaves me skeptical that any progress has been made, and I encourage our leaders and international partners to take the necessary measures to halt Iran's nuclear program, not only for our own security, but that of our allies and democracies around the world.

EQUALITY FOR ALL AMERICANS

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

Ms. KELLY of Illinois. Mr. Speaker, I rise today to recognize a historic week. On Sunday, we celebrated Rosa Parks Day; Thursday, we observed the start of the Montgomery bus boycott; and Friday, we commemorate the 148th anniversary of the Thirteenth Amendment, which ended slavery.

As we reflect on these historic events, we see how far our Nation has come in advancing equality for all Americans. However, recent actions like the Supreme Court's decision to gut the Voting Rights Act remind us that we have much more work ahead.

Although I dream of a day that the Voting Rights Act is unnecessary, the truth is that voter discrimination and suppression live on today as ugly legacies of our past. In the past few years, many States have introduced legislation that would restrict access to a voting booth. These discriminatory actions prove that the protections in the Voting Rights Act are still necessities in our world today.

So this week, as we remember the struggles and sacrifices made to ensure basic rights for all Americans, I urge my colleagues to continue fighting to ensure that no American is denied their right to vote.

SAGE GROUSE

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

Mr. TIPTON. Mr. Speaker, the proposed Endangered Species Act for the Gunnison Sage-Grouse and the Greater Sage-Grouse will impact millions of acres in Colorado and hinder existing conservation efforts. It will put private lands off-limits to most use and development, including agricultural production, without providing any compensation. It will kill jobs, devastate communities, and disrupt effective species preservation efforts currently under way. It won't, however, more effectively preserve the grass.

In my district, plans at the local level are under way to effectively preserve the species. Because they take into account the unique geography and environment of the region, these efforts are seeing success.

Interior Department bureaucrats have yet to provide measurable species preservation goals so that State and local officials can meet them. Local conservation efforts are all too often disrupted by Federal attempts to implement blanket plans. One-size-fits-all plans create endless litigation that ties up resources that could be used for preservation.

If the true goal is species preservation, then I hope Secretary Jewell will come to Colorado and see firsthand the effective work being done to preserve the sage grouse and provide measurable species preservation laws.

A TRIBUTE TO DAVID LEE SIMEL, M.D.

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

Mr. MCINTYRE. Mr. Speaker, I rise today to pay tribute to a truly outstanding doctor, loving father, and exceptional North Carolinian, Dr. David Lee Simel of Durham.

Dr. Simel was raised in Greensboro before attending the University of North Carolina at Chapel Hill. After graduation, he completed medical school and an internal medicine residency at Duke University. He is now a professor of medicine and vice chair for veterans affairs at Duke. And he has dedicated himself wholly to our veterans, serving them across our great State of North Carolina.

The influential book of which he was coauthor, ''The Rational Clinical Exam,'' is a comprehensive guide for patient exams and has become a powerful reference tool for those in the field of medicine.

Dr. Simel's enduring commitment to his family, his students, his patients, and to our veterans make him an exemplary citizen. His passion for medicine and improving the health of others will continue to benefit our veterans and North Carolinians for years to come.

Indeed, we should honor those who serve our veterans and set an example, like Dr. Simel has done. And we also honor him for his intelligence, compassion, and selfless dedication. We pray that he and his family will receive God's richest blessings, and we are thankful for role models like Dr. Simel, who serves those who served our country.

FARMINGTON: MINNESOTA'S FIRST YELLOW RIBBON CITY

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

Mr. KLINE. Mr. Speaker, I rise today to recognize Farmington's commitment to our veterans and the community's 5-year anniversary of being named Minnesota's first Yellow Ribbon City.

When I first championed legislation to make the Minnesota National Guard's invaluable Yellow Ribbon reintegration program available nationwide, one of the pillars of this initiative was to increase awareness among communities and local organizations to improve relationships between veterans and their communities.

Mr. Speaker, the people of Farmington understand the important role a community plays in the successful reintegration of our troops returning home. Farmington built a model Yellow Ribbon organization centered around relationships with neighbors, veterans organizations, and local, State, and Federal leaders. Farmington rallied around the needs of area veterans and their families by hosting monthly dinners for veterans and holiday cookie walks. You can't beat that.

As their Yellow Ribbon organization grew and their efforts expanded, they recognized success and shared those best practices with other inspired communities, leaving their Yellow Ribbon fingerprint across the great State of Minnesota.

Mr. Speaker, I rise today not simply to recognize Farmington on this 5-year anniversary, but to thank the entire community for being a Yellow Ribbon trailblazer and for demonstrating their continued commitment to our servicemembers, veterans, and their families. As the Farmington Yellow Ribbon honors our sons and daughters in uniform,

I would like to honor them. And I salute the entire community of Farmington, Minnesota, for helping with that noble cause.

HEALTH CARE AND COMPREHENSIVE IMMIGRATION REFORM

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

Ms. JACKSON LEE. Mr. Speaker, during this holiday season, it appears that all our fellow Americans are hearing is a sense of pessimism; but I rise to talk about the optimism of this Nation and the great strides that we have made, particularly as it relates to our seniors.

The Affordable Care Act has taken the brunt of everybody's criticism. My friends on the other side of the aisle are singing a broken record, not a Christmas carol.

It is important to note that seniors have benefited. The Affordable Care Act recognizes the financial burdens that seniors face. No group has been hit harder by soaring health care costs. But now, under the Affordable Care Act, seniors can have preventative care services without any copay, coinsurance, or deductible.

Services like wellness visits, cholesterol testing, and others, sing a good song, yet we sing a negative song to those who are lining the streets for comprehensive immigration reform. The families who have been fasting have been suffering.

Let's sing a good song for health care and do comprehensive immigration reform.

□ 1215

PRESIDENTIAL CONSTITUTIONAL RESPONSIBILITY TO ENFORCE LAWS

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

Mr. HOLDING. Mr. Speaker, when the President picks and chooses which laws to enforce, it undermines the foundations of our democracy.

Yesterday, in the House Judiciary Committee, we held a hearing to examine the President's constitutional responsibility to ''faithfully execute'' the law. Our Founding Fathers formed the structure of our government specifically so that none of the three branches could become too powerful. If we ignore our system of checks and balances, our government will become unstable and chaotic.

Mr. Speaker, unfortunately, this President and his administration have abused their executive power. President Obama continues to violate his constitutional duty to enforce the laws and instead chooses when, where, and which laws to enforce. He has enforced laws and policies based on preferences, like making changes to our immigration system, our criminal code, and his signature health care law.

Mr. Speaker, neither this President, nor any President, should grant themselves extra-constitutional authority to change laws they don't like. If the President himself does not follow the law, it sets a dangerous example.

SNAP: CHILDREN

(Mrs. DAVIS of California asked and was given permission to address the House for 1 minute.)

Mrs. DAVIS of California. Mr. Speaker, this holiday season, my constituents have inspired me by writing in about the importance of food aid and the SNAP program.

All of us here in Congress have the luxury of knowing that we can provide our families with healthy food; but there are so many people in our country that will go this holiday without such a blessing, and, sadly, most of those in dire need are children. In fact, 70 percent of all households that depend on SNAP are families with children.

In my district, a 16-year-old girl named Maya was hospitalized last year for issues related to malnutrition. She had struggled in school and showed signs of depression. Maya's hospitalization triggered her father to apply for SNAP benefits. Having a more reliable source of food gave Maya the energy to improve her grades and help her family. She helped her family out by getting a part-time job.

As we debate the farm bill, let's remember that there are children like Maya. Let's work together to protect SNAP.

HONORING JIMMIE JOHNSON

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

Mr. PITTENGER. Mr. Speaker, I rise today to honor my fastest constituent, Jimmie Johnson, who recently won his sixth NASCAR Sprint Cup championship.

In a remarkable display of teamwork, consistency, and a burning desire to always improve, Jimmie Johnson won six NASCAR championships in the last 8 years.

More importantly, Jimmie is a champion off the track. Since 2006, the Jimmie Johnson Foundation has contributed more than $5 million to charity, with a special focus on improving K–12 education in North Carolina, Oklahoma, and California. In Charlotte, Jimmie is a supporter of Project LIFT, a private-public partnership working to improve the graduation rate in some of Charlotte's toughest neighborhoods.

Thank you, Jimmie, for using your on-track success to make a lasting impact on the lives of thousands of children.

DENNIS DENBO AND OBAMACARE

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

Mr. TAKANO. Mr. Speaker, I rise today to speak about the benefits of ObamaCare.

Dennis Denbo, a 63-year-old constituent of mine, spoke to our local newspaper, the Press-Enterprise, to share his story.

Mr. Denbo, who was laid off recently from his computer sales job, went to the Covered California Web site and found that he and his wife Jean will save $300 a month on a plan comparable to what they have now.

A few weeks ago, Mr. Denbo wrote to my office to tell me personally about his experience and how deeply he believes in America's ability to achieve great things.

In his letter he said:

> We are Americans. We can solve whatever issues or tactical challenges that come up in the implementation of a nationwide health care solution. We can make it efficient, cost-effective, accessible, and a valuable service for all Americans.

I couldn't agree more, Mr. Denbo.

The benefits of ObamaCare are real. This body should be concerned with finding ways to improve access to affordable health care instead of delaying and defunding.

ZEELAND WEST HIGH SCHOOL FOOTBALL DIVISION 3 STATE CHAMPIONS

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

Mr. HUIZENGA of Michigan. Mr. Speaker, I rise today to congratulate Zeeland West High School's football team on winning the 2013 Division 3 State championship on Saturday, November 30, at Ford Field in Detroit.

The Zeeland Dux rushed for over 440 yards during the game, resulting in a 34–27 win over DeWitt. Their 13–1 record this season is a testament to the players' dedication, hard work, and self-sacrifice. In fact, the program itself has become an example of hard work and leadership. This is the Dux's third State title since the program's inception only 9 years ago.

Mr. Speaker, I would be remiss if I didn't also congratulate Dux Head Coach John Shillito and his coaching staff for a job well done with his players, as he leads them not only on the field, but off the field.

Again, congratulations to the Dux on their big win last Saturday.

AFFORDABLE CARE ACT

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

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise to highlight the positive impact

the Affordable Care Act is having in my home State of California.

A woman by the name of Melanie wrote the following letter to the L.A. Times:

> My daughter and I have been without health care for 3 years following my loss of employer-provided insurance. In that period, I have paid handsomely for those times when my mother-ministrations were not sufficient and I had to seek the care of a very expensive doctor. I've been waiting eagerly for ObamaCare for the two of us since the law was enacted in 2010.
>
> Did I run into problems when I first tried to sign up in California? I did.
>
> Did I persevere? I did.
>
> Did I finally get through? I did.
>
> In January, I'll be able to take care of a condition I've ignored for the last 2 years, and my college-age daughter will be covered as well. Although the subsidy certainly helps, I will be paying something for coverage we haven't had for years. To those who cry foul, I say ''score.''

Mr. Speaker, I couldn't have said it better. The reality is that because of ObamaCare, millions of vulnerable Americans now ''score.''

IN MEMORY OF DR. PERRY INHOFE

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

Mr. BRIDENSTINE. Mr. Speaker, last week, we celebrated Thanksgiving. We gathered with family and friends to thank God for his provision, his goodness, and his mercy.

But for some families, this Thanksgiving was bittersweet. Such was the case for Senator JIM INHOFE's family. They lost their son, Perry, in a tragic aviation accident on November 10.

Dr. Perry Inhofe was a highly skilled surgeon associated with Central States Orthopedics in Tulsa. David Long, Central States' CEO, said:

> Dr. Inhofe was known as a very caring and compassionate physician. He was the kind of doctor who made you feel you had his full attention and that your health was the most important thing to him.

Continuing an Inhofe family tradition, Perry loved flying with his children and teaching them about flying. From what I understand, he was a good pilot.

Dr. Inhofe is survived by his wife, Nancy, and two sons, Glade and Cole.

I wish to express condolences to the whole Inhofe family. I pray they will be comforted and strengthened by the fact that Perry was a believer in the living Christ, who said:

> I am the resurrection and the life. Whoever believes in me, though he die, yet shall he live.

Amen.

DO NOT REPEAL OBAMACARE

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

Mr. HIMES. Mr. Speaker, now that the notorious problems with the ACA Web site healthcare.gov appear to be largely behind us, it is important that we cut through the partisan noise and look at some facts.

One fact is that in 2 days—Sunday and Monday alone—almost 30,000 Americans have gone to healthcare.gov to sign up for health insurance. Many of these families are families with preexisting conditions that would have no way to get health insurance other than healthcare.gov and the ACA.

In my own State of Connecticut, with less than 1 percent of the American population, 22,000 families have signed up for health insurance.

Mr. Speaker, from the President down, we were concerned by people losing their health care plans in the rather small individual market. But it is important for the American people to understand that when they hear the word ''repeal,'' they need to understand that repeal means that the tens of thousands, the hundreds of thousands, the millions of Americans who will get insurance because of the ACA will lose it.

Millions of Americans will lose their new-found insurance if this word ''repeal'' ever becomes law. That is not right; and on that, I think we should agree.

CONGRATULATING CORPORAL MATTHEW HAMPTON

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

Mr. DESJARLAIS. Mr. Speaker, it is with great pride that I rise today to honor Corporal Matthew Hampton, an outstanding citizen of our community and a true American patriot.

In recognition of his service to this country, Matthew was recently awarded the 28th Palmer Veterans Appreciation Award.

Following his graduation from Grundy County High School, Matthew volunteered for the United States Marine Corps and was deployed to Iraq, where he served as a Huey and Cobra helicopter crew chief and gunner.

Corporal Hampton's exemplary service as a ''devil dog'' is reflected in the numerous commendations and military decorations he received, including the Naval Achievement Medal, Combat Action Ribbon, Presidential Unit Citation, and National Defense Medal.

Mr. Speaker, this recognition is a testament to the heroism and dedication to duty that marked Corporal Hampton's exemplary service in the United States Marine Corps. I, along with a grateful Nation, congratulate him on receiving the Palmer Veterans Appreciation Award and thank him for his outstanding service to our Nation.

ACA AND BREAST CANCER

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

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I rise to highlight how the Affordable Care Act is already helping thousands of breast cancer survivors and those with preexisting conditions.

In late 2007, I heard those terrible words, ''You have breast cancer.'' I underwent seven surgeries, but in some ways, I was one of the fortunate ones because I had health insurance coverage.

I have spoken to women who have foregone mammograms and even cancer treatments because the cost was simply too great to bear. Now, the Affordable Care Act emphasizes prevention by making it possible for Americans to get screenings, like mammograms, without a copay.

It also finally ends the egregious practice of denying coverage to patients with preexisting conditions, like my south Florida constituent Carolyn Newman, a survivor who will save $7,000 a year with an affordable plan, thanks to the Affordable Care Act. She can save even more by shopping on the exchange.

With the Affordable Care Act making it possible for more women to access preventive services and not be denied coverage, we can work to eradicate breast cancer once and for all.

□ 1230

AFFORDABLE CARE ACT

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

Mr. PERLMUTTER. Mr. Speaker, today, I rise to tell the story of the Montez Family, who live in my congressional district in Colorado.

They live in Arvada, Colorado, and because of the Affordable Care Act, they will now be able to afford health insurance. This is a success story of the Affordable Care Act and of its improving access to quality, affordable health care.

Both Joaquin and Rosalee Montez are employed, but neither of their employers provides coverage to their employees. They have a daughter in college, a 13-year-old son, and a 4-year-old daughter. With rates ranging from $450 to $600 per month, purchasing private insurance was too expensive for the Montez Family, especially with three kids, a house payment, and a car payment. Due to a constrained budget, the only time the kids were receiving health care was when they were ''really, really, really sick,'' and always at an urgent care center. One time after their daughter got E. coli, the Montez Family was stuck with a $17,000 hospital bill.

Thanks to the help of a navigator, they were able to get insurance through the Affordable Care Act, which is a success for this Nation.

BUDGET

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

Ms. HANABUSA. Mr. Speaker, December 13 is 9 days away. This is part of that side agreement when the CR was agreed to and when the debt ceiling was suspended. The budget is a statement of the House's and Senate's values and priorities, and that is what is to be agreed to by December 13.

One of the things we must say, Mr. Speaker, at the very minimum, is that sequestration has to go. The CBO says it will cost up to 1.6 million jobs if it is allowed to stand. Conversely, it will add 900,000 new jobs if it is gotten rid of.

Sequestration has affected programs like Head Start, SNAP, programs of the National Institutes of Health, mental health issues—just to name a few—as well as our defense industry. There is no longer any room in these budgets to accommodate all of these expenses just to pay what we need to pay to keep these programs going.

That is why we have to say that sequestration has got to go. That is why, in the next 9 days, you will hear more and more speak about sequestration and the fact that we must act on it.

CLIMATE CHANGE

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

Mr. MORAN. Mr. Speaker, for 100 consecutive days, the Safe Climate Caucus has brought to the House floor the reality and the ramifications of climate change.

There was a recent report from three very reputable think tanks, entitled, ''The Arab Spring and Climate Change.'' Let me just quote from a couple of the troubling but illuminating conclusions that it comes to.

> A prolonged and severe drought during the winter of 2010 in China ''contributed to global wheat shortages and skyrocketing bread prices in Egypt, the world's largest wheat importer,'' accelerating political instability . . .
>
> And in another part of the report, in quotes, ''social, economic, environmental, and climate changes in Syria . . . eroded the social contract between citizen and government . . . strengthening the case for the opposition movement and irreparably damaging the legitimacy of the Assad regime.''

The authors conclude that global warming may not have caused the Arab Spring but that it clearly made it come earlier.

The stresses climate change is imposing today on nations across the globe are harbingers of more severe consequences in the future. We have to address the reality and the ramifications of climate change now.

AFFORDABLE CARE ACT

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

Ms. PELOSI. Mr. Speaker, today, the President put forth some conversation about the Affordable Care Act that focuses especially on women's health. I am absolutely delighted to come to the floor to address that issue in that—and I hope every woman in America understands this—because of the Affordable Care Act, being a woman is no longer a preexisting medical condition. As the mother of five children—four daughters and one son—I am very excited about this.

Over the break, I had the privilege of being at a meeting with some researchers on the subject of breast cancer in particular, and they spent a good deal of the time telling us what the possibilities were with research that should be funded—that is a budget issue, another subject, but one that is related here—and that we could remove this threat to women's health with proper research.

They took time to say that one thing that was helping women with breast cancer more than anything was the Affordable Care Act—that they would have access to care without being discriminated against because of a preexisting medical condition, that no longer would they have annual or lifetime limits on the health insurance that they would receive. The relief of the stress from all of that is a very healthy thing for people who have a diagnosis.

So whatever it is—whether it is mammograms as my colleague Congresswoman DEBBIE WASSERMAN SCHULTZ so generously shared her story with us about her experience or, earlier, as Congresswoman DELAURO shared hers and as other Members shared the stories of their constituents—this is really very important. Moms are the hubs of families. Many of them fear this diagnosis. Many families in America have been affected by it.

With our investments in research and with the Affordable Care Act, women have reason to be very, very hopeful that this can be prevented with early detection—and not only with early detection but with regular detection. Then, on top of that, if they have that feared diagnosis, they will receive the care that they deserve.

There is one other point I want to make about it because we all worship at the altar of biomedical research and what it means for our country and the thought that we could be rid of breast cancer in a handful of years: we want to make sure every woman in America and every person in America benefits from that research. The vehicle for that is the Affordable Care Act. It stands right there with Social Security, with Medicare, with affordable—and that is the word, ''affordable''—health care for all Americans as a pillar of health and economic security for the American people.

Today, we focus on moms—we focus on women—and we say, Thank God. No longer will being a woman be a preexisting medical condition.

PROVIDING FOR CONSIDERATION OF H.R. 3309, INNOVATION ACT; AND PROVIDING FOR CONSIDERATION OF H.R. 1105, SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

Mr. NUGENT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 429 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 429

Resolved, That at any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3309) to amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113-28. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part A of the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. Upon adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1105) to amend the Investment Advisers Act of 1940 to provide a registration exemption for private equity fund advisers, and for other purposes. All points of order against consideration of the bill are waived. An amendment in the nature of a substitute consisting of the text of Rules Committee Print 113-29 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered

on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services; (2) the further amendment printed in part B of the report of the Committee on Rules accompanying this resolution, if offered by Representative Carolyn Maloney of New York or her designee, which shall be in order without intervention of any point of order, shall be considered as read, shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. POE of Texas). The gentleman from Florida is recognized for 1 hour.

Mr. NUGENT. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Colorado (Mr. POLIS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. NUGENT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. NUGENT. Mr. Speaker, I rise today in support of this rule, House Resolution 429.

House Resolution 429 provides a structured rule for both H.R. 3309, the Innovation Act, and H.R. 1105, the Small Business Capital Access and Job Preservation Act. The rule gives the House the opportunity to debate a variety of important amendments offered by Members on both sides of the aisle.

The Innovation Act seeks to address a growing problem of abusive patent litigation, commonly known as ''patent trolling.'' Patent trolls are nonpracticing entities. In other words, they don't make or sell products, and they don't supply services. Instead, they exist only to secure fees from businesses that use technologies covered by the patents they own. They do this by acquiring weak patents and then filing numerous patent infringement lawsuits or sending blanket demand letters to a business.

The victims of these frivolous lawsuits are all too often small businesses or start-ups that are ill-equipped to protect themselves. They simply don't have the resources available to mount an adequate defense. It is, by definition, a lose-lose scenario for them. Defendants pay millions in damages if they lose and millions in legal fees if they win. More often, defendants are forced to settle, despite the merits of a case, in order to avoid expensive legal costs.

Meanwhile, patent trolls are aided by law firms that operate on contingency fees. This means that, if nonpracticing entities lose their cases, there are no monetary consequences for them—none at all. They aren't on the hook for legal fees like their counterparts are.

As you can see, for small companies, this system is inherently unfair. Our small businesses are our most important innovators in this country. They are largely responsible for the new products and services we, as consumers, enjoy. They are also a critical factor in growing our economy and creating jobs. We ought to provide fairness to them by leveling the playing field in the patent litigation process. We ought to ensure that our patent system isn't stifling innovation but encouraging it. Unfortunately, this just isn't the case right now.

Patent trolling is a destructive practice that saps resources from small businesses and increases costs for consumers.

□ 1245

And its negative impact isn't limited to just the tech sector either. Patent trolling affects businesses and industries of all types, including the health industry and even grocers. It is absolutely a drag on our economy.

An issue like this undoubtedly deserves to be debated by the House. This rule will ensure that a deliberative process takes place. The rule also allows for consideration of H.R. 1105, the Small Business Capital Access and Job Preservation Act.

This legislation would remove the requirement that small private equity firms register with the Securities and Exchange Commission, the SEC. However, it would retain the option of registering if they choose to.

Under current law, small private equity firms are being grouped by behemoths despite the fact that they played no contributing role in the financial crisis we just went through. Even the chairman of the SEC in a letter to Chairman HENSARLING admitted that the private equity funds were not an underlying cause of the recent financial crisis.

Furthermore, private equity does not pose a systemic risk to the economy. So why are we taking limited resources at the SEC away from their mission and shifting them to oversee firms that pose no systemic risk at all? Why are we burdening these small companies with SEC registration costs that, according to the Private Equity Growth Council, can exceed over $1 million per year?

More money in unnecessary compliance costs means less money to invest in companies, particularly newer ones, which allow them to grow and create the jobs we desperately need.

In my own State of Florida, there are over 1,000 private equity-backed companies. Let me repeat that: there are over 1,000 private equity-backed companies in Florida alone. There are over 100 private equity firms within the State of Florida. These companies support more than 800,000 workers throughout the country.

In fact, in 2012, Florida ranked fifth in the Nation in attracting private equity investment. That investment is a vital tool for growing companies, and we are needlessly handcuffing their ability to do just that.

H.R. 1105 will help these smaller funds and increase the capital available for real companies so their businesses can thrive. Make no mistake, this is a jobs bill and it will help grow our economy.

I support this rule that will allow us to consider these bills, and I hope that my colleagues on both sides of the aisle will do the same.

With that, I reserve the balance of my time.

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

There are many things that my good friend from Florida said that I agree with. I will be discussing some of the merits of these bills, but it is worthwhile to bring forward before discussing what these bills are, what these bills are not.

It has been 159 days and 14 hours since the Senate passed a comprehensive immigration reform bill. This body's failure to act on immigration reform has already cost our economy nearly $6 billion. Each additional day, each day that we delay action costs $37 million in revenue; hundreds of thousands of jobs lost; failure to secure the border; failure to restore the rule of law to our country; countless families torn apart.

While the Judiciary Committee has found the time to move asbestos bills and patent reform bills to the floor with ease, immigration reform remains stagnant. The Judiciary Committee has reported out four immigration reform bills: the Legal Workforce Act, the Agricultural Guestworker Act, the SAFE Act, and the SKILLS Visa Act. They reported these four bills out prior to the asbestos bill which was rushed immediately to the floor and prior to the patent bill which was rushed to the floor after a hearing in the Rules Committee yesterday.

My question to the gentleman from Florida—and I will be happy to yield for a moment—is why we are giving such treatment to asbestos and patent reform when immigration reform would create so many more jobs and reduce our deficit by so much more?

I would like to know if the gentleman from Florida has an answer to that question.

I yield to the gentleman from Florida.

Mr. NUGENT. I thank the gentleman from Colorado, but I will tell you this: the House is moving through the Judiciary Committee at a pace to make sure that we do this right in regards to immigration.

Where the Senate has rushed through a bill that is so comprehensive and so large, it will be similar to ObamaCare before we actually——

Mr. POLIS. Reclaiming my time, 68 Members of the Senate, including

many Republicans, including former Presidential Republican nominee JOHN MCCAIN, supported the Senate immigration reform bill.

I certainly understand the desire to get it right, but bills don't get right by themselves. These are four bills that have passed in the Judiciary Committee. We in Rules like to make them right by allowing good, thoughtful amendments from colleagues on both sides of the aisle. I hope that next week or when we are back, we will be able to move forward the immigration bills with the same alacrity that we have moved forward asbestos and patent reform.

I hope the same thing happens that as these bills move through Judiciary that we do see them in the Rules Committee and that they ultimately come to this floor for debate.

Mr. Speaker, I do support the underlying bills that are contained under this rule. I support H.R. 1105, the bipartisan Small Business Capital Access and Job Preservation Act. It exempts private equity funds which are very lightly leveraged in helping to grow companies and jobs from costly and unnecessary SEC registration and reporting requirements like venture capital firms that are already exempted and substantially have very similar business models to private equity firms. These registration requirements are an impediment to business and an impediment to job growth and have nothing to do with creating systemic risk in our economy.

Importantly, this bill would only exempt private equity firms with low debt-to-equity ratios leveraged at a ratio of less than 2 to 1. Once you get to talking about much higher debt-to-equity ratios, there is potentially systemic risk if you are talking about funds in the multi-billions of dollars that are highly leveraged. It is still hard to see how that could happen. It had nothing to do with the financial meltdown of '08-'09. But in this case, we are being extremely safe in saying if they are leveraged 2 to 1, they are no systemic risk to the economy.

My State and my district know firsthand the benefits that private equity provides to employees, to companies, to investors, including pensions, and our economy. There are nearly 500 private equity-backed companies headquartered in Colorado, many more that operate with employees, more than 124,000 workers in Colorado facilities. In 2012, there were 67 private equity investments in Colorado totaling over $26 billion that were brought to our State because of this investment mechanism, placing Colorado third in the States receiving the most private equity investment.

The underlying rule also makes in order H.R. 3309, the Innovation Act, which I also support. In 2011, ''patent assertion entities,'' some of whom are bad actors which are sometimes referred to as ''patent trolls,'' who often produce little or nothing and derive their revenue from litigation and licensing, cost significant overhang to other businesses and to consumers for whom many of these costs are passed along in the products or services that we all enjoy. The majority of the targets of patent trolls were start-ups—hospitals, restaurants, retailers, hotels, and other important job-creation engines in our economy.

The reforms made in the America Invents Act, enacted 2 years ago, went a little ways in this regard, but did not do much to halt or put a stop to or reduce patent troll litigation or improve the quality of patents. In the case of software patents, growing patent backlogs, lack of training and resources available to PTO examiners, and ambiguity regarding patentability standards have led to approval of low-quality software patents that have not even stood up when brought to litigation.

Thankfully, the momentum is growing to address patent reform. I want to be clear—and I discussed this with Chairman GOODLATTE in the Rules Committee yesterday—this bill is not patent reform. I believe the gentleman, Mr. GOODLATTE, agrees this is not patent reform. It may be a few steps in the right direction. It may be a good start. It doesn't fundamentally create an intellectual property protection system for the digital era in the 21st century.

It continues to put, constructively, Band-Aids on a 1913 system, which I do believe it is high time to rethink. I look forward to an upcoming symposium in my district at the University of Colorado this Friday that we will be having on sort of ''blue sky'' intellectual property protection mechanisms for the 21st century in the digital economy to encourage growth and to protect inventors. This bill does not do that. However, it is a step forward in many regards.

While I strongly support many of these patent system improvements, it won't fix our patent system. Patent trolls have targeted every form of business. It should come as no surprise that the Innovation Act enjoys support from Members from both sides of the aisle, from companies, from academics. I submitted a letter from 67 professors at law universities who practice in IP from a broad ideological perspective into the record in our Rules Committee yesterday expressing their support for this bill.

This bill maintains protections for inventors' rights to enforce their patent claims. Specifically, this bill allocates the burden of patent litigation more fairly. It includes a provision that restores financial accountability to the patent system by making it easier for courts to impose sanctions on anyone who brings a frivolous patent suit.

The bill also requires the disclosure of critical details when a patent-holder files a suit, such as what patent and claims are being infringed, so the person or entity receiving the letter can know what is being discussed so that defendants don't need to guess the nature of the allegations against them.

The underlying legislation further requires patent-holders to disclose additional information to the PTO, the court, and the accused infringer, including the patent ownership, who owns the patent, and parties with financial interest in the patent. These provisions will help stop patent trolls who engage in illegitimate litigation campaigns and extortion against start-ups and small businesses.

While I strongly support these patent reforms that are a modest step towards improving our patent system, the litigation reforms alone don't have enough to benefit start-ups and small companies that are targeted by patent trolls who send pre-litigation demand letters. I am very appreciative of the chairman's effort to allow, and the Rules Committee's effort to allow, for the discussion of my amendment, along with Mr. CHAFFETZ, Mr. CONNOLLY, and Mr. MARINO, who have been working in this regard to see stronger language on the issue of pre-litigation demand letters. And I am grateful that we have made in order an amendment to increase accountability in the demand letter process.

We will be discussing that amendment in a more thorough basis shortly; but, in brief, the problem is that before a patent troll even files a suit, it typically sends a demand letter, or many demand letters, demanding some form of payment. Under current law, the sender does not even have to disclose even the most basic information. As such, entities often hide behind numerous shell corporations or send vague or overbroad letters that don't even identify the owner of the patent or the basis of their legal claim, essentially leading particularly small companies to have to hire lawyers or attorneys at great expense. When you have a company that is a $300,000-a-year company, a $500,000-a-year company, and you receive one or more of these notices, you can imagine how that takes away from your growth, your margins, your ability to hire more people, if you have to retain professional counsel to even understand what is being alleged that your company did.

Importantly, the underlying bill requires patent-holders seeking to bring willful infringement claims to provide their targets with a minimum level of disclosure information. The amendment enhances that and builds upon the language and would mandate that demand letters include information identifying the parent entity of the claimant. This language will help ensure that patent trolls can no longer hide under shell companies to conceal their true entity and their legitimacy from the demand letter recipient.

I look forward to discussing these bills further, and I reserve the balance of my time.

Mr. NUGENT. Mr. Speaker, first, I want to respond to my good friends from Colorado. I appreciate that he appreciates the approach that this House

is taking, particularly as it relates to both of the bills that are the underlying aspect of this rule. It is about moving in a deliberative manner to make sure that we get it right. I thank Mr. POLIS for pointing that out.

I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS of Georgia. Mr. Speaker, I appreciate the gentleman for yielding.

I rise in strong support of the rule and the underlying legislation, particularly H.R. 3309, the Innovation Act.

As a member of the Judiciary Committee, I have seen firsthand the diligent and deliberative effort put forth by Chairman GOODLATTE and the rest of the committee to bring forth to this body a pro-business, pro-growth, pro-liberty bill to reform our patent laws. As my friend from Colorado stated, there is more that can be done, but this is a very positive step. I agree with him, and I appreciate that support. The committee vote speaks for that as well when it is 33–5 reported out of committee on final passage.

In the time that I have been yielded, I would like to also talk about a misconception that some in the higher education community seem to have about a fee-shifting provision in this bill.

Despite the claims of some, the bill language protects plaintiffs who bring a reasonable and good faith case and who do not engage in litigation misconduct. In fact, even if a plaintiff's case is rejected by a court, the plaintiff is still immune from a fee award if his case ''had a reasonable basis in both law and fact.''

I am a strong supporter of our universities and the incredible research they are doing. I believe our patent laws should protect them, just as they should protect the small businesses and start-ups that rely on our world-class patent system. The ability to enforce one's patent in court is essential to preserving the value of the patent and is the inherent right of the patent-holder.

Nothing in the Innovation Act changes this. Ensuring fair and equitable access to our courts isn't done at the expense of universities, but at the benefit of all patent-holders.

□ 1300

As we move forward to general debate and the consideration of amendments made in order by this rule, I urge my colleagues to be very cautious in supporting amendments that would gut or upset the careful balance achieved by this bill.

Many of the sections in H.R. 3309 are intertwined, and the result is a package of reforms that collectively will help American businesses and job creators, both large and small, combat a business model designed solely to benefit from exploitation of our patent system.

And make no mistake, this isn't just a Silicon Valley problem. In my home State of Georgia, I hear from hotels, retailers and start-ups alike on the economically devastating impact that vague demand letters and the threat of costly and frivolous litigation has on their ability to do business.

End-users are often attacked and often threatened for infringement of an unidentified patent they previously bought in a store. This is why the customer protections in section 5 of the bill are so important and should not be weakened or eliminated. As a strong conservative, I believe our government shouldn't be in the business of picking winners and losers in the marketplace. Innovation thrives when government takes a hands-off approach, but there are time when Congress must step in to ensure that our laws operate as they were intended. This is exactly why we need H.R. 3309.

I urge my colleagues to support this rule and the underlying bills; and I also ask that each Member carefully consider any amendment that would weaken or compromise the provisions of H.R. 3309, and particularly section 5.

But I will say this before I leave because I have come and spoken on many bills, and my dear friend from Colorado continues to bring up immigration. I just want to remind the Speaker that there was a time a few years ago when there was a golden era in which his party controlled the House, the Senate, and the Presidency.

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

Mr. NUGENT. I yield an additional 30 seconds to the gentleman.

Mr. COLLINS of Georgia. I thank the gentleman.

There were choices made, and there were plenty of choices you made, and even one to this day that we are talking about, health care legislation. One of those choices, from your point of view, sadly, was not taken, and that was immigration. Today we are dealing with bills that we both agree on, but let's not forget the fact that when you had a chance, you didn't do it.

The SPEAKER pro tempore. Members are advised to direct their remarks to the Chair and not to individual Members in the second person.

Mr. POLIS. And I certainly wish that we had acted on immigration reform. We did pass under Democratic control a DREAM Act, if the gentleman will recall, in the waning days of the 111th Congress, and did take at least one constructive step with an immigration bill that we brought to the full floor of this House and passed.

I would like to yield 3 minutes to the gentleman from Colorado (Mr. PERLMUTTER), a member of the Financial Services Committee and a former member of the Rules Committee.

Mr. PERLMUTTER. Mr. Speaker, first I want to address H.R. 3309, the Innovation Act, which is generally a good bill. It is trying to deal with issues of nuisance litigation where somebody is sued and the costs of litigation are so extreme that they pay money just to stay away from litigation. That is really the underlying purpose of the bill.

Now, what we have got to make sure of as Members of this House and as Members of the legislature is that we don't advantage one party over another. And the gentleman from California (Mr. ROHRABACHER) made a good point, Mr. Speaker, last night at the Rules Committee that you don't want to disadvantage small inventors who have come up with a good idea or a great product, something very novel, and some major corporation takes that idea or that product away and doesn't pay for it. That is the purpose of patent litigation.

At the same time, you don't want to have some small company that buys a Wi-Fi service all of a sudden getting sued by some company they never heard of and they are saying wait a minute, we are not a patent infringer. I say all of this because the purpose is to have good litigation where there isn't extortion and there isn't theft as the result of some patent infringement.

What is done in this bill, I think, though, is micromanagement of the courtroom and its processes. Each of these cases stands and falls on it own merits, and the courts are best equipped to determine their own rules and their own procedures as to how these cases should move forward.

I am generally going to support this. I offered an amendment which was not adopted by the Rules Committee last night to delay until December of 2015 the effect of section 6 of the bill so that the courts could create their own rules and not have the legislature do it; 100 years ago we passed the Rules Enabling Act which allows the courts to set their own procedure which is then overseen by the legislature. That is sort of discarded in this bill, and we create some very specific rules, and I think that is a mistake, and I think we could have some real winners and losers. And I think the small guy, the small inventor, the small purchaser could be in trouble. So I would just suggest to the House and to the Rules Committee that we do look at delaying so that the courts can offer their own procedure.

I do want to address two other things. It has been over 150 days since we started this legislature. We should be dealing with immigration reform. We are not doing that. And I want to finish my story about the Montez family who are from Arvada, Colorado, who could never get affordable insurance and now are able to under the Affordable Care Act.

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

Mr. POLIS. I yield an additional 30 seconds to the gentleman.

Mr. PERLMUTTER. They have three children. They work two jobs. Neither employer of the mom or dad provides health insurance. Finally, after all these years, they have been able to get health insurance at about $150 using the credits that are available under the

Affordable Care Act and the children's health program that this Congress has passed. These people have health care for the first time in their marriage, which is a couple of decades, and they are very thankful. So this is a good Thanksgiving season for the Montez family of Arvada, Colorado.

Mr. NUGENT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, I support H.R. 3309, the Innovation Act, and the rule we are debating now. This bipartisan legislation brings much-needed reforms to our patent litigation process, which continues to be plagued by patent trolls.

Patent trolls use weak patents to extort millions of dollars from innocent business owners through demand letters and frivolous patent infringement lawsuits. Businesses are forced to decide between years of costly litigation or a settlement.

The number of patent infringement claims has almost doubled in the past 3 years, and The New York Times reported that one lawyer filed patent lawsuits against 1,638 companies in the past 5 years. These lawsuits soak up capital that is better spent on investment, innovation, and job creation.

In fact, a 2012 study by the Boston University School of Law found that patent trolls cost the American economy $80 billion annually. The study also found that defendants paid $29 billion to patent trolls in 2011 alone.

The Innovation Act targets abusive patent litigation while protecting legitimate patent infringement claims. It provides accountability on the front end of litigation by requiring parties to state exactly why they are filing suit. H.R. 3309 also requires parties who file meritless patent claims to pay the attorneys' fees of their victims as a disincentive to pursue their baseless claims.

These reforms are vital to restore accountability and rein in abusive, frivolous, and costly patent lawsuits. I urge my colleagues to support this important legislation, and I thank Chairman GOODLATTE for introducing this bipartisan bill.

Mr. POLIS. I yield 1½ minutes to the gentlewoman from California (Ms. CHU), a member of the Judiciary Committee, one of the key architects and somebody who worked very hard on this bill.

Ms. CHU. Mr. Speaker, I rise today in support of the Innovation Act. This bill will help curb abusive lawsuits brought by patent assertion entities, more commonly known as patent trolls.

Rather than relying on patents to protect investments in new innovative technologies, these actors abuse our patent system. They threaten legitimate businesses and consumers with costly litigation for selling or using a product that falls under their overly broad patent.

The patent system is nothing short of a net for them to cast in hopes of extorting settlement fees. Right now, this scheme is costing our economy $29 billion every year.

While the bill is not perfect, the Innovation Act is a promising first step towards reining in these abusive tactics. I still have concerns with provisions that address fee shifting and the Federal judiciary, and we need to ensure that the Patent Office is fully funded. But this conversation will continue beyond today's vote, and my hope is to see these concerns addressed for the American people.

Mr. NUGENT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise reluctantly to favor the rule because it makes an extremely important amendment, my own and several others, it approves them to come on the floor; but I oppose final passage because even with those amendments, they do not do enough to make this bill worth supporting.

One of the most important amendments is my amendment, as I stated, which would strike the section of this legislation which eliminates for the small inventor, for the independent inventor, the right of judicial review if his case is being mishandled by the patent system. And let me just note that if, indeed, this was to protect, if we were going to protect the little guy, if that was the purpose of this bill, there wouldn't be a question here. But here we are eliminating the little guy's right to even go to court if he is being mistreated by the patent system.

Also, an amendment not made in order was MARCY KAPTUR's amendment which would have, again, protected the little guy. We are being told this protects the little guy; yet they won't allow MARCY KAPTUR's amendment, which is aimed at protecting the little guy, from even coming to a vote.

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

Mr. NUGENT. I yield an additional 30 seconds to the gentleman.

Mr. ROHRABACHER. We hear over and over again that this is about patent trolls and hinting that there are illegitimate patents that we are talking about. We are talking about legitimate patents; and the patent troll, let us just note, who is he going against supposedly, it is multinational mega—mega—corporations that routinely infringe on the little guy. Yet MARCY KAPTUR, while trying to protect the rights of the little guy against these giant corporations—like Google—instead, we have not permitted her amendment to come forward.

This is the greatest attack, this bill, on the small inventor that I have ever seen in 25 years. I ask support for the rule, but oppose the bill itself.

Mr. POLIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CÁRDENAS).

Mr. CÁRDENAS. Mr. Speaker, I rise today in support of H.R. 3309, the Innovation Act. This bill will allow businesses of all sizes and in all industries to devote their time and resources to job creation, research and development, and to continue to support the innovation that makes U.S. companies so competitive in our global market.

I have heard from businesses and associations in a cross-section of industries asking for the passage of this bill so they can more fully dedicate themselves to building their businesses and the U.S. economy. I have heard for support for H.R. 3309 from the Motion Picture Association of America and movie studios such as 20th Century Fox who are economic drivers in Los Angeles and all across the country. There are other widespread and bipartisan supporters, such as the U.S. Chamber of Commerce, the National Association of Realtors, the National Association of Broadcasters, which shows how essential patent reform is for American businesses and all industries.

While we can all agree that this is not a perfect bill, its passage will allow our businesses to fuel the U.S. economic recovery rather than battle abusive litigation. I urge my colleagues to support innovation by voting ''yes'' on final passage of the Innovation Act.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, November 20, 2013.

Hon. BOB GOODLATTE,
Chairman, Committee on the Judiciary, House of Representatives. Washington, DC.

DEAR CHAIRMAN GOODLATTE: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, commends you for advancing the patent litigation reform debate by introducing and moving to markup H.R. 3309, the ''Innovation Act.''

The Chamber strongly supports the protection of legitimate intellectual property rights. The patent system fosters innovations and economic growth across a wide variety of industries. The ability for legitimate patent holders to defend their intellectual property is vital to keeping U.S. businesses strong and competitive—both domestically and globally.

At the same time, however, the Chamber is acutely aware of the problems associated with excessive and abusive patent litigation. In too many instances, elements of the plaintiffs' bar leverage the potentially astronomical cost of patent litigation to force abusive and coercive settlements. The Chamber is particularly concerned by the increasing prevalence of third party litigation financing to fund frivolous and abusive patent cases, the increased use of procedural maneuvers designed to further escalate the cost of litigation and force settlements, and the plaintiffs' bar's use of patent demand letters to extract settlements from innocent users and sellers of a product. H.R. 3309 seeks to address these very real patent litigation problems.

While the various concerns raised by elements of the business community with H.R. 3309 will need to be addressed through the overall legislative process, the Chamber is pleased that you are moving this legislation forward. The Chamber views this as a positive development and appreciates your work on this important issue.

The Chamber looks forward to working with you, your congressional colleagues, and other interested stakeholders as H.R. 3309 moves through the legislative process in order to ensure that demonstrable patent litigation abuses are addressed appropriately, while preserving America's strong tradition of protecting intellectual property rights.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President, Government Affairs.

DECEMBER 3, 2013.

Hon. JOHN BOEHNER,
Speaker, House of Representatives.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: The broad-ranging group of undersigned industries and main street American businesses, responsible for tens of millions of U.S. jobs and hundreds of billions of dollars in economic activity, support passage of the Innovation Act of 2013 (H.R. 3309). We believe this legislation aims to address the widespread abuses of the legal system by certain patent assertion entities, commonly referred to as patent trolls.

During this time of economic need, we believe enactment of H.R. 3309 is integral to curbing frivolous and costly patent litigation that currently hinders our ability to innovate, create jobs and promote positive economic growth. Such frivolous lawsuits by patent trolls are an expensive distraction for many diverse, mainstream American industries, and the staggering growth of patent troll activity in recent years has caused our businesses to receive thousands of threatening demand letters and forced more than 7,000 lawsuits (a 400% increase since 2006), costing the U.S. economy more than $80 billion in 2011 alone.

Simply, patent trolls do not innovate, create jobs or promote economic growth. Our businesses do.

To make clear, patent trolls no longer only threaten large technology companies. In 2012, patent trolls filed more lawsuits against small and medium-sized non-tech businesses than against tech companies. The many targets of this abuse, ranging from food providers, retail stores and media companies to financial institutions, hotels, gaming entertainment companies and other industries that drive the U.S. economy, have been left with no choice but to defend themselves through inefficient and burdensome processes, rarely avoiding costly litigation. We believe American businesses must be able to defend against these consequential attacks more efficiently and less expensively.

While we recognize there may be no single solution that addresses all complexities surrounding our nation's patent process, but one thing is clear: The Innovation Act of 2013 has significant bipartisan support on Capitol Hill and throughout many sectors, small and large, of the American business community. This broad support and willingness to work together is a true testament to its importance and we urge House passage of H.R. 3309.

Sincerely:

Alliance of Automobile Manufacturers; American Gaming Association; American Hotel & Lodging Association; Coalition for Patent Fairness; Competitive Carriers Association; Footwear Distributors & Retailers of America; International Franchise Association; MPA—The Association of Magazine Media; National Association of Broadcasters; National Cable and Telecommunications Association; National Restaurant Association; Newspaper Association of America; Online Publishers Association; Overstock.com, Inc.; Printing Industries of America; The R Street Institute; U.S. Travel Association.

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, December 2, 2013.

Re Support H.R. 3309—Scheduled for Floor Vote This Week.

Hon. JOHN BOEHNER,
Speaker, House of Representatives, U.S. Capitol, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, U.S. Capitol, Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI, On behalf of the more than one million members of the NATIONAL ASSOCIATION OF REALTORS® (NAR), I urge you to support H.R. 3309, ''the Innovation Act'' (Goodlatte, R–VA), scheduled for a vote on the House floor this week. Our members view the reforms in this bill as an important step in protecting innovators and main street businesses from broad claims of patent infringement based on patents of questionable validity, all brought by non-practicing entities.

NAR, whose members identify themselves as REALTORS®, represents a wide variety of real estate industry professionals. REALTORS® have been early adopters of technology and are industry innovators who understand that consumers today are seeking real estate information and services that are fast, convenient and comprehensive. Increasingly, technology innovations are driving the delivery of real estate services and the future of REALTORS'® businesses.

As technology users, NAR and several of its members recently faced onerous patent infringement litigation over questionable patents dealing with location based search capabilities. These suits were brought by patent holding companies and other non-practicing entities. They were eventually settled in a multi-million dollar settlement. In addition, our broker and agent members are increasingly dealing with demand letters to license commonly used technologies like scanner-copiers and online alert functions. Our members know firsthand that ''patent trolls'' divert significant time and money from their businesses.

The Innovation Act will bring needed reforms to address the troll problem by increasing transparency, and pleading specificity among other things. Taken together, the reforms in the Innovation Act will shift the burden of frivolous litigation from small business defendants to the trolls themselves.

Without needed reforms that assure that asserted patent rights are legitimate and frivolous litigation schemes are curtailed, the ability of businesses owned by REALTORS®, many of which are small businesses, to grow, innovate and better serve modern consumers will be put at risk. NAR supports the reforms in the Innovation Act as a way to rebalance a patent system that is increasingly a target of uncertainty and abuse.

Most REALTORS® are entrepreneurs and small business owners, and we help to create new jobs in our communities. We urge you to vote in favor of The Innovation Act of 2013 so that the threat of patent trolls is mitigated in the future, allowing us to return to our essential mission: to serve our clients.

Sincerely,

STEVE BROWN,
2014 President,
National Association of Realtors®.

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

Mr. POLIS. Mr. Speaker, I would like to inquire if the gentleman has any other speakers.

Mr. NUGENT. I do not.

□ 1315

Mr. POLIS. Mr. Speaker, I am prepared to close, so I yield myself such time as I may consume.

The gentleman from Georgia (Mr. COLLINS), rightly asserted that the Democrats did not, in fact, when they were in charge of the legislature in both Chambers, fix our broken immigration system. However, we did pass the DREAM Act. And given that this is football season and I think that my friend, the gentleman from Georgia, perhaps shares affinity for football, that while we did not in fact score a touchdown and fix our broken immigration system, at least the Democrats got a field goal when we were in charge. We are still waiting for the Republicans to match our field goal here if we can't score a touchdown with comprehensive immigration reform, and we look forward to improving these bills that have passed out of the committee before the asbestos bill, before the patent reform bill, and need the work of the full membership of this body to improve them.

Legislation is not like a fine wine, that when it sits in a barrel it improves itself. It needs to be actively worked upon to improve it, and I hope that it is a matter of days or hours or minutes until we can dust off these immigration bills that Chairman GOODLATTE and the Judiciary Committee have worked on and improve upon them so that this body can actually move forward and score a field goal, a touchdown or more, and finally replace our broken immigration system with one that reflects our values as Americans, restores the rule of law, reduces our deficit by $200 billion, creates 6 million jobs for American citizens, secures our borders, and implements workplace enforcement of our immigration system. I am confident that we can do that working together, just as we are working together on these bills that are before us today.

As I indicated earlier, that while the patent bill does harvest some low-hanging fruit, there remains a lot of work to be done to create a 21st century intellectual property protection system for our country.

One such effort was an amendment that I offered, Polis amendment 5, that was not allowed under this rule. This amendment reflects a bill that I sponsor with Mr. MARINO that regards the Demand Letter Transparency Act. Depending on a start-up's resources, even the recipient of one demand letter can even be a death sentence for a small one-, two-, three-person company. The threat of a demand letter alone can jeopardize a company's ability to raise funds, can scare away potential customers, and, God forbid, actually defending a patent lawsuit can cost hundreds of thousands to millions of dollars in legal bills, which to a one-, two-, or three-person company is simply a matter of shutting the doors because they cannot afford to do that.

At the Rules Committee yesterday, I offered my bipartisan amendment based on legislation that I introduced with Representative MARINO and Representative DEUTCH that would provide a comprehensive approach to increasing transparency and accountability in the demand letter process. While our amendment was not made in order, I am grateful we did include at least some slight provisions regarding who owns shell corporations, amendment 4 was allowed. We plan to continue to press forward on the need to address this issue through meaningful legislation.

Our bill would require certain entities to provide additional disclosure information to the PTO and to the demand letter recipient so that these start-ups and mom-and-pop restaurant owners and stores will know who is sending these demand letters and whether the claims they are making are truthful or grounded at all or just a scam.

Our bill would establish a searchable and accessible public registry of demand letters and clarify that the Federal Trade Commission could use its authority to impose civil penalties to go after patent trolls. While the FTC has announced its intent to investigate PAEs, our bill would clarify the FTC's role to use its enforcement powers against PAEs who engage in unfair and deceptive trade practices to find as a violation the provisions of our bill.

Our amendment would prevent patent trolls from hiding behind anonymous shell companies and empower defendants to take collective action and share information and increase reporting so that the regulatory authorities and the PTL are on alert as to which patents are being frivolously asserted by whom.

In conjunction with litigation reforms that are proposed in this underlying bill, our proposal would produce a more robust patent market and a more productive and predictable and competitive economy.

Our proposal is supported by a diverse group of individuals and organizations, including DISH Network, Public Knowledge, the National Restaurant Association, the Electronic Frontier Foundation, the National Retail Federation, the Direct Marketing Association, the Mobile Marketing Association, the Association of American Advertising Agencies, and the Hotel & Lodging Association, among many others.

Mr. Speaker, for once, this body is moving forward on bipartisan legislation that will help spur innovation and economic growth. The first bill that we are considering with regard to private equity will help increase job growth and job creation in our country by removing a regulatory burden that was put in without the proper justification. Private equity funds had nothing to do with the meltdown in 2008 and 2009, nor do they represent any systemic risk to our economy. They simply allow people to aggregate their resources to buy stock equity in companies. We have a cap on the debt equity ratio of two to one, and they do what they do. People earn money and people lose money, and that is how the economy works, but there is absolutely no systemic risk.

Some of these dollar amounts sound high, but what we talked about in the Rules Committee yesterday is that you might have a private equity fund that is $300 million. That sounds like a lot of money. That is the amount of money they have to invest over a period of years. With $300 million, they invest that over 5, 6, or 7 years. That is not their operational budget. Their operational budget is 2 percent or less of that every year. So a $300 million private equity fund might have an annual budget of $6 million.

Again, $6 million sounds like a lot of money. It certainly is. But when compliance with the SEC reform is $500,000, as has been estimated, you are talking about a sizeable percentage of your annual operating budget. So that means you have to hire a couple of people less. You might not be able to do that extra investment that you didn't have the ability to do the diligence in. You might not be able to invest in that additional company and help it grow and create jobs because of regulatory compliance that has nothing to do with systemic risk.

Mr. Speaker, as this session of Congress comes to a close, the first session of the 113th Congress, there is much that this body has left undone. While the other Chamber across the way has acted on overwhelmingly bipartisan measures that help fix our immigration system, saving $200 billion, creating over 6 million jobs, securing our borders, restoring the rule of law, and uniting families, this body has not passed a single bill in that area.

While the other body has passed a bill that would prevent companies from discriminating against gay and lesbian employees with strong bipartisan support, this body has not even brought such a bill to committee or the floor.

While I am pleased to see the bipartisan Innovation Act and Small Business Capital Access and Job Preservation Act come to the floor today, although I would like to see them with a more open process that allowed more ideas from both sides of the aisle to be introduced as amendments, I only hope that a majority of this body sees fit to hold votes on other issues such as immigration reform and employment nondiscrimination, which I am confident would pass the floor of the House today.

As I talk to many tech companies and small businesses in my district, many of the purported beneficiaries of this modest patent reform bill, they support it, but they support immigration reform more. They say, Good job. Now get immigration reform done. That is what I am hearing from employers and businesses in my district. I hope that my colleagues on the other side of the aisle are hearing the same.

Our Nation cannot afford to maintain a 20th century intellectual property protection system in a digital and biological era. This bill does not correct that. It does not change that. It is a modest step forward and an important part of reforming parts of the process that Democrats, Republicans, and many stakeholders can agree are broken.

The measure contains bipartisan balanced proposals, just as H.R. 15 does, the comprehensive immigration reform bill in the House, with over 190 bipartisan sponsors. And just as this bill will continue to incentivize entrepreneurship, so too—times 10, times 100—would comprehensive immigration reform, which includes a start-up visa that allows entrepreneurs who have already received commitments of investment to come to this country and create their jobs here. We are turning jobs for Americans away every day we fail to act on immigration reform. We can bring H.R. 15 to the Rules Committee and to the floor of the House next week or we can stay the following week and give this body the opportunity to send a bill to President Obama's desk to finally replace our broken immigration system with one that works.

Mr. Speaker, if we defeat the previous question, I will offer an amendment to the rule to bring up House Resolution 424, Ranking Member SLAUGHTER's resolution, that prohibits an adjournment of the House until we adopt a budget conference report. This body should not adjourn until we have completed a budget conference report that could help prevent a second government shutdown and prevent a fiscal crisis.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

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

There was no objection.

Mr. POLIS. Mr. Speaker, while I am actively encouraging Members on both sides of the aisle to get behind the Innovation Act and the Small Business Capital Access and Job Preservation Act, I must urge my colleagues to vote ''no'' and defeat the previous question, as well as a ''no'' vote on the restrictive rule.

I hope that we can send the message that we need to bring immigration reform to the floor of this House, rather than let the four bills that have already emerged out of committee stay sitting and aging and not getting any better while we fast-track asbestos and while we fast-track modest patent reforms.

The time has come to act on immigration reform. Please join me on voting ''no'' on the previous question and ''no'' on the rule.

I yield back the balance of my time.

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

I am speaking to some of the comments that were made, particularly as it relates to football. We talked about a field goal and 3 points, but here is the position that the majority has taken in the House as it relates to immigration. It is about first downs. It is about moving the ball forward in measured steps, about getting it right the first time, not going through what we have gone through with these huge bills.

Mr. POLIS. Will the gentleman yield?

Mr. NUGENT. I yield to the gentleman from Colorado.

Mr. POLIS. It seems more like we have been in a timeout for 3 months since these bills have passed committee.

Mr. NUGENT. Reclaiming my time, it takes time, as you know, to move meaningful legislation through and to get it right the first time.

You have to live with some things when you have these megabills with thousands of pages, such as a 1,000-page immigration bill or 2,500 pages for the Affordable Care Act. At the end of the day, let's do this in a reasonable approach, because we want immigration reform, because we know we have a broken immigration system. We absolutely know that. I think this House has taken the right approach in doing things in a measured way to get first downs until we get to the end zone where we all want to be.

As we notice on this bill, even though there is strong bipartisan support on both of these pieces of legislation, we still have some that aren't happy because sometimes bills never get to exactly where everybody wants them to be. I get that. In a perfect world, we would get everything we want. It is not a perfect world. We don't get everything we want. But it is about moving the ball forward, and I think that my good friend from Colorado has talked eloquently about the issues as relate to patent reform and private equity because I know he has been part of that world. He speaks from experience in those areas.

Is it everything that you want? Probably not. We have heard from the chairman of the committee that it is not everything he wants. But it is a step in the right direction. It is moving the ball forward. It is getting the first down. It is moving it so that we can win the game—not a political party, but the American people. Consumers can win. The holders of patents can win. That is what this is all about.

With regard to demand letters, I lived through this as a sheriff. We used to get demand letters that we were going to get sued, and the whole idea behind it was the fact that they thought we would settle for $30,000 or $40,000 to make them go away. Here is what happened.

The sheriffs got smart, and they put together a consortium of sheriffs, 60 out of 67, in a sheriffs self-insurance fund. Guess what? We changed the tables and the dynamics in regard to it just as this bill will do. What we did was say, Guess what? We are no longer going to be blackmailed into giving money. On a legitimate case, you are going to settle; but on a case that is frivolous, we would say, No thanks. Let's go to trial. They never want to do that because it is expensive on their end, too, particularly when they could wind up paying for that.

Mr. Speaker, a lot has been said today, and I think a lot more is going to be said after we pass this rule. As we talk about what I think is fair, that abusive patent litigation is a growing problem—we have heard that from both sides today.

□ 1330

Under current patent systems, small businesses and startups simply don't have the resources to compete with the patent trolls. They are easy targets. They routinely settle, regardless of the merits of the case, to avoid hefty legal costs.

We understand that, therefore, it is important that we level the playing field for our innovators, our innovators that actually create something, an idea out of thin air, and create something that can be turned into jobs in the future.

Regardless of where the Members of this body fall on the underlying legislation, it seems that we are all in agreement that we need to combat this destructive practice.

We are also in agreement that we need jobs. The rule provides for consideration of a bill that will give small companies more access to capital, more opportunities to grow, more opportunities to create jobs. The rule makes in order important germane amendments addressing this.

Mr. Speaker, we heard a call to vote ''no'' on the rule for other reasons. Let's talk about creating jobs in America. Let's talk about protecting our innovators.

Let's not get caught up in the politics of the day. Let's do the right thing for the American people today, the thing that is going to be heard today in this House. Let's vote on a rule, and let's pass that rule. I support this rule, and I encourage my colleagues to vote ''yes'' on the rule as well.

The material previously referred to by Mr. POLIS is as follows:

AN AMENDMENT TO H. RES. 429 OFFERED BY MR. POLIS OF COLORADO

At the end of the resolution, add the following new section:

SEC. 3. Immediately upon adoption of this resolution, the House shall proceed to the consideration of the resolution (H. Res. 424) prohibiting the consideration of a concurrent resolution providing for adjournment unless the House has adopted a conference report on the budget resolution by December 13, 2013, if called up by Representative Slaughter of New York or her designee. All points of order against the resolution and against its consideration are waived.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

The Republican majority may say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. NUGENT. Mr. Speaker, with that I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. POLIS. 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.

RECESS

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

Accordingly (at 1 o'clock and 32 minutes p.m.), the House stood in recess.

□ 1402

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WOMACK) at 2 o'clock and 2 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

The question on ordering the previous question on House Resolution 429; and

Adoption of the resolution, if ordered.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic vote will be conducted as a 5-minute vote.

PROVIDING FOR CONSIDERATION OF H.R. 3309, INNOVATION ACT; AND PROVIDING FOR CONSIDERATION OF H.R. 1105, SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on the resolution (H. Res. 429) providing for consideration of the bill (H.R. 3309) to amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes; and (H.R. 1105) to amend the Investment Advisers Act of 1940 to provide a registration exemption for private equity fund advisers, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The vote was taken by electronic device, and there were—yeas 220, nays 194, not voting 17, as follows:

[Roll No. 618]

YEAS—220

Aderholt
Amash
Amodei
Bachmann
Bachus
Barletta
Barr
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Cantor
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cotton
Cramer
Crawford
Crenshaw
Daines
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce
Kelly (PA)
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Marchant
Marino
Massie
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McKinley
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Perry
Petri
Pittenger
Pitts
Poe (TX)
Pompeo
Posey
Price (GA)
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schock
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NAYS—194

Andrews
Barber
Barrow (GA)
Bass
Beatty
Becerra
Bera (CA)
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Garcia
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Himes
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maffei
Maloney, Carolyn
Maloney, Sean
Matheson
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Murphy (FL)
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Peterson
Pingree (ME)
Pocan
Polis
Price (NC)
Quigley
Rahall
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—17

Bishop (GA)
Campbell
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman

□ 1428

Messrs. O'ROURKE, LEVIN, JOHNSON of Georgia, DEUTCH, and BEN RAY LUJÁN of New Mexico changed their vote from ''yea'' to ''nay.''

Mr. POE of Texas changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

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

RECORDED VOTE

Mr. POLIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 229, noes 185, not voting 17, as follows:

[Roll No. 619]

AYES—229

Aderholt
Amash
Amodei
Bachmann
Bachus
Barber
Barletta
Barr
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Cantor

Capito
Cárdenas
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cooper
Cotton
Cramer
Crawford
Crenshaw
Daines
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duckworth
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Himes
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce
Kelly (PA)
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Marchant
Marino
Massie
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McIntyre
McKeon
McKinley
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (FL)
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Perry
Petri
Pittenger
Pitts
Poe (TX)
Pompeo
Posey
Price (GA)
Rahall
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schock
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NOES—185

Andrews
Barrow (GA)
Bass
Beatty
Becerra
Bera (CA)
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Garcia
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maffei
Maloney, Carolyn
Maloney, Sean
Matheson
Matsui
McCollum
McDermott
McGovern
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Peterson
Pingree (ME)
Pocan
Polis
Price (NC)
Quigley
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—17

Bishop (GA)
Campbell
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 1434

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GINGREY of Georgia. Mr. Speaker, on rollcall No. 618 on ordering the previous question on H. Res. 429, providing consideration of the bills H.R. 1105—the Small Business Capital Access and Job Preservation Act—and H.R. 3309—the Innovation Act—I am not recorded due to a family medical emergency. Had I been present. I would have voted "yea."

Mr. Speaker, on rollcall No. 619 on adoption of H. Res. 429, providing consideration of the bills H.R. 1105—the Small Business Capital Access and Job Preservation Act—and H.R. 3309—the Innovation Act—I am not recorded due to a family medical emergency. Had I been present, I would have voted "yea."

SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 429, I call up the bill (H.R. 1105) to amend the Investment Advisers Act of 1940 to provide a registration exemption for private equity fund advisers, and for other purposes, 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 429, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113–29 shall be considered as adopted, and the bill, as amended, shall be considered read.

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

H.R. 1105

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 Capital Access and Job Preservation Act''.

SEC. 2. REGISTRATION AND REPORTING EXEMPTIONS RELATING TO PRIVATE EQUITY FUNDS ADVISORS.

Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended by adding at the end the following:

''(o) EXEMPTION OF AND REPORTING REQUIREMENTS BY PRIVATE EQUITY FUNDS ADVISORS.—

''(1) IN GENERAL.—Except as provided in this subsection, no investment adviser shall be subject to the registration or reporting requirements of this title with respect to the provision of investment advice relating to a private equity fund or funds, provided that each such fund has not borrowed and does not have outstanding a principal amount in excess of twice its invested capital commitments.

''(2) MAINTENANCE OF RECORDS AND ACCESS BY COMMISSION.—Not later than 6 months after the date of enactment of this subsection, the Commission shall issue final rules—

''(A) to require investment advisers described in paragraph (1) to maintain such records and provide to the Commission such annual or other reports as the Commission taking into account fund size, governance, investment strategy, risk, and other factors, as the Commission determines necessary and appropriate in the public interest and for the protection of investors; and

''(B) to define the term 'private equity fund' for purposes of this subsection.''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in part B of House Report 113–283, if offered by the gentlewoman from New York (Mrs. MALONEY), or her designee, which shall be considered read and shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous material for the RECORD on H.R. 1105, currently under consideration.

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

There was no objection.

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

Mr. Speaker, since Congress was not in session last week, perhaps some of my colleagues missed the front page headline from The Washington Post. I read: ''Among American Workers, Poll

Finds Unprecedented Anxiety About Jobs and Economy.''

According to the report, American workers are living with ''unprecedented economic anxiety.'' More than six in 10 worry that they will lose their jobs. Nearly one in 3 say they worry a lot about losing their jobs.

The article goes on to mention an American named John Stewart who wakes up every morning at 1:30 a.m. for a 2-hour commute to catch two different buses in Philadelphia so he can get to work on time. In the newspaper, he said: ''I can't save money to buy the things I need to live as a human being.''

Mr. Speaker, we don't have to read The Washington Post. All we have to do is listen to our own constituents, since even today millions—millions—of our fellow countrymen remain unemployed and underemployed.

I hear these stories every week myself. Recently, I heard from Ida in Wills Point, Texas, in the Fifth Congressional District that I represent. She and her 79-year-old husband own a small trucking company. She wrote me that ''because of increasing regulations in taxes in the past 4 years, we have lost all but two of our trucks.'' She goes on to write me: ''My husband is the only driver right now because I can no longer drive. He drives full-time 3,500 miles a week most weeks because we can't live on his Social Security.'' She says: ''We are really stuck in a hole.''

Millions, Mr. Speaker, are ''stuck in a hole.''

Today, we have an opportunity, Mr. Speaker, to do something to help raise many of our fellow countrymen out of that hole of economic anxiety and economic hardship. Today, we have the opportunity to pass H.R. 1105, the Small Business Capital Access and Jobs Preservation Act.

I want to commend the bipartisan group of Members—two Republicans and two Democrats—who introduced the bill: Mr. HURT of Virginia, Mr. HIMES of Connecticut, Mr. GARRETT of New Jersey, and Mr. COOPER of Tennessee.

As chairman of the Financial Services Committee, Mr. Speaker, I want to thank all the members of the committee who came together across party lines to approve the bill. Mr. Speaker, nearly one-third of the Democrats who sit on our committee joined with 30 Republicans in supporting H.R. 1105. In short, Mr. Speaker, this is, indeed, a bipartisan jobs bill.

We know that small businesses face an incredible red tape burden. In fact, a recent survey of the National Federation of Independent Business said that ''government regulations and red tape are the single most important challenge that small businesses face in creating and preserving jobs.''

Mr. Speaker, I heard from another small business person in Grand Saline, Texas, in my district. He said because of overregulation ''our business has devolved from one that provides a service for a customer into one that provides that same service as an afterthought while our real efforts go into paperwork.''

□ 1445

Mr. Speaker, we can debate the relative merits or demerits of the Dodd-Frank Act; but even the primary author himself, former Chairman Frank, admitted that perhaps not every aspect of Dodd-Frank achieved perfection. And many of us would argue on a bipartisan basis that the part of the act that requires small business investors who are private equity advisers to register with the SEC is perhaps one of those provisions that is in need of reform.

This is a provision, Mr. Speaker, that many of us believe was aimed at Wall Street, but ends up hurting Main Street. Because of this provision embedded in Dodd-Frank, smaller firms that invest in entrepreneurs and in small businesses face yet one more significant regulatory cost, regulatory burden, more red tape.

As one of the small business investors testified before our committee, it is going to cost his company $200,000 every year to comply with the regulation. He went on to say:

> While for some larger firms this is an insignificant cost, for a medium-sized firm such as ours that offers capital to small businesses, it is a significant expense.

And pay attention to this, Mr. Speaker. He said:

> This money comes directly out of our funds intended for investment into Main Street.

In today's economy, to help pull these people out of this hole of economic anxiety, we need more private sector, more private equity investment into Main Street. Private equity equals small business jobs.

In fact, Mr. Speaker, between 1995 and 2010, 23,000 different companies across our Nation benefited from private equity investment, employing 3 million different people, and the investments that are made by private equity historically have grown jobs at three times the rate of other companies.

And so what does this look like? I have to tell you, Mr. Speaker, it look likes an outfit called New Mountain Capital that invested in a company named Inmar, a national coupon and reverse logistics processing company. By helping them update their IT with a $100 million investment, they now support 4,200 different employees.

The face of private equity looks like Capital South Partners that invested in a North Carolina firm, Vita Nonwovens, and now they have 95 employees in High Point, North Carolina, and I should add parenthetically, another 55 employees in my native Texas. This is the face of private equity. These are some of the small business jobs that are being created.

Now, we may hear from some that this is needed to somehow battle Wall Street, but let me tell you what private equity is not. Private equity it is not Wall Street. It is not complex derivatives trading. It is not currency swaps. Mr. Speaker, it is not about systemic risk. That is not what this is about. And so, again, this was a provision aimed at Wall Street that, unfortunately, is hitting Main Street.

It is time to make sure that Americans like John in Philadelphia can live like a human being. It is time to make sure that constituents like mine, Ida and her husband, don't have to drive 3,500 miles a week just so they can put food on the table.

Mr. Speaker, it is time, again, for this institution to put jobs first, not regulators first, but jobs first. I urge all of my colleagues to adopt H.R. 1105.

I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts (Mr. LYNCH) manage the time at this time.

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

There was no objection.

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

I rise today in opposition to H.R. 1105, which will create a gaping loophole for private equity fund advisers and deprive investors and regulators of important information about the risk these funds pose.

The Dodd-Frank Act wisely required that advisers to all hedge funds, private equity funds, and other private funds register and file regular reports with the SEC. It did this for two reasons: one, to help regulators better understand the systemic risks that these funds pose to the overall financial system, and to provide investors in these funds with meaningful information about the funds' governance.

This bill would exempt nearly every private equity fund adviser from these important disclosure requirements. Some of my colleagues who support this bill will argue that because private equity funds were not the cause of the last crisis, we should not subject them to these modest transparency and accountability requirements.

But one of the most important lessons we did learn during the financial crisis is that systemic threats seem to always bubble up from the opaque and unregulated sectors of the market. Giving this exemption will allow threats to once again grow in the dark corners of our financial system, only showing themselves when it is too late to prevent serious harm to the American taxpayer.

Supporters of this bill, while well-intended, will point to the provision that ensures advisers to private equity funds with leverage ratios over 2:1 will still have to register. This may sound attractive on its surface until you realize that every private equity fund is basically within that parameter. Private equity funds invest in companies, and it is these portfolio companies that

load up on leverage and that have the potential to take on outside risk, piling on the leverage while the private equity fund itself appears on its surface to be modestly leveraged. A private equity fund could have a leverage ratio well below 2:1, while its portfolio companies are leveraged in excess of 30:1 masking the actual risk that these funds pose. Nearly every private equity fund in existence today would come in below the 2:1 leverage cap. This is a hollow limitation that provides no protection to the funds' investors or to the American taxpayer.

Mr. Speaker, we learned the hard way after the recent financial crisis that systemic risks grow in the dark corners of our financial markets and that the more information we can gather about how the markets work, the safer we will be. The registration and reporting requirements for private equity advisers are modest and narrowly tailored, but they provide investors and regulators with important information. Rolling back these reforms now moves us in the wrong direction. I urge my colleagues to oppose H.R. 1105.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I am now privileged to yield 5 minutes to the gentleman from Virginia (Mr. HURT), the primary author of this legislation, a real leader on our committee and in this Congress in creating jobs.

Mr. HURT. Mr. Speaker, I rise in support of H.R. 1105, the Small Business Capital Access and Job Preservation Act, a bipartisan bill that our colleagues, Representatives COOPER, HIMES, GARRETT, and I introduced earlier this year. I thank all of them for their leadership on this issue.

I would also like to thank Chairman HENSARLING and again Chairman GARRETT for their support and leadership on this bill, as we were able to achieve a bipartisan vote out of the Financial Services Committee.

Every Member of this body can agree that with millions of Americans out of work, our top focus in Congress should be, and it must be, enacting policies to spur job creation throughout our Nation.

Today, the House takes up another bill to encourage economic growth and job creation by increasing the flow of private capital to small businesses that are found on Main Streets all across America. At a time when the available avenues of capital and credit for small businesses continue to decrease, capital investments from private equity into our communities are more important than ever.

Unfortunately, Dodd-Frank has placed a costly and unnecessary regulatory burden of SEC registration on advisers to private equity while exempting advisers to similar investment funds. These registration requirements do not improve the stability of our financial system, and they restrict the ability of private equity to invest capital in our small businesses to spur job growth.

In Virginia's Fifth District, my district, there are literally thousands of jobs that exist because of the investment of private equity. These critical investments allow our small businesses to innovate, expand their operations, and create the jobs that our communities need. If enacted, the unnecessary burdens on advisers to private equity funds that do not have excessive leverage would be eliminated, and they would be given the same exemption from the SEC's registration requirements that venture capital advisers enjoy.

These registration requirements, which do not make the financial system any more stable, impose an undue burden on small and mid-sized private equity firms, and decrease the ability of their investment to create jobs.

During our Financial Services Committee hearing on the bill, witnesses discussed the cost these requirements have imposed on private equity firms. They force investment advisers to private equity to expend substantial resources that disproportionately affect small and mid-sized funds with costs of hundreds of thousands of dollars annually, or more, to comply with these requirements.

It is important to note that most people, including SEC Chair Mary Jo White, concede that private equity funds did not cause the 2008 financial crisis and are not a source of systemic risk, despite that argument being the impetus for the registration requirement under Dodd-Frank. These funds are not highly interconnected with other financial market participants; and, therefore, the failure of a private equity fund would be highly unlikely to trigger cascading losses that would lead to a similar financial crisis. Additionally, these funds invest primarily in illiquid assets, including small Main Street businesses found across our country. These businesses are diversified across multiple industries and therefore lack concentrated exposure to any single sector.

Furthermore, investors in private equity firms are all sophisticated investors who negotiate for the strongest investor protections. These sophisticated investors include public pension funds, university endowments, nonprofit foundations—many of whom are the primary beneficiaries of private equity successes. Those investors typically are represented by counsel and heavily negotiate fund terms in advance of investing, including reporting governance and conflicts of interest.

It should also be noted that H.R. 1105 does nothing to change current Federal law with respect to common law and statutory fiduciary protections owed by investors to advisers to private equity funds. There are already existing significant investor protections available both contractually and in the form of State and Federal fiduciary duties and antifraud protections—investor protections that exist whether or not the advisers are registered with the SEC.

In the end, the costs of unnecessary registration represent real capital that otherwise could be used to invest in companies such as Virginia Candle in our district—a company that, through private equity investment, expanded from a garage in Lynchburg, Virginia, to millions of homes across the world.

Beyond Virginia Candle in Virginia, private equity-backed companies employ over 7.5 million people. Let me say that again: private equity-backed companies employ over 7.5 million people nationwide in over 17,000 U.S. companies. The impact of the registration requirements stand to diminish job creation in each of the congressional districts represented on this floor today.

I ask all of my colleagues today to join me in voting ''yes'' on H.R. 1105 and pass this bill from the House in order to increase the flow of private capital to our small businesses so that they can innovate, grow, and create jobs for the American people.

SMALL BUSINESS INVESTOR ALLIANCE,
December 3, 2013.

Hon. JOHN A. BOEHNER,
Speaker, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
Democratic Leader, House of Representatives, Washington, DC.

DEAR SPEAKER BOEHNER AND DEMOCRATIC LEADER PELOSI: On behalf of the Small Business Investor Alliance (SBIA), the premier organization of lower middle market private equity funds and investors, we urge you to support passage of the bipartisan Small Business Capital Access and Job Preservation Act (H.R. 1105), sponsored by Representatives Robert Hurt (VA–5), Jim Himes (CT–4), Scott Garrett (NJ–5), and Jim Cooper (TN–5). Passage of H.R. 1105 would reduce expensive regulatory costs for small business investors enabling increased capital formation and job creation for growing small businesses.

Private equity funds are critical to the capital raising process for many small businesses. In fact, a Pepperdine University study found that private equity backed businesses generated 129 percent more revenue growth and 257 percent more employment growth than non-private equity backed businesses. America needs more private equity small business investing, not less.

It is commonly overlooked that small business investors are generally small businesses too. They are being held back by expensive regulatory costs as a result of new expanded SEC registration requirements put into place by the Dodd-Frank Act. Investment Adviser registration is very costly in both money and time, especially for smaller funds that do most of the small business investing. Most of our private equity funds do not have legal departments, compliance teams, and other forms of overhead that are required by the new regulatory system. Compliance costs are often $250,000 or more per year—a heavy expense to a small business investment fund. Many of the new burdens are caused by the fact that the SEC rules are designed to deal with publicly traded businesses and investing, not for investing in domestic, privately-held small businesses. Small business investors are not mutual funds, multi-national conglomerates, or giant financial institutions and should not be treated as such.

Private equity funds, particularly those supporting small businesses, are not a systemic risk and did not contribute to the financial crisis. H.R. 1105 would reduce regulatory costs, but would still maintain record

retention and information for regulators and thus maintain investor safeguards.

Congress can reduce unnecessary burdens for our private equity funds and allow them to do what they do best—invest in job creating small businesses to empower them to succeed, create jobs, and grow the economy. SBIA strongly supports passage of the bipartisan Small Business Capital Access and Job Preservation Act.

Sincerely,

BRETT PALMER,
President.

SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL,
December 2, 2013.

Hon. ROBERT HURT,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN HURT: On behalf of the Small Business & Entrepreneurship Council (SBE Council), I am writing to support H.R. 1105, the Small Business Capital Access and Job Preservation Act. A late September 2013 survey by SBE Council found a disturbingly large percentage of entrepreneurs (62%) who said the outlook for their firms had not improved (or had worsened) since the financial crisis more than five years ago. For growth-oriented firms responding to the survey, access to capital remains a worrisome issue. That is why SBE Council continues to support initiatives such as H.R. 1105, which will help improve U.S. capital formation and access for small businesses.

The overly broad Dodd-Frank law imposed SEC registration and compliance rules on private equity when, quite simply, none were needed. There was and is no evidence of pervasive problems with private equity, or that it poses systemic risk to the marketplace. Irrelevant and time-consuming procedures as required by Dodd-Frank, only hamstring private equity's role in efficiently serving the many small businesses that benefit from the capital and expertise it provides.

Lifting the redundant and burdensome Dodd-Frank regulations on private equity—as H.R. 1105 proposes to do—will improve capital markets efficiency, and therefore make a meaningful difference for entrepreneurs. The (SEC) can also better meet its core responsibility of protecting markets and retail investors.

Please let SBE Council know how we can help advance H.R. 1105 into law.

Sincerely,

KAREN KERRIGAN,
President & CEO.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, December 2, 2013.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports H.R. 1105, the ''Small Business Capital Access and Job Preservation Act.'' This bill would amend the Investment Advisers Act of 1940 to exempt private equity fund investment advisers from its registration and reporting requirements, provided that each private equity fund has not borrowed and does not have outstanding a principal amount exceeding twice its invested capital commitments. This bill would additionally enhance the capital formation needed to build new businesses, expand existing businesses, and create jobs.

Businesses small and large, particularly new businesses, need a mix of capital sources to meet short-term and long-term growth needs. This diversity of capital has provided the liquidity needed for different sized firms to be able to have the opportunity to achieve success. Congress recognized these facts and the needs to increase diverse portals of capital access in passing the bipartisan Jumpstart Our Business Startups Act (''JOBS Act'') last year.

Private equity financing is an important form of financing for smaller businesses that are trying to grow. In fact, between 1995 and 2010 over 23,000 businesses, employing 3 million people, were backed by private capital. These businesses grew jobs at a rate of 64% compared to other businesses which only grew jobs at a rate of 18%. It should also be noted that private equity financing was not a cause of the financial crisis and that under its business model does not pose interconnected risk to the economy. Yet, the Dodd-Frank Wall Street Reform and Consumer Protection Act requires that private equity firms must register with the Securities and Exchange Commission.

These requirements are not only costly, but are also designed for public company investors and not investors in privately held companies. These requirements are a mismatch for the investment model and the costs involved may be prohibitive for smaller firms that specialize in investing in the middle markets. Accordingly, the failure to pass this bill could cut off funding sources for small businesses.

Passage of H.R. 1105 would serve as an important step forward towards promoting efficient capital markets conducive to long-term economic growth and job creation. The Chamber may consider including votes on, or in relation to, this bill in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President,
Government Affairs.

PRIVATE EQUITY GROWTH CAPITAL COUNCIL,
Washington, DC, December 2, 2013.

Hon. ROBERT HURT,
House of Representatives, Cannon House Office Building, Washington, DC.
Hon. SCOTT GARRETT,
House of Representatives, Rayburn House Office Building, Washington, DC.
Hon. JIM HIMES,
House of Representatives, Cannon House Office Building, Washington, DC.
Hon. JIM COOPER,
House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSMEN, Thank you for your leadership in advancing H.R. 1105, The Small Business Capital Access and Job Preservation Act. As you know, the bill is scheduled for a Floor vote this week. The Private Equity Growth Capital Council (PEGCC) strongly supports this legislation.

Private equity and growth capital investment drives economic activity and growth across the U.S. economy by investing in promising companies looking to grow and those in need of a turnaround. Last year alone, private equity and growth capital invested $347 billion in more than 2,000 U.S.-based businesses located in all 50 states and every congressional district. There are 17,700 companies based in the U.S. that are backed by private equity investment, and these companies employ more than 7.5 million people worldwide.

The stated goal of the Dodd-Frank Act is to reduce systemic risk in the U.S. financial system. Private equity and growth capital pose no systemic risk to the economy, did not contribute the financial crisis and, therefore, should not be subjected to enhanced SEC oversight. Choosing to increase regulation on private equity and growth capital will require a disproportionately large level of resources from the SEC's budget and divert focus from protecting retail investors and ensuring market integrity.

Furthermore, registration does not provide additional investor protections, and it significantly increases the cost of compliance for private equity and growth capital firms. These registration regulations treat private equity and growth capital firms like investment advisers with retail clients. In contrast, private equity works with sophisticated, accredited investors who mostly consist of pension funds, charitable foundations and university endowments. These investors are typically represented by legal counsel and heavily negotiate fund terms in advance of investing in a fund. Negotiated items often include reporting, governance and conflicts of interest. Investors obtain little if any benefit from the added SEC registration requirements, yet the time and resources needed to comply with SEC registration distracts from private equity's core mission of investing in, strengthening and growing great companies.

The private equity and growth capital industry strongly supports the passage of H.R. 1105, The Small Business Capital Access and Job Preservation Act. If you would like more information about the positive impact of private equity in your state, please visit www.PrivateEquityAtWork.com/state-by-state.

Thank you, again, for advancing this legislation. We look forward to working with you to get this proposal enacted.

Sincerely,

STEVE JUDGE,
President & CEO.

NATIONAL ASSOCIATION OF INVESTMENT COMPANIES,
Washington, DC, December 3, 2013.

Hon. JOHN A. BOEHNER,
Speaker, House of Representatives, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: On behalf of the National Association of Investment Companies (NAIC), an advocacy association that represents private equity member firms, including women and ethnic minorities who remain significantly under-represented in private equity, we are writing to support passage of the Small Business Capital Access and Job Preservation Act (H.R. 1105). H.R. 1105 is bipartisan legislation sponsored by Representatives Robert Hurt (VA–5), Jim Nimes (CT–4), Scott Garrett (NJ–5), and Jim Cooper (TN–5).

The fastest growing sector of the U.S. economy is the $6 trillion annual market of minority consumers, who within decades will comprise the majority of consumers. NAIC member firms represent companies that invest in this growth sector of the U.S. economy. Passage of H.R. 1105 reduces compliance costs for private equity firms and would allow our member firms to increase capital investment in areas of the economy that are under-represented in their ability to access capital to create jobs.

The exorbitant cost of SEC registration can take resources away from making investments in Women- and minority-owned businesses. Annual SEC registration costs often run as high as $250,000, as SEC registered fund must spend precious resources on hiring compliance and legal services to be fully compliant with SEC rules. H.R. 1105 would reduce these costs by removing some of the inapplicable SEC investment adviser

rules that are unworkable for private equity funds.

NAIC strongly supports passage of the Small Business Capital Access and Job Preservation Act and we urge your support of this important bipartisan legislation.

Sincerely,

JENNELL F. LYNCH,
Vice President.

ASSOCIATION FOR CORPORATE GROWTH,
Chicago, IL, December 2, 2013.

RE Support the ''Small Business Capital and Job Preservation Act of 2013'' (H.R. 1105).

Hon. JOHN A. BOEHNER,
Speaker, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: On behalf of the Association for Corporate Growth (ACG) and our 14,500 members and the 26,000 ''Main Street'' businesses they operate, we urge Members of the House of Representatives to vote in favor of H.R. 1105, the Small Business Capital and Job Preservation Act when it comes before the full body later this week.

Founded in 1954, ACG is an organization with 46 chapters in the United States representing professionals from private equity firms, corporations and lenders that invest in middle-market companies, as well as from law, accounting, investment banking and other firms that provide advisory services. ACG represents more private equity firms than any other association in the United States—virtually all of which invest in smaller and middle-market companies.

It is important that the application of the Dodd-Frank Act uphold the original spirit and intent of the legislation without constraining capital. Yet, Dodd-Frank requires that virtually all private equity firms must register with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940, despite the fact that private equity funds are structured and operate almost identically to venture capital funds, which under the Dodd-Frank Act are exempted from having to register.

This bipartisan legislation, introduced Representatives Robert Hurt (R–VA), Jim Himes (D–CT), Jim Cooper (D–TN) and Scott Garrett (R–NJ), would amend the Investment Advisers Act of 1940 to exempt private equity fund investment advisers from its registration and reporting requirements, so long as the fund has not borrowed and does not have an outstanding principal amount of debt exceeding twice its invested capital obligations. Since private equity funds were not a cause of the financial crisis and its business model does not pose any interconnected risk to the economy, ACG believes H.R. 1105 is a necessary piece of legislation that will help ensure the continued flow of capital to businesses. H.R. 1105 strikes a proper balance between access to capital and protection from systemic risk. H.R. 1105 also re-establishes regulatory parity between private equity and venture capital.

Private capital can be found in every corner of our nation and the bipartisan Small Business Capital Access and Job Preservation Act will preserve private equity funding as a pipeline of capital for growing businesses. ACG stands ready to assist and serve as a resource to Members of the U.S. House of Representatives as they aim to achieve sound financial policies and enhancements of the Dodd-Frank Act that accomplish continued growth in the middle-market.

We thank Representatives Robert Hurt (R-VA), Jim Himes (D-CT), Jim Cooper (D–TN) and Scott Garrett (R-NJ) for their leadership on this important issue. We urge all members of Congress to support their efforts and vote in favor of H.R. 1105.

Sincerely,

GARY LABRANCHE, FASAE, CAE,
President and CEO.

Mr. LYNCH. Mr. Speaker, I yield myself 1 minute.

I do want to respond to the gentleman's invoking of the SEC chair, Mary Jo White. Judging from the gentleman's remarks, you would think she might be in favor of this bill. Well, let me talk about what she says about this bill in particular:

> Our markets would not be well served by narrowing the scope of the commission's jurisdiction in oversight of these advisers.

That is with respect to this bill. She also said:

> Private equity investors are in need of the same protections as other private fund investors.

Lastly, she has also said that the commission has brought enforcement actions, talking about the advisability of having oversight over advisers and having these disclosures made:

> The commission has brought enforcement actions against private equity funds and their advisory personnel involving unlawful pay-to-play schemes, insider trading, conflicts of interest, valuation, and misappropriation of assets.

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

Mr. LYNCH. I yield myself another 30 seconds.

Now, when you think about the protections that are necessary for pension funds, especially where these workers have invested their whole lives in these pension funds, you understand the need for this disclosure.

At this time I yield 3 minutes to the gentleman from Minnesota (Mr. ELLISON).

□ 1500

Mr. ELLISON. Mr. Speaker, let me thank the gentleman from Massachusetts.

Before I launch into the substantive critique of this bill and I urge Members to vote ''no,'' I would like to make a preliminary observation, and that is that when our chairman of our committee begins his presentation, making a broad-based critique and attack on regulation, Members should be very careful about this because good regulation is good for the American people. We need health and safety protections. We need to be protected from unsafe water, unsafe products. And investors need to be protected, as well. Any time a Member of Congress or anyone comes up and says regulations are bad, this is obviously wrong and the American people know it. Therefore, when you are being told to do something just because regulations are always bad, you should be very suspicious of what is going on and dig deeper into the situation.

I urge Members to just consider how important good, solid, well-tailored regulation is to benefit the American people, and I push back on anybody who just makes a frontal assault on all regulation, no matter how good or how bad and just regulation in general. This has been a theme around here, and I urge Members to be suspicious of it.

It should also be considered that when this bill is in front of us, we should know that people have looked carefully at it. Members who are wondering what they want to do on this bill, they should consider that the Obama administration has strongly opposed this bill, with senior advisers recommending a veto. This is a bill that is not going to become law. There is no Senate companion. I just checked and have been advised that there is no Senate companion. So we are really here talking about a bill that is going to be a threatened veto by the President and has no Senate companion, but is also opposed by SEC Chair Mary Jo White and the Council of Institutional Investors, an organization which has investors' interests in mind as this bill is trying to make investor information more opaque, and Americans for Financial Reform, not to mention the Consumer Federation of America, the AFL–CIO, and State securities regulators.

So the people who work with these regulations all the time don't think they are the right thing to do. Even if some Members might consider that maybe this might get capital to somebody who wouldn't otherwise get it, the people who regulate and use these regulations every day have carefully considered H.R. 1105 and have come to the conclusion that it is bad for investors, that it creates less transparency, not more, and, therefore, is, in fact, a risk to our financial well-being.

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

Mr. LYNCH. I yield the gentleman an additional 1 minute.

Mr. ELLISON. Americans are obviously looking for jobs. This is the big hook, the way to get anybody to vote for anything around here. It says it is going to create jobs. Of course, there has been no demonstration of how this is going to create jobs.

The point is that it will create a situation where there is less information for investors who need it, and it is important for Members to know that the SEC has taken enforcement actions against private equity firms.

For example, at Knelman Asset Management Group, the SEC found that registered private equity funds-to-funds adviser Knelman Asset Management Group, LLC, Irving Knelman, a managing director, chief executive officer and former CEO, violated the Advisers Act custody, antifraud compliance reporting, and books and records provisions. This is a case where you have the SEC using information to bring accountability in the private equity arena.

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

Mr. LYNCH. I yield the gentleman an additional 20 seconds.

Mr. ELLISON. Let me wrap up by saying that we urge Members to vote ''no,'' to look out for advisers. Even private equity advisers need transparency, not less information. A ''no'' vote is urged here.

Mr. HENSARLING. Mr. Speaker, at this time I am very happy to yield 4 minutes to the gentleman from New Jersey (Mr. GARRETT), a coauthor of the legislation and the chairman of the Capital Markets and GSE Subcommittee.

Mr. GARRETT. Mr. Speaker, I thank the chair.

Before I give my remarks, I just want to say in response that I believe the chairman said that he is not opposed to all regulations. I think he said he is in favor of regulation, but make sure that it is smart and appropriate regulation—at least, that is my position, as well.

Understand, too, to the gentleman's point, that even when this legislation is passed, the SEC still will have significant authority, will still have its enforcement division, will still have its new asset management unit, which has recently recruited industry professionals with asset management experience to serve as specialists in this unit to do the investigations that the gentleman wants to have continue, and it will continue even after the passage of this legislation.

With that said, I want to again thank the chairman. I want to thank the gentleman from Virginia (Mr. HURT), and also the gentleman from Connecticut (Mr. HIMES), as well, for their hard work on this very important legislation, as well as all our cosponsors on both sides of the aisle. For that reason, I am pleased to support H.R. 1105. And do make no mistake about it; this is bipartisan legislation, and it is all about helping small businesses and helping to create more jobs in this country.

Today, more than 17,700 companies, backed by private equity employ over 7.5 million people. In my home State of New Jersey alone, 597 private equity-backed companies support more than 377,000 workers, while the New Jersey Division of Pensions and Benefits has invested billions on behalf of retirees and private equity firms. Hopefully, all those facts give you the facts you need to know how important it is to the creation of jobs. Yet despite their long track record supporting small business nationwide, the Dodd-Frank Act has imposed enormous and numerous burdens on private equity firms, forcing most fund advisers to spend literally millions of dollars complying with new SEC registration and reporting requirements.

While these burdensome regulations no doubt crimp the flow of much-needed investment dollars to America's small businesses, there is little or no evidence that they are needed to promote the stability of our financial system or to protect investors. Unlike, say, Federal housing policy and the government-sponsored enterprises Fannie Mae and Freddie Mac, private equity did not cause the financial crisis and is not—and never has been—a source of systemic risk.

As former SEC Chair Mary Schapiro admitted back in 2011: ''Private equity funds have less potential to pose systemic risk than any other type of private funds.'' Indeed, if the SEC is so concerned about the systemic risk of private equity funds, their recent examinations of private equity advisers certainly do not show it.

As Chair White recently said: Neither the SEC's examinations staff nor the Division of Investment Management ''has conducted examinations of an adviser to a private fund based primarily on systemic risk concerns.''

She also said: SEC examiners ''have not to date reviewed systemic risk issues as part of their examinations of private funds.''

Thirdly: None of the advisers to private funds that withdrew their registration in 2012 ''had systemic market impact.''

And so now we must ask ourselves this question: Do we really want the SEC, already saddled with a multitude of unfinished, nongermane Dodd-Frank mandates expending valuable resources on risks that don't even exist? In addition, because only sophisticated investors may invest in these private equity funds, the need to protect investors in this case is more limited compared to other areas of the security market.

While I wholeheartedly support the SEC's mission to protect investors, the agency with limited resources should be devoted, first and foremost, to protecting the less sophisticated, the retail mom-and-pop investors. They need the most protection.

It was Paul Kanjorski, who was in Congress when Dodd-Frank went through. He said:

> I, for one, could care less about high-wealth individuals who want to contribute their money to a group of investors. If they want to take the shot of losing it, it does not really affect the rest of society.

It also bears mentioning that this legislation in no way alters the many existing tools the SEC already has to prevent and punish fraud in the private equity industry for the benefit of sophisticated investors and the broader economy.

I urge support of H.R. 1105 at a time when most small businesses continue to have difficulty getting credit and need to grow. Passing this bipartisan legislation, commonsense legislation, should be no a no-brainer.

Mr. LYNCH. Mr. Speaker, I yield myself 1 minute to respond to some of these allegations.

In respect to sophisticated investors, the Council of Institutional Investors, which is an association representing corporate, union, and public pensions, foundations and endowments, largely very sophisticated investors with combined assets of $3 trillion, opposes this bill. They oppose this bill because of the record of enforcement actions of the SEC to go after risks that do actually exist.

I now yield 3 minutes to the gentleman from Connecticut (Mr. HIMES), a cosponsor of the bill.

Mr. HIMES. Mr. Speaker, I would like to thank my friend from Massachusetts for the time and Ranking Member WATERS for being willing to hear different perspectives on this bill from our side.

I want to start by saying that Dodd-Frank, which I think I can say I contributed more than my share to, was, on balance, a very good and very important thing. The dragging of derivatives into the light of day, trading on exchanges, clearing through clearinghouses, the creation of the CFPB, taking steps to eliminate too big to fail, there is lots of stuff in Dodd-Frank which is important and good.

But not everything in Dodd-Frank is important and good. Like all other works of mortals, there are things in this that are probably unintended and perhaps overreaching. I happen to believe that the requirement that private equity funds register with the SEC is one of those areas.

Why is that?

First, private equity funds, as has been pointed out on the floor today, were a million miles from the bad mortgages from Fannie Mae, from Freddie Mac, from the subprime mortgages, from all of those things that caused the failures in 2008. They weren't anywhere close.

Secondly, investor protection is important, but, by law, the only people who can invest in these funds are accredited investors or institutional investors who don't just sign up. They hire attorneys to negotiate partnership agreements. They negotiate with these private equity funds for disclosure, for the terms, and all of those sorts of things. So we are not talking about retail investors here.

Finally, the issue of leverage. We have finally gotten to the point where people acknowledge that these are not large leverage funds. The point is made that the leverage is at the investment company level. That is true. Private equity firms do buy companies, invest in them, and then those companies take on leverage. The average leverage across the entire universe of private equity-sponsored companies is less than 3 to 1. It is not 30 to 1, but 3 to 1. It is less than 3 to 1. By way of comparison, hedge funds, on average, are leveraged 15 to 1. Lehman Brothers, when it went down, was leveraged in excess of 30 to 1. We are talking about companies which are assuming the same kind of debt that any other small business assumes out there, less than 3 to 1.

What we have happening right now is we have examiners and the intention and the resources of the SEC, which has terribly important missions around real estate and mortgages and derivatives and finding the next Bernie Madoff, going to $175 million funds and

examining these funds on behalf of the sophisticated investors. That does not make sense.

Dodd-Frank exempted venture capital funds from this registration requirement. Venture capital funds do the exact same thing with the exact same investors that private equity funds do; they just do it in an earlier stage in the company's history. The only reason for that exemption is that we like venture capital funds more than we like private equity funds. They sound better. They make nice things in garages in Palo Alto. Private equity sounds more ominous; therefore, they have been subjected to registration.

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

Mr. LYNCH. Mr. Speaker, I yield the gentleman an additional 1 minute.

Mr. HIMES. Mr. Speaker, we exempted venture capital funds from the Advisers Act of 1940 registration. The same set of investors, same types of investing. Actually, a more risky asset class than private equity. We exempted them for no other reason than that we like venture capital better than we like private equity. That is fine. But in statute and in regulation, we should be consistent.

So I think that you can argue that venture capitalists should be subject to the same kind of registration requirements that private equity is or you can argue, as I do, that probably both types of funds don't need to be registered under the Advisers Act of 1940, but you can't support Dodd-Frank and say venture capitalists are exempt and private equity is not and be consistent in policy.

So I urge my colleagues, in the interest of balancing a very good piece of legislation, to support H.R. 1105.

Mr. HENSARLING. Mr. Speaker, I am now pleased to yield 2 minutes to the gentleman from Illinois (Mr. HULTGREN).

□ 1515

Mr. HULTGREN. Thank you, Chairman HENSARLING.

Mr. Speaker, what we are trying to do here today is to get small business jobs growing again, and private equity helps do that. The infusion of private investment helps these small businesses create jobs so we can get the economy moving again.

Over the last 15 years, private capital has helped about 23,000 small businesses, employing approximately 3 million people. Businesses backed by private capital grew jobs 3.5 times faster than other businesses.

We need to encourage this kind of growth by bringing more opportunity, not more regulation. Capital is better spent getting people back to work and growing our small businesses than it is tied up in compliance costs.

In Illinois, my home State, more than $200 billion has been invested in local companies. Private equity is about skin in the game, and we need to keep these resources in the economy, not on the sidelines.

I ask my colleagues to support H.R. 1105. I am a proud cosponsor and believe we should pass this important bill.

Mr. LYNCH. Mr. Speaker, may I ask how much time is remaining for each side.

The SPEAKER pro tempore. The gentleman from Massachusetts has 16¾ minutes remaining. The gentleman from Texas has 12½ minutes remaining.

Mr. LYNCH. Mr. Speaker, at this time I yield 3 minutes to the gentleman from Tennessee (Mr. COOPER).

Mr. COOPER. I thank my friend, the gentleman from Massachusetts. We are seatmates on the Government Reform Committee, and it is a pleasure to serve with you. It is also a pleasure to support this bill.

Mr. Speaker, I want to address my remarks particularly to the new Democrats and Blue Dog Democrats because not everyone in this body is an expert on private equity or venture capital. This sounds like a complicated topic. It sounds technical, but it is really all about jobs.

There is nothing we are asked about more back home than about creating jobs. There is nothing we talk more about here than creating jobs. Passing this bill is a good way to do that.

It is easy to get wound up in the details, but the bottom line is this: private equity creates jobs. These are funds that have wealthy investors investing in them, and they lend their money, they invest in growth companies that create jobs.

My friend from New Jersey mentioned they have already helped create 7.5 million jobs in America, some 17,000 individual companies. These are the companies we try to recruit to our districts. These are the companies that we try to grow back home so that more of our good people back home can have good jobs.

The paperwork requirement that, unfortunately, and I think probably inadvertently, was put on them by the Dodd-Frank bill needs to be removed. SEC registration is not appropriate for these funds. It costs between three-quarters of a million dollars and $1 million a year for them just to do the paperwork. That is money taken away from job creation. That is money that is embalmed in red tape.

So this is a chance, and we do need to make sure there is a Senate companion to this bill once it passes the House. I am proud of my colleagues for being involved in a bipartisan job-creation effort because folks who really understand venture capital and private equity know this is a great way to help create more jobs in this country, by removing a little bit of the red tape that probably shouldn't have been there to begin with.

This bill passed the Financial Services Committee last session of Congress by voice vote. This shouldn't even be controversial. This year the vote was overwhelming, 38–18.

So I hope my colleagues, particularly among new Democrats and Blue Dogs, will understand this is a job-creation issue. This is a bipartisan job-creation opportunity.

H.R. 1105 should pass with overwhelming, bipartisan support. Let's get this through the Senate, and let's create more jobs in America.

I thank the chairman for yielding time, and I hope all my colleagues will vote for H.R. 1105.

Mr. HENSARLING. Mr. Speaker, I now yield 1½ minutes to the gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Mr. Speaker, I want to thank Chairman HENSARLING of our Financial Services Committee and also the gentleman from Virginia (Mr. HURT), my friend, for their very hard work in bringing this important legislation to the floor today.

Mr. Speaker, today I rise in support of H.R. 1105, the Small Business Capital Access and Job Preservation Act. This legislation addresses yet another misguided provision of the Dodd-Frank Act that will help ensure that private equity maintains its critical role in our economy.

Private equity firms provide capital to Main Street businesses in Missouri and all across our country and, importantly, private equity often invests in companies when others are unwilling to do so. These investments support nearly 18,000 businesses in the United States that employ some 7.5 million workers.

Unfortunately, the Dodd-Frank Act seeks to make it more difficult for private equity to maintain this important economic role. To my knowledge, no evidence has been produced which shows that private equity was the cause of the 2008 financial crisis, or that it presents a systemic risk to our financial system.

It makes little sense, then, to impose unnecessary and costly red tape burdens on private equity investors which will only make it more difficult for them to invest in American businesses and create jobs.

H.R. 1105 is, therefore, a necessary response to an overreach of the Dodd-Frank Act and will help support Main Street businesses and jobs all throughout our country.

I am pleased to support this very bipartisan bill and urge my colleagues to vote in support of H.R. 1105.

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

I do want to point out, in response to the gentleman from Tennessee's remarks about this bill going on voice vote in committee, I just want to remind the Members and the public that during that debate there was a need for further work on this bill.

I think, in a moment of bipartisanship, we agreed, both Democrat and Republican, to allow the bill to go by voice vote with the promise to work on some of those issues going forward. So it was an agreement to try to continue to agree and to work on the bill. It was

not a vote in favor of any particular provisions within this bill.

There has been a lot of talk here about the risks that don't exist, and I do want to just point out some of those. As a result of this bill, funds investing more than $300 billion a year, much of which is the retirement savings of workers like teachers, firefighters, police officers, they would no longer be required to provide basic investor protections.

Specifically, H.R. 1105 would deprive investors of basic disclosures about an employee of a fund adviser who, for instance, violated securities law, or the adviser's businesses practices, its fees, any conflict of interest on the part of that adviser.

It would also eliminate a compliance program and code of ethics within the bill, within Dodd-Frank, and would eliminate the need for a chief compliance officer for each fund manager.

H.R. 1105, the bill under consideration here, would also prevent the SEC from conducting compliance exams of private equity fund adviser, even though SEC Chairman Mary Jo White notes that the Commission has already uncovered issues such as unlawful pay-to-play schemes, insider trading that we have all read about recently, conflicts of interest, valuation issues, and misappropriation of assets.

I want to talk about some of these since there has been a complete dismissal of any risk here. I think the record speaks to the risk.

The SEC has brought several enforcement actions against private equity firms. While the defendants do not necessarily represent all private equity firms, they do highlight the need for a strong police officer with the authority to examine all private equity advisers.

Capital formation relies on investor confidence in the underlying assets; and without registration with the SEC, investors will no longer have a cop on the beat that can enforce the rule of law, reducing investor demand.

In Knelman, for example here, there have been broad violations related to fraud, custody, compliance, and reporting. In Knelman Asset Management Group, the SEC found that registered private equity fund-of-funds adviser Knelman Asset Management Group, LLC, and Irving P. Knelman, KAMG's managing director, chief executive officer, and former CCO, violated the Advisers Act's custody, antifraud, compliance, reporting, and books-and-records provisions.

In insider trading enforcement, the Gowrish insider trading case involved an individual who allegedly stole confidential acquisition information, TPG Capital, and sold that information to two friends who made $500,000 in illicit trading profits.

Valuation related enforcement actions, the Oppenheimer/Brian Williamson matters concern an investment adviser and portfolio manager who misrepresented material details about his valuation methodology to his investors.

Recently, the Commission filed a case against Yorkville Advisors, where Yorkville allegedly inflated the values of certain liquid assets. While Yorkville managed hedge funds, the valuation issues are very similar to ones we see in private equity.

Finally, the KCAP valuation case involved alleged overstatements of the value of certain debt securities and CLOs held in the investment portfolio, highlighting the division and AMU's emphasis on pursuing valuation cases.

And in the Ranieri Partners case, the SEC also found that an investment manager knowingly used a sanctioned, unregistered broker-dealer to solicit capital for a pooled investment vehicle.

So all of these illegal activities would be made unavailable to private equity investors under this bill. That is what the risk is. That is not fiction. Those are actual cases that the SEC has introduced enforcement actions on. So there is real risk here for investors and for the markets themselves.

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

Mr. HENSARLING. Mr. Speaker, I yield myself 30 seconds to say that the gentleman from Massachusetts sets up a straw man and then knocks it down. The activities that he describes as illegal continue to be illegal, and I would say that private equity funds provide extensive reporting to investors, including audited annual financial statements.

Private fund equity advisers are subject to the antifraud provisions of the Investment Advisors Act of 1940, whether they are registered or not, and fund offerings are subject to the antifraud provisions of the Securities Act of 1933.

The real choice becomes, are we going to get even greater protections for millionaire investors, or are we going to help struggling single moms trying to find a job in this economy?

Mr. Speaker, at this time I am happy to yield 2 minutes to the gentleman from Ohio (Mr. STIVERS).

Mr. STIVERS. Mr. Speaker, I would like to thank the gentleman from Texas for yielding time.

The Small Business Capital Access and Job Preservation Act is an important bill that I believe will allow more capital to go and flow to small business so they can create jobs.

You know, at a time when we have 7.3 percent unemployment, and underemployment over 10 percent, we have a need for more capital to flow into our businesses so they can create jobs.

Meanwhile, the Dodd-Frank Act created burdensome new SEC registration on private equity firms but, as the gentleman from Connecticut said earlier, not on venture capital firms that do exactly the same thing. So, in fact, I would argue that venture capital firms have more risk than private equity.

There already are important protections, consumer protections, around private equity. You have to be a sophisticated, accredited investor, and there is already important fraud detection and fraud enforcement actions that are available to the SEC in the cases of these investors being taken advantage of.

So at a time when private equity is helping provide over 6 million jobs in America, we should be doing everything we can to actually encourage more activity by private equity, to encourage more jobs in America, not burdening them with big regulations.

I want to just make four quick points. These middle-market private equity firms, like we have in towns like Columbus, Ohio, where I live, contribute a lot toward job creation, but not a lot toward systemic risk.

And the compliance costs for these smaller firms in towns like Columbus, Ohio, will be especially high as a percentage; and it could drive many of them out of business.

Many of these firms that manage both SBIC and non-SBIC funds already face multiple layers of regulation.

And the fourth point is many of these investment adviser rules are not really pertinent to private equity funds.

□ 1530

So I stand in support of the Small Business Capital Access and Job Preservation Act. I want to thank the gentleman from Virginia, Representative HURT, for his hard work on this. I think it is a win for job creation, and I urge all my colleagues to support it.

Mr. LYNCH. Mr. Speaker, I yield myself 2 minutes.

We need not worry about small firms in this. They are already exempt under this bill. They are already exempt. So the concerns about small firms being covered by this, they are already exempt, number one.

Number two, the other scenario that has been posited here is that somehow, by allowing private equity firms the right to keep secret—or to refuse to disclose that their employees have been prosecuted for violating securities laws, by allowing that to remain undisclosed, that somehow that is going to help some single mom go to work, I don't think that is a rational assumption.

Mr. Speaker, I will now enter into the RECORD letters from the following organizations who are all opposed to this bill: Americans for Financial Reform, the Council of Institutional Investors, the North American Securities Administrators Association, and a Statement of Administration Policy from the Obama administration.

I reserve the balance of my time.

AMERICANS FOR
FINANCIAL REFORM,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of Americans for Financial Reform, we are writing to express our opposition to HR 1105. Contrary to its title, this bill is not designed to benefit small business. Instead, it would exempt private equity fund advisers—who include some of the wealthiest and most significant entities on Wall Street—from basic reporting requirements designed to help regulators

monitor systemic risk in the financial system and protect investors and the public.

Prior to the Dodd-Frank Act, hedge and private equity funds received almost no regulatory monitoring, despite the fact that combined they manage some $3 trillion in assets and played a significant intermediary role in the financial crisis. Section 404 of the Dodd-Frank Act created more transparency for this previously dark portion of the markets, by requiring advisers to hedge and private equity funds to report basic financial information relevant to systemic risk to the Securities and Exchange Commission (SEC). The experience of the 2008 crisis—where risks emerged from parts of the markets not being monitored by regulators—clearly demonstrates the importance of ensuring that regulators can track financial risks wherever they originate.

The Section 404 reporting requirements as implemented by the SEC are far from onerous. All advisers with below $150 million in assets under management are completely exempted, and advisers with up to $1.5 billion in assets under management must report only limited and basic information once per year. Advisers to large private equity funds are required to respond only once per year (advisers to other large funds report quarterly).

HR 1105 would exempt almost all private equity fund advisers from reporting requirements to the Securities and Exchange Commission. The sole requirement for the exemption is that the fund must not have outstanding borrowings that exceed twice the fund's invested capital. But this requirement places little if any real limitation on the exemption, since the great majority of borrowing connected with private equity activity is conducted through portfolio companies, not at the fund level. (That is, companies owned by private equity funds borrow large amounts as the direction of the fund, but the fund itself rarely borrows a great deal).

It is particularly distressing that Congress would consider granting this exemption at a time when concern is growing among regulators and market observers about risks created by a possible bubble in the leveraged loan market, which is dominated by loans sponsored by private equity firms. Several warnings have been issued recently by regulators concerning the risks being created in these markets. As Moody's investor's service has stated:

''Private equity firms have been exploiting investors'' willingness to lend to speculative-grade companies . . . Higher yields are drawing investors to riskier structures at a time when interest rates remain at historical lows.''

Since leveraged loans are also being sold to small retail investors, a bubble could impact both the stability of the broader financial system and the retirement savings of retail investors. The situation in the leveraged loan market clearly demonstrates the connection between private equity activity and important risks to financial stability and to investors.

An additional source of concern is the danger that the exemption granted in HR 1105 could too easily be exploited to reach beyond private equity firms alone. The distinction between a hedge fund and a private equity fund is not a formal legal distinction, it is simply a differentiation between general investment strategies. While HR 1105 grants the SEC the ability to define more precisely what a private equity fund is, if that definition is at all overbroad then it could be taken advantage of by a wide range of hedge funds in order to avoid oversight.

Private equity funds already receive significant subsidies through the tax system, as they are major beneficiaries of the favorable treatment for 'carried interest', as well as the general tax subsidy to debt costs. It is totally inappropriate to also grant such funds a blanket exemption from even the limited and basic Dodd-Frank regulatory reporting requirements. Such a blanket exemption would make it more difficult for regulators to monitor systemic risk and risks to investors, solely in order to exempt wealthy managers of large private equity funds from a minor administrative task. HR 1105 should be rejected.

Thank you for your consideration. For more information please contact AFR's Policy Director, Marcus Stanley.

Sincerely,

AMERICANS FOR FINANCIAL REFORM.

FOLLOWING ARE THE PARTNERS OF AMERICANS FOR FINANCIAL REFORM

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.;

A New Way Forward; AFL–CIO; AFSCME; Alliance For Justice; American Income Life Insurance; American Sustainable Business Council; Americans for Democratic Action, Inc; Americans United for Change; Campaign for America's Future; Campaign Money; Center for Digital Democracy; Center for Economic and Policy Research; Center for Economic Progress; Center for Media and Democracy; Center for Responsible Lending; Center for Justice and Democracy.

Center of Concern; Center for Effective Government; Change to Win; Clean Yield Asset Management; Coastal Enterprises Inc.; Color of Change; Common Cause; Communications Workers of America; Community Development Transportation Lending Services; Consumer Action; Consumer Association Council; Consumers for Auto Safety and Reliability; Consumer Federation of America; Consumer Watchdog; Consumers Union.

Corporation for Enterprise Development; CREDO Mobile; CTW Investment Group; Demos; Economic Policy Institute; Essential Action; Greenlining Institute; Good Business International; HNMA Funding Company; Home Actions; Housing Counseling Services; Home Defender's League; Information Press; Institute for Global Communications; Institute for Policy Studies: Global Economy Project.

International Brotherhood of Teamsters; Institute of Women's Policy Research; Krull & Company; Laborers' International Union of North America; Lawyers' Committee for Civil Rights Under Law; Main Street Alliance; Move On; NAACP; NASCAT; National Association of Consumer Advocates; National Association of Neighborhoods; National Community Reinvestment Coalition; National Consumer Law Center (on behalf of its low-income clients); National Consumers League; National Council of La Raza.

National Council of Women's Organizations; National Fair Housing Alliance; National Federation of Community Development Credit Unions; National Housing Resource Center; National Housing Trust; National Housing Trust Community Development Fund; National NeighborWorks Association; National Nurses United; National People's Action; National Urban League; Next Step; OpenTheGovernment.org; Opportunity Finance Network; Partners for the Common Good; PICO National Network.

Progress Now Action; Progressive States Network; Poverty and Race Research Action Council; Public Citizen; Sargent Shriver Center on Poverty Law; SEIU; State Voices; Taxpayer's for Common Sense; The Association for Housing and Neighborhood Development; The Fuel Savers Club; The Leadership Conference on Civil and Human Rights; The Seminal; TICAS; U.S. Public Interest Research Group; UNITE HERE.

United Food and Commercial Workers; United States Student Association; USAction; Veris Wealth Partners; Western States Center; We the People Now; Woodstock Institute; World Privacy Forum; UNET; Union Plus; Unitarian Universalist for a Just Economic Community.

LIST OF STATE AND LOCAL AFFILIATES

Alaska PIRG; Arizona PIRG; Arizona Advocacy Network; Arizonans For Responsible Lending; Association for Neighborhood and Housing Development NY; Audubon Partnership for Economic Development LDC, New York NY; BAC Funding Consortium Inc., Miami FL; Beech Capital Venture Corporation, Philadelphia PA; California PIRG; California Reinvestment Coalition; Century Housing Corporation, Culver City CA; CHANGER NY; Chautauqua Home Rehabilitation and Improvement Corporation (NY); Chicago Community Loan Fund, Chicago IL.

Chicago Community Ventures, Chicago IL; Chicago Consumer Coalition; Citizen Potawatomi CDC, Shawnee OK; Colorado PIRG; Coalition on Homeless Housing in Ohio; Community Capital Fund, Bridgeport CT; Community Capital of Maryland, Baltimore MD; Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ; Community Redevelopment Loan and Investment Fund, Atlanta GA; Community Reinvestment Association of North Carolina; Community Resource Group, Fayetteville A; Connecticut PIRG; Consumer Assistance Council; Cooper Square Committee (NYC).

Cooperative Fund of New England, Wilmington NC; Corporacion de Desarrollo Economico de Ceiba, Ceiba PR; Delta Foundation, Inc., Greenville MS; Economic Opportunity Fund (EOF), Philadelphia PA; Empire Justice Center NY; Empowering and Strengthening Ohio's People (ESOP), Cleveland OH; Enterprises, Inc., Berea KY; Fair Housing Contact Service OH; Federation of Appalachian Housing; Fitness and Praise Youth Development, Inc., Baton Rouge LA; Florida Consumer Action Network; Florida PIRG; Funding Partners for Housing Solutions, Ft. Collins CO; Georgia PIRG.

Grow Iowa Foundation, Greenfield IA; Homewise, Inc., Santa Fe NM; Idaho Nevada CDFI, Pocatello ID; Idaho Chapter, National Association of Social Workers; Illinois PIRG; Impact Capital, Seattle WA; Indiana PIRG; Iowa PIRG; Iowa Citizens for Community Improvement; JobStart Chautauqua, Inc., Mayville NY; La Casa Federal Credit Union, Newark NJ; Low Income Investment Fund, San Francisco CA; Long Island Housing Services NY; MaineStream Finance, Bangor ME.

Maryland PIRG; Massachusetts Consumers' Coalition; MASSPIRG; Massachusetts Fair Housing Center; Michigan PIRG; Midland Community Development Corporation, Midland TX; Midwest Minnesota Community Development Corporation, Detroit Lakes MN; Mile High Community Loan Fund, Denver CO; Missouri PIRG; Mortgage Recovery Service Center of L.A.; Montana Community Development Corporation, Missoula MT; Montana PIRG; Neighborhood Economic Development Advocacy Project; New Hampshire PIRG.

New Jersey Community Capital, Trenton NJ; New Jersey Citizen Action; New Jersey PIRG; New Mexico PIRG; New York PIRG; New York City Aids Housing Network; New Yorkers for Responsible Lending; NOAH Community Development Fund, Inc., Boston MA; Nonprofit Finance Fund, New York NY; Nonprofits Assistance Fund, Minneapolis M;

North Carolina PIRG; Northside Community Development Fund, Pittsburgh PA; Ohio Capital Corporation for Housing, Columbus OH; Ohio PIRG.

OligarchyUSA; Oregon State PIRG; Our Oregon; PennPIRG; Piedmont Housing Alliance, Charlottesville VA; Michigan PIRG; Rocky Mountain Peace and Justice Center, CO; Rhode Island PIRG; Rural Community Assistance Corporation, West Sacramento CA; Rural Organizing Project OR; San Francisco Municipal Transportation Authority; Seattle Economic Development Fund; Community Capital Development; TexPIRG.

The Fair Housing Council of Central New York; The Loan Fund, Albuquerque NM; Third Reconstruction Institute NC; Vermont PIRG; Village Capital Corporation, Cleveland OH; Virginia Citizens Consumer Council; Virginia Poverty Law Center; War on Poverty—Florida; WashPIRG; Westchester Residential Opportunities Inc.; Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI; WISPIRG.

SMALL BUSINESSES

Blu; Bowden-Gill Environmental; Community MedPAC; Diversified Environmental Planning; Hayden & Craig, PLLC; Mid City Animal Hospital, Pheonix AZ; The Holographic Repatteming Institute at Austin; UNETO.

COUNCIL OF INSTITUTIONAL INVESTORS,
Washington, DC, December 3, 2013.

Hon. JOHN BOEHNER,
Speaker of the House, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
House Minority Leader, House of Representatives, Washington, DC.

DEAR MR. SPEAKER AND MINORITY LEADER PELOSI: I am writing on behalf of the Council of Institutional Investors (Council), a nonprofit association of corporate, union, and public pension funds, foundations, and endowments, with combined assets that exceed $3 trillion. Most member funds are major shareowner with a duty to protect the retirement assets of millions of American workers. Significantly affected by the financial crisis, Council member funds have a strong interest in meaningful regulatory reform.

The purpose of this letter is to share with you the Council's views on The Small Business Capital Access and Job Preservation Act (H.R. 1105) that the House of Representatives is scheduled to consider in open session tomorrow, December 4, 2013. Our views are in part informed by the findings of the Investors' Working Group (IWG). The IWG was an independent nonpartisan commission of industry experts sponsored in 2009 by the CFA Institute and the Council to provide an investor perspective on ways to improve U.S. financial system regulation. As you may be aware, many of the IWG's findings and recommendations were adopted by the 111th Congress during the development of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

The Council opposes the Small Business Capital Access and Job Preservation Act. We strongly believe that all private equity advisors available to U.S. investors should be subject to oversight and registration with the Securities and Exchange Commission (SEC), and we concur with SEC Chairman White's letter to the House Financial Services Committee leadership in that ''our markets would not be well-served'' by such a decrease in the SEC's authority.

Private equity funds play a significant role in the economy as a source of capital, as an investment vehicle, and as a growing job provider. However, prior to the Dodd-Frank Act many private equity fund advisors operated unchecked—exempt from regulation, compliance examinations, disclosure requirements, and unencumbered by leverage limits.

By requiring private equity fund advisors to register with the SEC and abide by disclosure requirements, the Dodd-Frank Act adds a meaningful layer of protection for investors. Registration ensures that investors have access to basic information about the adviser's compensation, disciplinary history, and investment strategies; it safeguards against the possibility for an advisor's conflict of interest; it ensures that advisers establish formal compliance programs and act in the best interests of their clients; and it allows the SEC to collect data and examine advisers for compliance weaknesses and potential fraud. By eliminating the registration and reporting requirements on private fund advisors, H.R. 1105 would deny investors in private equity funds these important protections, and it would restrict the SEC from garnering regulatory information critical for assessing systemic risk in a comprehensive manner.

Furthermore, H.R. 1105 does not define what constitutes a ''private equity fund,'' but instead requires the SEC to develop specific parameters for an otherwise ambiguous asset class within a mere six months of passage. We believe it may be imprudent to exempt a broad asset class without first understanding the boundaries of such an exemption, especially considering the notion widely held by many industry experts that ''there is no fundamental legal distinction between private equity funds, hedge funds and venture capital funds . . . there is no telling how broad or narrow [the SEC's] definition will be.''

Finally, we note that the Dodd-Frank Act also creates a special exemption from SEC registration for venture capital funds under $150 million. H.R. 1105 attempts to create a similar exemption for private equity funds, yet the Bill fails to include size limits akin to those in place for venture capital funds. It is similarly imprudent to exempt large private equity funds from the protections typically afforded to investors via SEC registration.

Thank you for considering our members' views in connection with this critical financial regulatory issue. We look forward to continuing to work with you to restore confidence in our economy by improving the transparency and oversight of the U.S. financial system.

If you have any questions, or would like additional information regarding our views please feel free to contact me. Additionally, General Counsel Jeff Mahoney is available.

Sincerely,

JORDAN LOFARO.

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
Washington, DC, December 4, 2013.

Re The Small Business Capital Access and Job Preservation Act (H.R. 1105).

Hon. JOHN BOEHNER,
Speaker, House of Representatives, The Capitol, Washington, DC.

Hon. NANCY PELOSI,
Minority Leader, House of Representatives, The Capitol, Washington, DC.

DEAR SPEAKER BOEHNER AND LEADER PELOSI: On behalf of the North American Securities Administrators Association (NASAA), I'm writing to reiterate concerns the association previously expressed regarding H.R. 1105, the ''Small Business Capital Access and Job Preservation Act,'' which the House is scheduled to consider later this week.

Prior to enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), investment advisers to private funds with fewer than 15 clients were not required to register with the U.S. Securities and Exchange Commission (SEC) and precious little was known about the capital market activities of these funds and other shadow banking actors.

Title IV of the Dodd-Frank Act closed this regulatory gap by requiring nearly all advisers to private funds with more than $150 million in regulatory assets under management (RAUM) within the United States to register with the SEC. Advisers to private funds with less than $150 million in RAUM were exempted from SEC registration but required to report basic data and risk metrics on a confidential basis. The SEC finalized the rules to implement the registration and reporting requirements in November 2011 and, for the two years since, advisers to private funds have been subject to the regulatory oversight of the SEC.

Private fund advisers wishing to return to the shadows of the unregulated financial services industry have argued that the new registration and reporting requirements are burdensome and provide little benefit in monitoring systemic risk within our financial markets. While any regulation entails some measure of cost, the costs in this context are specifically scaled to the size of the adviser-limited, basic disclosure on the Form ADV for exempt reporting advisers and scaled-down disclosure on the Form PF for certain registered private equity fund advisers. Only private fund advisers managing at least a billion dollars in specific asset class funds are required to complete the more detailed sections of Form PF. For those large firms handling billions of dollars, which is the case for approximately a third of all private equity funds, cost arguments become specious at best.

In terms of systemic risk, private equity fund advisers reported managing approximately $1.6 trillion as of May 2013. While individual fund outcomes are not expected to cause catastrophic loss, most would agree the market as a whole is sizeable enough to warrant some oversight. Those in doubt should consider a number of recent SEC enforcement actions that illustrate the kinds of misconduct that were occurring in the unregulated private equity space prior to the SEC oversight before taking any steps to cloak that market in darkness once more.

Investor confidence in our markets is strengthened through prudent regulations that bring transparency to the marketplace and promote accountability. Any concerns regarding the structure or costs associated with the SEC's regulation of advisers to private equity firms is best addressed to the SEC in rulemaking that can adjust the reporting, registration, and examination requirements accordingly.

For the reasons advanced previously and set forth above, we respectfully urge you to oppose H.R. 1105 in its present form. Should you have any questions, please feel free to contact me or Michael Canning, NASAA's Director of Policy.

Sincerely,

RUSS IUCULANO,
NASAA Executive Director.

STATEMENT OF ADMINISTRATION POLICY

H.R. 1105—SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

(Rep. Hurt, R–VA, and 12 cosponsors, Dec. 3, 2013)

The Administration strongly opposes passage of H.R. 1105, which would amend the Investment Advisers Act of 1940 to exempt nearly all private equity fund advisers from registration. The legislation effectively provides a blanket registration and reporting

exemption for private equity funds, undermining advances in investor protection and regulatory oversight implemented by the Securities and Exchange Commission (SEC) under Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform).

The Administration is committed to building a safer, more stable financial system. H.R. 1105 represents a step backwards from the progress made to date, given that private equity fund advisers have been filing reports with the SEC for over a year. The bill's passage would deny investors access to important information intended to increase transparency and accountability and to minimize conflicts of interest. Moreover, H.R. 1105 would exempt private equity funds from the disclosure requirements that the Congress laid out in Wall Street Reform to allow regulators to assess potential systemic risks.

Private equity funds are already subject to less stringent reporting requirements compared to other types of private funds and to an annual, rather than quarterly, filing requirement. In addition, private fund advisers with under $150 million in assets under management are exempted from registration and subject only to recordkeeping and reporting requirements.

If the President were presented with H.R. 1105, his senior advisors would recommend that he veto the bill.

Mr. HENSARLING. Mr. Speaker, I am very pleased now to yield 1 minute to the gentleman from Tennessee (Mr. FINCHER).

Mr. FINCHER. I thank the chairman for yielding.

Mr. Speaker, strong job creation is the foundation for a healthy economy, while overregulation kills jobs. Private equity provides much-needed capital and better investment returns to pension plans, university endowments, charitable foundations, and other investors than if they simply deposited their money in a bank. The various forms of capital provided by private equity in our economy result in more resources for companies to operate their firms, expand their facilities, and create more jobs.

H.R. 1105, sponsored by my good friend from Virginia (Mr. HURT), would help expand private equity by relieving certain advisers' private equity funds from the burdensome and unnecessary process of registering with the SEC. This bill would simply allow advisers and private equity firms to do what they do best: invest in promising companies in order to help them expand and create more jobs.

Let's support job growth in this country by voting in favor of H.R. 1105.

Mr. LYNCH. Mr. Speaker, could I ask how much time remains on each side.

The SPEAKER pro tempore. The gentleman from Massachusetts has 7¾ minutes remaining, and the gentleman from Texas has 7½ minutes remaining.

Mr. LYNCH. I yield 2 minutes to the gentlelady from New York (Mrs. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. I thank the gentleman for yielding.

Mr. Speaker, I would like to remind my colleagues that we are still recovering from a massive financial crisis that cost this country $16 trillion, and I would venture to say that we should be more focused on protecting investors, not removing investor protections. And I would say that all investors deserve to be protected—sophisticated investors, retail investors, pension investors. All investors should be protected, which is why the Obama administration has come out so strongly in opposition to the underlying bill and why the Securities and Exchange Commission, whose mission is to protect investors, is so adamantly, strongly opposed to this bill.

Now, I am sympathetic to the point that my colleagues have raised on the other side of the aisle and on this side of the aisle that some of the reporting and registration requirements are onerous. So let's address that. Let's direct the SEC to come forward with simplified forms, to do it quickly, within 6 months. Let's save money. Let's simplify the process. But let's not remove important investors' protections, such as the fiduciary duty to act in the client's best interest. What is wrong with that? I think that is a moral responsibility, such as the obligation to disclose conflicts of interest.

Now, that is not onerous. How difficult is it to say, yes or no, I have not had any conflict of interest? Or if you are advising your client to invest in your business, then disclose your conflict of interest. What is so onerous about that? That is not onerous. That is easy.

And what is wrong with the obligation to disclose fees? Everyone talks about transparency. That is why we are opposing this bill. We want it to be transparent, and we want to protect investors.

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

Mr. LYNCH. I yield the gentlewoman an additional 1 minute.

Mrs. CAROLYN B. MALONEY of New York. I feel that there are many ways that we could address this that would come forward with a strong piece of legislation that President Obama could sign into law. Instead, he has got a lot of ink in his veto pen, and he has said right out front that he would veto this bill.

Now, if they want to simplify disclosure and registration requirements, then let's do that. Let's require the SEC to come forward with it. Let's simplify the process and save the cost for small businesses. We want to save that cost.

Honest private equity firms have grown jobs in this country, and it is important to grow jobs. It is important to support them in every single way. But removing all investor protections, according to the Obama administration, would literally assault the safety and soundness and the strong financial security that we are trying to build in this country.

What is wrong with protecting investors? That is what we are saying. I have an amendment which would do just that, protect the investors but simplify the forms and maintain the cost.

If their goal is to save money for the small firms, then let's do that, but let's not erase very important investor protections in the process.

Mr. HENSARLING. Mr. Speaker, I yield myself 1 minute.

Again, I want to address the gentleman from Massachusetts who, again, I believe, sets up a straw man only to knock it down.

I would urge all Members to actually read the bill. I know that many of my Democratic colleagues now have buyer's remorse from not reading the 2,000-page ObamaCare bill, but, Mr. Speaker, this is a two-page bill, 36 lines.

And I would say to my friend, the gentleman from Massachusetts, that on page 2, that the SEC can ''require investment advisers described in paragraph (1) to maintain such records and provide to the Commission such annual or other reports as the Commission taking into account fund size, governance, investment strategy, risk, and other factors, as the Commission determines necessary.''

So to make the assertion that these records of foul play could never exist is simply not true.

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

Mr. HENSARLING. I yield myself an additional 30 seconds.

I would say to my friend, the gentlelady from New York who made the assertion that the SEC is opposed to this bill, that the SEC has not opposed this bill. One member, Mary Jo White, has issued an opinion that she does not support the legislation, but the SEC has taken no official position.

With respect to a threatened veto, I don't recall that when my Democratic colleagues had the majority here that they refused to pass bills simply because President Bush threatened to veto. But I must admit, our committee has produced, I believe it is, at least 10 or 11 bipartisan bills which all received veto threats from a President who says he wants to work on a bipartisan basis. This is most regrettable.

Mr. LYNCH. I yield myself 2 minutes.

Mr. Speaker, I would now like to enter into the RECORD statements from the following organizations which all oppose H.R. 1105: the AFL–CIO, California Public Employees' Retirement System, and North American Securities Administrators Association.

And regarding reading the bill, I certainly did read the bill, and my point is that the bill does not require public disclosure of those matters, as the gentleman points out. It just goes to the Commission. So it doesn't go to the public. The public doesn't get the information. It stays within the custody of the Commission.

Mr. HENSARLING. Will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Texas.

Mr. HENSARLING. By definition, it is private equity. It is not a public fund.

Mr. LYNCH. Reclaiming my time, that is right. But those are public investors. They are the ones that need the information.

Mr. Speaker, I yield the balance of my time to the gentlelady from California (Ms. WATERS), our ranking member and a real champion of America's working families.

Legislative Proposals to Relieve the Red Tape Burden on Investors and Job Creators

UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON FINANCIAL SERVICES SUBCOMMITTEE ON CAPITAL MARKETS AND GOVERNMENT SPONSORED ENTERPRISES

(Statement of Anne Simpson Senior Portfolio Manager, Investments Director of Global Governance California Public Employees' Retirement System, May 23, 2013)

Chairman Garrett, Ranking Member Maloney, and Members of the Committee, on behalf of the California Public Employees' Retirement System (CalPERS), we thank you for convening this hearing. CalPERS is pleased to submit testimony for the record to reassert our strong support for efficient and effective financial regulation, as enacted by the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank'').

This statement includes a brief overview of CalPERS, including how we benefit from effective financial markets regulation and the role that shareowner rights and corporate governance play in building investor confidence. It also includes a discussion of our views on HR 1135, HR 1105, and HR 1564.

SOME BACKGROUND ON CALPERS

CalPERS is the largest public pension fund in the United States with approximately $266 billion in global assets and equity holdings in over 9,000 companies. CalPERS pays out over $14 billion annually in retirement benefits to more than 1.6 million public employees, retirees, their families and beneficiaries. This is not only an important source of daily income for those individuals; it also provides a positive economic multiplier to the local economy. We fully understand the virtuous circle between savings, investment and economic growth. That is at the heart of the CalPERS agenda.

As a significant institutional investor with a long-term investment time horizon, CalPERS fundamentally relies upon the integrity and efficiency of the capital markets. For every dollar that we pay in benefits to our members, 64 cents are generated by investment returns. The financial crisis hit us hard with $70 billion wiped from CalPERS assets. While we are pleased that we have been able to recover these losses over the last several years, we simply cannot afford another drawdown on our fund.

We rely upon the safety and soundness of capital markets, and more broadly, sustainable economic growth, to provide the long term returns that allow us to meet our liabilities. However, there is still much to be done to bring about smart regulation.

In our view, smart regulation should be structured as follows:

First, regulation needs to be complete and coordinated. Innovation in financial markets has led to the development of new financial instruments and pools. Regulation needs to keep pace with financial innovation and the attendant risks in order to be relevant. (Derivatives are an example of that innovation, but it is innovation that has been outside the reach of regulation historically.)

Second, regulation needs to allow market players to exercise their proper role and responsibilities. Capitalism was designed to allow the providers of finance a market role in allocating investment, and then holding boards accountable for their stewardship of those funds. This is why shareowner rights are vital to the functioning of markets, including the ability of investors to propose candidates to boards of directors (known in short as 'proxy access') and to remove directors who fail.

Third, regulation needs to ensure transparency, so that markets can play their vital role in pricing risk. Timely, relevant and reliable information is the currency of risk management. Those agencies which have a role in channeling that information need to be fit for that purpose. (Credit ratings agencies were found wanting in this regard.)

Fourth, regulation needs to address conflicts of interest and perverse incentives which can undermine the market's ability to allocate capital effectively. (Short term, risk-free compensation for executives has fueled poor decision taking, as one example of this).

Fifth, regulation needs to ensure it does not prevent institutional investors from financing legitimate strategies, and taking advantage of new opportunities. Regulation is not there to prevent risk taking, it is there to ensure that risks are disclosed, and can be managed.

Finally, regulation needs to be proportionate. For CalPERS, we balance the additional costs that are required with the potential for financial ruin. To those who question whether we can afford to invest in smart regulation, we reply, how can we afford not to? The financial crisis dealt a crippling blow to many investors, and the underlying sub-prime mortgage scandal triggered widespread loss for ordinary people throughout the country. The devastating impact on the real economy is still with us. The costs of regulation need to be weighed against this loss.

We see smart regulation as an investment in safety and soundness of financial markets which generate the vast bulk of the returns to our fund. Smart regulation is an investment in the effective functioning of capital markets, which is critical not just to our fund, but to the recovery of the wider economy.

H.R. 1135

It is widely acknowledged that the 2008 financial crisis represented a massive failure of oversight. Too many CEOs pursued excessively risky strategies or investments that bankrupted their companies or weakened them financially for years to come. Boards of directors were often complacent, failing to challenge or rein in reckless senior executives who threw caution to the wind. And too many boards approved executive compensation plans that rewarded excessive risk taking.

Accountability is critical to motivating people to do a better job in any organization or activity. An effective board of directors can help every business understand and control its risks, thereby encouraging safety and stability in our financial system and reducing the pressure on regulators, who, even if adequately funded, will be unlikely to find and correct every problem. Unfortunately, long-standing inadequacies in investor protection have limited shareowners' ability to hold boards accountable.

Fortunately, Dodd-Frank contains a number of reforms that when fully implemented and effectively enforced will provide long-term investors like CalPERS with better tools, including better information, to hold directors more accountable going forward. These included a provision that requires additional disclosure involving the ratio between the CEO's total compensation and the median total compensation for all the other company employees. To be clear, section 953(b) as currently enacted is unartful and its critics properly identify a number of potential ambiguities. However, we strongly support the spirit of the disclosure and believe that the SEC has the regulatory flexibility to provide companies with guidance on how to comply with this section.

However, if Congress believes the SEC is unable to implement section 953(b) as currently written, we would encourage Congress to amend the section and retain the requirement. HR 1135 seeks only to repeal this requirement and for the reasons discussed above, we would strongly discourage the committee from advancing this bill.

H.R. 1105

Prior to the enactment of Dodd-Frank, we testified that the fundamental risk posed by private pools of capital is that they can choose to operate outside the regulatory structure of the United States. CalPERS Chief Investment Officer Joe Dear warned the Senate Securities Subcommittee of the overall risks to the financial system ''when these entities operate in the shadows of the financial system'' and when ''regulatory authorities lack basic information about exposures, leverage ratios, counterparty risks and other information.'' Less than three years after the enactment of Dodd-Frank, these risks have been mitigated by the requirement for private fund advisors to register and be subject to reasonable regulation.

Although HR 1105 would only exempt funds with low leverage ratios, it would constitute a large step away from the comprehensive regulation of market participants that Dodd-Frank sought to impose. Dodd-Frank has already provided small private fund advisors an exemption to registration and regulation, and we believe it is therefore unnecessary for large, albeit unleveraged, fund advisors.

H.R. 1564

The issues surrounding auditor independence and audit firm rotation are of great importance to CalPERS.

Clearly, auditors play a vital role in the integrity of financial reporting and the efficiency of the capital markets. As a long-term investor, and a strong advocate of reform we believe independence of an auditor is critical to investor confidence and the stability and effective functioning of the capital markets. It is the important role of auditors that brings standardization and discipline to corporate accounting which in turn enhances investor confidence.

CalPERS Global Principles of Accountable Corporate Governance (Principles) highlight the importance of auditor independence requiring audit committees to assess the independence of their external auditor on an annual basis. Also, as part of the engagement we recommend that audit committees require written disclosure from the external auditor of:

all relationships between the registered public accounting firm or any affiliates of the firm and the potential audit clients or persons in a financial reporting oversight role that may have a bearing on independence;

the potential effects of these relationships on the independence in both appearance and fact of the registered public accounting firm; and

the substance of the registered accounting firm's discussion with the audit committee.

CalPERS expressly supported mandatory rotation in the wake of the scandals which led to the Sarbanes-Oxley Act of 2002. CalPERS communicated its view to the European Parliament Committee on Legal Affairs, that ''mandatory auditor rotation is an effective means of increasing auditor independence''. CalPERS Principles state that

''Audit Committees should promote the rotation of the auditor to ensure a fresh perspective and review of the financial reporting framework.''

We believe that audit committees should endorse expanding the pool of auditors for the annual audit to help improve market competition and minimize the concentration of audit firms from which to engage for audit services. We support audit committees having the ability to determine audit independence by requiring auditors to provide 3 prior years of activities, relationships and services (including tax services) with the company, affiliate of the company and persons in financial reporting oversight roles that may impact the independence of the audit firm.

Additionally, we would note that the Public Company Accounting Oversight Board's (PCAOB) Investor Advisory Group (IAG), of which I am a member, urged the agency to consider firm rotation in the context of lessons learned from the financial crisis. The PCAOB IAG indicated that the purpose of an audit is to provide confidence to investors that an independent set of eyes have looked at the numbers reported by management and objectively without bias determined they can indeed be relied upon. If investors' confidence in this process is diminished or lost, the benefits of the audit and its costs may be questioned.

Over the last two years, the PCAOB has thoughtfully reviewed auditor independence and mandatory rotation, holding a series of roundtables on the issues. We note the issue of mandatory rotation has been addressed by the European Commission (EC). The EC has voted to draft law to open up the European Union audit services market and improve audit quality and transparency including mandatory rotation of the auditor whereby an auditor may inspect a company's books for a maximum of 14 years. We believe that it is essential and beneficial for the PCAOB to collaborate with non-U.S. regulators and standard-setters on this matter.

Ultimately, we believe that audit committees are in the best position to select the auditor. However, we are strong supporters of the PCAOB and have faith in their thoughtful approach to the regulation of the audit profession. If they ultimately conclude that mandatory rotation is appropriate, we will support this judgment consistent with our support for the position taken by the EC. Accordingly, because HR 1564 would eliminate the PCAOB's discretion in this area, we cannot support the measure.

REGULATORY AGENCY FUNDING

Finally, although the hearing has not focused directly on the funding for the SEC, we would be remiss if we didn't highlight the vital role of the SEC and PCAOB in fostering capital formation and protecting investors in financial markets. CalPERS has long recognized that for financial regulators to achieve their stated objectives, they must be well-managed, well-staffed and that means they must be well-funded. Rules without enforcement are little better than useless. In 2001, CalPERS testified in support of legislation that would put SEC staff salaries on par with other financial regulators and was pleased that pay-parity provisions were enacted into law that year. More recently, we called for lawmakers to provide the SEC and U.S. Commodity Futures Trading Commission (CFTC) with stable, independent funding. Although no such mechanisms were included in Dodd-Frank, it remains imperative that the SEC and CFTC be given sufficient resources to effectively police the U.S. capital and futures markets.

We believe the SEC FY2014 funding request reflects the importance of their traditional core responsibility, as well as the new authority granted it in Dodd-Frank, and we urge you to support their funding requests.

Thank you in advance for considering the views of a long-term investor like CalPERS when you decide on how to proceed with these important issues.

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
Washington, DC, June 18, 2013.

Re H.R. 1105, the Small Business Capital and Job Preservation Act.

Hon. JEB HENSARLING,
Chairman, House Committee on Financial Services, Rayburn House Office Building, Washington DC.

Hon. MAXINE WATERS,
Ranking Member, House Committee on Financial Services, Rayburn House Office Building, Washington DC.

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: On behalf of the North American Securities Administrators Association (NASAA), I'm writing to express concerns with H.R. 1105, the Small Business Capital and Job Preservation Act. NASAA appreciates and shares the desire of the Committee to facilitate job creation. Investor confidence in our markets is strengthened through efforts that are designed to bring transparency to the marketplace and promote accountability. Unfortunately, H.R. 1105 could frustrate this goal by establishing an exemption from the registration requirements in federal law designed to promote transparency and accountability. Moreover, while NASAA considers the inclusion of fund leverage limits in the bill to be an improvement, we believe Congress would be remiss to ignore the question of the size of funds, in terms of assets, in making determinations about which private equity firms should be subject to the registration exemption.

The Dodd-Frank Act provided exemptions for advisers who solely advise ''venture capital funds'' as defined by the SEC and for advisers who solely advise private funds and have assets under management in the United States of less than $150 million; however, in each case such exempted advisers remain subject to SEC recordkeeping and reporting requirements. H.R. 1105 would insert an additional exemption for private equity fund advisers from registration or reporting requirements. Unlike the exemptions contained in Dodd-Frank, H.R. 1105 does not limit the exemption to advisers solely to private funds nor does it contain a cap that would limit the exemption to smaller advisers.

Furthermore, at least two fundamental components of the proposed legislation are so vague that they undermine any benefits the bill purports to confer on small business.

First, the bill is unclear as to what, if any, reporting requirements are required for private equity fund advisers. Section 2 provides that an adviser to a ''private equity fund,'' regardless of assets under management, would be exempt from both registration and reporting requirements. This proposed exemption from all registration and reporting requirements would seem to run contrary to the basic and obvious interest of investors in private equity funds, since registration under the Investment Advisers Act serves to protect investors from conflicts of interest and other risks associated with entrusting their assets to advisers. The exemption would to have the unintended consequence of depriving the SEC of important regulatory information critical for assessing systemic risk and protecting investors. The registration regimes long in place for advisers, and recently the reporting regimes established under Dodd-Frank for certain private fund advisers, are designed to help insure that regulators and investors have access to important information. The inclusion of fund leverage limits in the bill attenuate NASAA's concerns with respect to systemic risk, and we understand that private equity funds were not a catalyst of the financial crisis of 2008; however, this information is nevertheless critical to regulators and investors alike. Specifically, regulators use the information to measure risk and assess compliance; investors use the information to guide choices in picking advisers and understanding their operations.

Second, even if the language in H. R. 1105 were clarified, the legislation would remain significantly ambiguous as to the type and size of adviser to which it would apply. This is because the legislation does not define ''private equity fund'' but rather delegates this task to the SEC, which would be given six months to promulgate rules necessary to establish the record keeping and reporting obligations of these advisers. Though the bill appears to treat advisers to ''private equity funds'' similar to advisers to venture capital funds for the purposes of exemption, it fails to include the limits currently applicable to the exemption for advisers to venture capital funds. Without more specificity and a clear definition of what constitutes a ''private equity fund'', it is unknown what types of entities are covered by the exemption. This is problematic because without statutory clarification of the universe of ''private equity,'' any assessment of risk to financial stability posed by such capital investment would be invalid. Moreover, it seems unwise to establish an exemption before defining what is covered by the exemption; as AFL–CIO Policy Director Damon Silver testified to the Committee on May 23rd:

''There is no fundamental legal distinction between private equity funds, hedge funds and venture capital funds. These are terms that describe broad investment strategies, not legal structures. So the bill directs the SEC to define what a private equity fund is. And there is no telling how broad or narrow, or gameable, such a definition will be.''

Moreover, the enactment of the JOBS Act and the removal of the long-standing prohibition on general solicitation and advertising in Regulation D, Rule 506 offerings reinforces NASAA's belief that, as a general matter, the risk to investors and regulators that would accompany the exemptions contemplated by H.R. 1105 far exceed the bill's potential benefits as a tool for capital formation and job creation.

Thank you for your consideration of these concerns. We look forward to working with you as these bills move through the legislative process. If you have questions, or if NASAA can be of assistance, please contact me or Michael Canning, NASAA's Director of Policy.

Sincerely,

A. HEATH ABSHURE,
NASAA President and Arkansas Securities Commissioner.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, June 19, 2013.

LEGISLATIVE ALERT

Hon. JEB HENSARLING,
Chairman, House Financial Services Committee, Rayburn House Office Building, Washington, DC.

Hon. MAXINE WATERS,
Ranking Minority Member, House Financial Services Committee, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HENSARLING AND RANKING MINORITY MEMBER WATERS: The AFL–CIO, a labor federation of 57 unions representing 12 million working men and women with over

$4 trillion in assets in benefit plans, opposes the Small Business Capital Access and Job Preservation Act (H.R. 1105); the Burdensome Data Collection Relief Act (H.R. 1135); the Audit Integrity and Job Protection Act (H.R. 1564); and the Retail Investor Protection Act (H.R. 2374) scheduled for markup in committee this week. The AFL–CIO testified in May before this Committee in opposition to these bills and we reiterate, in brief, below our continued opposition. This package of bills is a clear indication that some in Congress have every intention to take us down the road of deregulation, yet again.

Since 1980, the United States has gone through several cycles of financial deregulation. The first of these episodes led to the savings and loan fiasco of the early 1990's, the second to the tech bubble collapse in 2000 and the wave of corporate scandals and bankruptcies that began with Enron in 2001. And the third, and by far the most devastating, was the residential real estate bubble driven by a deregulated banking sector through the use of mortgage backed securities, and the subsequent collapse of that bubble starting in 2007. Surely members of the Committee don't want to be associated with arguably the next and fourth devastating round of deregulation.

''THE SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT.'' (H.R. 1105)

Despite its title, H.R. 1105 has nothing to do with small business and everything to do with ensuring some of the richest and most powerful, and most tax subsidized, Wall Street firms are allowed to continue to operate, and build up system-wide leverage, in secret. Specifically, H.R. 1105 would exempt all private equity fund advisers from the registration and reporting requirements in the Dodd-Frank Act, unless each fund has outstanding borrowings that exceed two times the fund's invested capital commitments.

The impact of H.R. 1105 would be to prevent the SEC from collecting the information necessary to monitor a significant source of systemic risk. Section 404 of the Dodd-Frank Act gave the Securities and Exchange Commission (SEC) authority to establish recordkeeping and reporting requirements ''as necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk by the Financial Stability Oversight Council. H.R. 1105 would exempt private equity funds from this recordkeeping and reporting framework and direct the SEC to replace it with one that omits consideration of potential systemic risks and is exclusively for use by the SEC. The AFL–CIO continues to oppose any bill that weakens investor protections and increases systemic risk.

''THE BURDENSOME DATA COLLECTION RELIEF ACT'' (H.R. 1135)

H.R. 1135 seeks to keep secret the relationship between CEO pay and the median pay of other employees at public companies, by repealing section 953(b) of the Dodd-Frank Act, which requires such disclosure. It is a bill designed to hide material information from investors and boards which ultimately becomes detrimental in efforts to fight income inequality.

Investors have long had multiple concerns about CEO pay—starting with the raw numbers that come out of investors' 'pockets. Top executives at large public companies now keep for themselves an average of 10% of their companies' net profits, approximately double the rate in the early 1990s. The disclosure requirements of 953(b) would help reveal the true nature of disparities between CEO's and their employees enabling investors and boards to also consider and take action accordingly. As such, the AFL–CIO strongly opposes H.R. 1135 and the repeal of 953(b) disclosure requirements.

''THE AUDITOR INTEGRITY AND JOB PROTECTION ACT.'' (H.R. 1564)

H.R. 1564 seeks to prevent the Public Company Accounting Oversight Board (PCAOB) from placing limits on the length of time a public company can use the same audit firm, referred to as auditor rotation. H.R. 1564 amends Sarbanes-Oxley by adding a limitation on PCAOB authority which states, ''The Board shall have no authority under this title to require that audits conducted for a particular issuer in accordance with the standards set forth under this section be conducted by specific auditors, or that such audits be conducted for an issuer by different auditors on a rotating basis.''

H.R. 1564 both substantively weakens the ability of the PCAOB to play its role in protecting our economy against systemic risk, and it weakens the independence of auditor regulation. Both results are contrary to the public interest, and consequently the AFL–CIO opposes this bill.

''THE RETAIL INVESTOR PROTECTION ACT'' (H.R. 2374)

H.R. 2374 would require the SEC to identify whether the different standards of conduct that apply to broker-dealers and investment advisers result in harm to retail investors. In addition, the bill requires the SEC's Chief Economist to conduct a cost benefit analysis of such a change. make a formal finding that the rule would reduce investor confusion, and coordinate with other federal regulators. Finally, the bill would prohibit the SEC from proposing rules applicable to broker-dealers' standard of conduct without simultaneously proposing rules that would ''address any harm to retail customers resulting from differences in the registration, supervision, and examination requirements applicable to brokers, dealers, and investment advisers.''

H.R. 2374 suggests these changes despite the fact that the SEC is currently collecting data to support an economic analysis before any rulemaking is undertaken. The bill would significantly delay and perhaps derail these long overdue efforts of the SEC to raise the standard of conduct that applies to brokers when they give advice to retail investors and accordingly the AFL–CIO opposes H.R. 2374.

For the above reasons we urge you to vote against this cluster of bills that seek to undo much needed reforms enacted in the Dodd-Frank Act.

Sincerely,

WILLIAM SAMUEL,
Director Government Affairs Department.

CONSUMER FEDERATION OF AMERICA,
June 18, 2013.

Hon. JEB HENSARLING,
Chairman, Financial Services Committee, House of Representatives.

Hon. MAXINE WATERS,
Ranking Member, Financial Services Committee, House of Representatives.

DEAR CHAIRMAN HENSARLING, RANKING MEMBER WATERS AND MEMBERS OF THE COMMITTEE: The Financial Services Committee is scheduled to mark-up yet another set of bills this week that would weaken investor protection and undermine the transparency and integrity of our capital markets. I am writing on behalf of the Consumer Federation of America to urge you to oppose these bills. While CFA opposes each of the bills scheduled for mark-up for reasons described briefly below, our primary focus is the cynically titled ''Retail Investor Protection Act,'' which would undermine the ability of federal agencies to ensure that Americans receive appropriate protections in their dealings with financial/professionals who purport to offer investment advice.

OPPOSE BILL (H.R. 2374) TO UNDERMINE PROTECTIONS FOR VULNERABLE INVESTORS

H.R. 2374 launches a two-stage attack on federal regulators' attempts to improve protections for average, unsophisticated investors in their dealings with predatory and self-dealing investment professionals. First, it would throw new roadblocks in the way of the Securities and Exchange Commission (SEC) as it attempts to close a gaping regulatory loophole that permits broker-dealers to provide investment ''advice'' to retail investors that is not designed to serve the best interests of those investors. Second, it would inappropriately tie the ability of the Department of Labor (DOL) to update its fiduciary definition under ERISA to the SEC's successful completion of its separate rulemaking under the securities laws.

Over the years, brokers have been permitted to call themselves financial advisers and offer extensive advisory services without having to meet the best interest standard included as part of the fiduciary duty that applies to all other investment advisers. As a result, many investors are deceived into believing they are dealing with a trusted adviser when, in fact, they are dealing with a salesperson—a salesperson, moreover, who is free to put his or her own financial interests ahead of the interests of the investor and often receives financial incentives to encourage such practices. Investors who place their trust in these salesmen in advisers' clothing can end up paying excessively high costs for higher risk or poorly performing investments that satisfy a suitability standard, but not a fiduciary duty. That is money most middle income investors can ill afford to waste.

This legislation would make it more difficult for the SEC to address this problem by requiring further study of an issue that has already been studied extensively. Indeed, the SEC has been studying the issue of the standard of conduct that should apply to brokers' investment advice for over a decade. In the process, it has conducted focus group testing of disclosures designed (without success) to clarify the differing legal standards that apply to brokerage and advisory accounts, commissioned a comprehensive independent study intended to lay the foundation for further rulemaking, and conducted a staff study of the issues to be addressed by rulemaking. Over the years, the SEC has collected reams of comment from all interested parties with a stake in the issue, and it has recently issued an additional Request for Information to form the basis of a thorough economic analysis to accompany any rulemaking it might decide to undertake.

Clearly, the additional cost-benefit analysis requirements in H.R. 2374 are not designed to address any shortcomings in the SEC approach to economic analysis of this issue. Instead, their primary effect would be to create additional grounds for legal challenge by fringe industry groups that oppose any rulemaking that might force them to abandon predatory practices that allow them to profit at their customers' expense. The best outcome, if this legislation were adopted, would be further delay of a rule that is already years overdue. More likely is that the legislation would inhibit SEC rulemaking altogether or result in a rule so weak as to be entirely devoid of meaningful. new protections for investors. Middle income investors who need to make every dollar count would be the ultimate victims of these bureaucratic games.

But retail investors would not be the only victims of this legislation. Working Americans attempting to prepare for a secure retirement would also be denied appropriate protections, perhaps indefinitely. Loopholes

in the definition of investment advice under ERISA make DOL's fiduciary standard all but unenforceable. This bill would prevent DOL from acting to address that problem until after the SEC completes an entirely separate fiduciary rulemaking under the securities laws. It would impede DOL action despite repeated assurances that the SEC and DOL are coordinating their efforts and that any rules adopted will not conflict. DOL has responded to criticism of its original approach by withdrawing that proposal in order to conduct a thorough economic analysis, redraft the proposal, and clarify how the revised definition would interact with prohibited transaction exemptions. DOL deserves to have the resulting reproposal judged on its merits, not halted based on unsubstantiated fears about the form that rulemaking might take. For all these reasons, we urge you to vote NO on H.R. 2374.

OPPOSE ANTI-INVESTOR BILLS TO UNDERMINE MARKET TRANSPARENCY AND INTEGRITY

The Committee is also scheduled to mark up three other bills, each of which would in its own way undermine market transparency and integrity.

H.R. 1564, the ''Audit Integrity and Job Protection Act,'' would prevent the Public Company Accounting Oversight Board (PCAOB) from adopting a rule to require rotation of auditors at public companies even if it determines, based on a thorough review of the evidence, that doing so is necessary to address the persistent lack of independence and professional skepticism in the audits of public companies. The PCAOB has not yet decided on a regulatory approach and is instead engaged in carefully weighing the evidence. In contrast to the PCAOB's balanced and thoughtful approach, this legislation would decide the issue without any consideration of the evidence on audit failures tied to lack of auditor independence, a problem that has been highlighted by regulators both here and abroad. We urge you to protect the independence of the PCAOB and the audit process by voting NO on H.R. 1564.

H.R. 1105, the Small Business Capital Access and Job Preservation Act, would exempt a large swath of ''private equity'' funds from registration with the SEC without showing any reason why such an exemption is necessary or appropriate. The bill would leave it to the agency to define the scope of funds that might qualify for the exemption, setting up an inevitable regulatory race to the bottom as funds pressure the agency to write as expansive an exemption as possible. As such, the bill would limit the ability of the agency to provide effective oversight of a portion of the securities business with a proven capacity to spread risk through the financial system. We urge you to vote NO on H.R. 1105, which would undermine efforts to protect the financial system from systemic threats.

H.R. 1135, the ''Burdensome Data Collection Relief Act,'' would undermine market transparency by denying investors information about the relationship between CEO and worker pay at the companies in which they invest. Not only would this bill hide material information from the owners of public companies, but it would also undermine efforts to rein in out-of-control CEO pay. Opposition to this disclosure is clearly based not on any excessive costs or insurmountable burdens associated with making the disclosure, but on the fact that the information is likely to be embarrassing to many companies and could provide the impetus for reform. We urge you to stand up for market transparency and economic equality by voting NO on H.R. 1135.

Taken together, these bills would reduce oversight of potentially risky market segments (H.R. 1105), tie the hands of regulators seeking to address a persistent market failure (H.R. 1564), deprive investors of information that could provide a check on excessive CEO pay (H.R. 1135), and impede the ability of federal regulators to act to protect unsophisticated investors from predatory industry practices (H.R. 2374). We urge you to vote NO on each of these bills. Thank you for your attention to our concerns. You may contact me if you have any questions about our position on the issues.

Respectfully submitted,

BARBARA ROPER,
Director of Investor Protection.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, June 18, 2013.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services, House of Representatives, Rayburn House Office Building, Washington, DC.

Hon. MAXINE WATERS,
Ranking Member, Committee on Financial Services, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: I understand that the House Committee on Financial Services is scheduled this week to consider several bills pending before it, including H.R. 1105 and H.R. 2374. I write to briefly express my views on these two bills. The views expressed in this letter are my own and do not necessarily reflect the views of the full Commission or any Commissioner.

The Small Business Capital Access and Job Preservation Act (H.R. 1105) would amend the Investment Advisers Act of 1940 (Investment Advisers Act) to generally exempt investment advisers to private equity funds from the registration requirements of the Investment Advisers Act, unless such funds have borrowed and have outstanding principal amounts in excess of twice their invested capital commitments. The Retail Investor Protection Act (H.R. 2374) would impose new restrictions on the Commission's ability to adopt a uniform fiduciary standard of conduct for investment advisers and broker-dealers.

REGISTRATION OF PRIVATE EQUITY ADVISERS

Regarding H.R. 1105, registration under the Investment Advisers Act serves to protect investors from conflicts of interest and other risks associated with investors' entrusting their assets to advisers. Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) mandated that advisers to private equity funds with assets under management above $150 million register with the Commission. Although private equity funds were not an underlying cause of the recent financial crisis, private equity fund advisers represent a significant and influential part of the financial landscape. In my view, our markets would not be well-served by narrowing the scope of the Commission's jurisdiction and oversight of these advisers.

Private equity fund investors are in need of the same protections as other private fund investors. As with other types of funds and advisers, the Commission has brought enforcement actions against private equity funds and their advisory personnel involving unlawful pay to play schemes, insider trading, conflicts of interest, valuation, and misappropriation of assets. Registration provides the Commission with tools to discover and prevent fraud and other violations of the securities laws, enhancing confidence in our capital markets and promoting fair dealing. It is important, therefore, that the Commission, as a capital markets regulator, have an appropriate level of oversight of these entities, for both investor protection and market efficiency purposes.

Beyond this, to base exemptions from registration on investment strategy or leverage would result in the securities laws generally favoring or disfavoring particular strategies, which should be avoided when the objective is a fair and level playing field.

UNIFORM FIDUCIARY STANDARD OF CONDUCT

Section 913 of the Dodd-Frank Act added new express authority for the Commission to adopt a uniform fiduciary standard of conduct and to consider other potential options for the harmonization of the regulation of broker-dealers and investment advisers. Although there are differing views on this issue, many investor advocates and industry participants support the establishment of a uniform fiduciary standard of conduct. The new restrictions on the Commission's authority that would be imposed under H.R. 2374, however, would make it difficult for the Commission to adopt such a rule should it determine to do so.

The Commission has pursued the consideration of possible rulemaking under section 913 with care and diligence. Section 913 required the Commission to conduct a study regarding obligations of broker-dealers and investment advisers. That study, published in 2011, contained two primary recommendations from Commission staff—one in favor of a uniform fiduciary standard of conduct and another calling for enhanced harmonization of the regulatory requirements for broker-dealers and investment advisers. Following publication of the study, Commissioners and Commission staff have met with relevant parties and maintained an open dialogue with those interested in these issues. To further its review, the Commission in March 2013 published a request for additional data and other information, in particular quantitative data and economic analysis. Any rulemaking under section 913 would include a rigorous economic analysis.

If, after such fact-finding and deliberations, the Commission should determine to propose a uniform fiduciary standard of conduct, H.R. 2374 would layer on new statutory requirements for the Commission to satisfy before finalizing any such rules, which could impede this investor-focused initiative in what already has been a multi-year process.

I hope that this information is helpful to you and to the other members of the Committee. Please do not hesitate to contact me or have your staff contact Tim Henseler, Acting Director of the Office of Legislative and Intergovernmental Affairs, if I can be of further assistance.

Sincerely,

MARY JO WHITE,
Chair.

Ms. WATERS. I thank the gentleman from Massachusetts for managing in my absence.

Mr. Speaker, I am pleased to have the opportunity to come back to the floor to add a few comments.

Prior to leaving, the chairman of this committee talked about this being a job creation bill. He wrapped this bill in jobs creation. And I must say that I don't think that the gentleman has much else he could say about why they are trying to exempt all of these private equity funds from registering with the SEC.

Wrapping it in this notion of they are creating all of these jobs and we should all be very appreciative is one way to deflect attention from the fact that here we have private equity funds. $180

million from the smaller private equity funds have been exempted already. Those firms that have $180 million in those funds or less are already exempted. That was done in the Dodd-Frank legislation. Now they are coming back and they are saying exempt everybody.

What is it you are trying to hide? Why is it you do not want these firms to register?

Well, first of all, they are registered at this point. The SEC is given the oversight and the regulation that they need, and they are finding that it is very important for them to do so because they are finding that there are unlawful pay-to-play schemes, insider trading, conflicts of interest, and misappropriations of assets, et cetera. That is not to say that all private equity funds are doing these things, but weeding out the bad actors is extremely important.

The SEC is our cop on the block. They are there to protect the investors. This is their number one responsibility, and we want them to do this. Just as you have CalPERS from California, which is against this bill, they should be against this bill. They have the retirement funds of policemen and firemen and all of the middle class people that make up the basis of this economy.

Well, let me just add to the ones that were mentioned by my friend from Massachusetts. We also have Americans for Financial Reform. We also have the Consumer Federation and all of the State regulators who are against this bill. And the President's advisers have said they are recommending a veto.

What do you have to hide? Why don't you want registration? That is the question that must be asked. That is the question that has really not been answered.

Mr. Speaker and Members, I would ask for a ''no'' vote on this bill because we endanger the investors that they claim they want to protect because they claim they want them to produce all of these jobs, and certainly that will never happen if we allow the kinds of situations to continue to happen that were described in the discussion about Bain Capital in the Presidential election debates.

Further, let me just say that we have worked very, very hard to try to make sure that we have protection. That is the role of the SEC. And again, they already have these registered private equity firms that they are taking a look at, and they are learning things about them. And this information will be used to make sure that we have the kind of private equity funds that can do the kind of jobs that we want them to do.

Yes, we appreciate investment. Yes, we want job creation. But why should we have private equity funds that somehow have no oversight, that don't have anybody scrutinizing what they are doing? Why is it we don't want any regulatory agencies looking at them? That just doesn't make good sense.

And I would say to my friends, you have to oppose this bill. There will be an amendment coming up that was mentioned by the gentlewoman from New York (Mrs. MALONEY) that makes good sense. And if they had gone to that simply as a way of trying to help out in this area, they could have gotten a lot of support, but they have stepped way over the line when they say no oversight, no scrutiny by the SEC or anybody else.

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

□ 1545

Mr. HENSARLING. Mr. Speaker, I am very happy to yield 2 minutes to the gentleman from New Jersey (Mr. GARRETT), a coauthor of the legislation and the chairman of our Capital Markets and GSE Subcommittee.

Mr. GARRETT. I thank the chairman for yielding.

Mr. Speaker, let's step back for a moment and just see where we may agree on certain points.

I guess at the 30,000-foot level we agree on the fact that we want to work together on legislation that will try to prevent the next financial crisis. We agree that we want to try to protect investors.

It is after that level, however, when we get into the details that we disagree.

As far as protecting and trying to make sure the next financial crisis does not occur, there has been no evidence either today on the floor or in the committee process during the discussion of this debate or in any of the debates when we discussed Dodd-Frank that the origin of the last financial crisis was from private equity. No evidence. Or from hedge funds. No evidence. Or from venture capital. No evidence whatever. So to say that we need to have extensive, overbearing, overlapping, extraneous regulation on private equity to prevent the next one, they have no evidence to say that was the cause in the past.

We say, just as the gentleman from Connecticut said before, venture capital is excluded from it. Why not private equity as well? And that is why we have come together in a bipartisan manner to make sure the next crisis doesn't occur in an area such as this.

In the second area, the point was made as far as the cost. The gentleman from Massachusetts said, Well, we're talking about the larger funds here. If he was at the hearing last night in the Rules Committee, he would have heard one of his colleagues, Mr. POLIS from Colorado, refute that point.

Why is that? This is what he said. When you are talking about firms, $150 million, $200 million sounds like large firms, right? But that is just how much money is under management. The actual money they are actually spending in the company is just a fraction of it. A little tiny fraction, as he pointed out. It is around 2 percent.

So if you are talking about a $150 million fund under management, it sounds big. Actually, that is around a $3 million business. And now you are asking that $3 million business to have to pay upwards of half a million dollars each year for all their compliance costs and the examination, which goes to the last point by the gentlelady from New York.

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

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. GARRETT. We would love to try to find some common ground on her amendment, but her amendment simply goes to the first point and the initial filing of the forms and what have you. After that, there is the extraneous additional examinations and all the other costs that are so overly burdensome that we have found both in a bipartisan manner, as Mr. HIMES from Connecticut has already pointed out, is overly burdensome and unnecessary.

If there was some other way to pull this together in a bipartisan manner more so than we have already done, I would do so, but I am glad that the gentleman from Virginia and also the gentleman from Connecticut have been able to come together on all the points to come to a final bill in a bipartisan manner. And I support the legislation.

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

Mr. Speaker, listening to some of my colleagues on the other side of the aisle, it is hard not to conclude that some of them have never met a regulation that they didn't like, regardless of what it does to the hopes, dreams, and aspirations of the unemployed and underemployed in America.

As I look over your chair, Mr. Speaker, and see the words, ''In God We Trust,'' I sometimes question whether some Members would like to take down the word ''God'' and replace it with ''regulators'': In Regulators We Trust.

The question has never been, Mr. Speaker, the question between regulation and deregulation. The question is between smart regulation and dumb regulation; and in order to make that determination, one needs to see what cost is being imposed, again, on the hopes and dreams and aspirations of the unemployed and the underemployed.

Why does this underlying regulation need to be there in the first place? Is it systemic risk? Well, even the chairman of the SEC has admitted that private equity played no role in the financial crisis.

We know in terms of the economy, private equity may represent somewhere on the order of 1.5 to 2 percent of GDP. There is no evidence of interconnectedness, which many maintain is at the root of systemic risk.

So what are they trying to protect? Well, investor protection. This is all about giving additional protection to millionaire investors at the expense of single moms trying to make ends meet. I am not really sure that meets the test of smart regulation.

We know already that private equity fund advisers are subject, as they well should be, to the antifraud provisions of the Investment Advisers Act of 1940, whether they are registered or not. Fund offerings are subject to the antifraud provisions of the Securities Act of 1933. The SEC still has the ability to ensure that proper documentation is maintained.

No, we do not want to see any investor, regardless of sophistication or income, be subject to coercion or fraud. But, at the same time, we don't want to deny small businesses—the job engine in America—the funding they need to put America back to work.

There are many companies today that we recognize—Dunkin' Donuts, Baskin-Robbins, Petco, Skype, J.Crew—that all have benefited from private equity. Where would the tens of thousands, if not hundreds of thousands, of jobs they represent be today if private equity had to face yet another burden that is going to cost these small investment firms half a million dollars, a million dollars?

Today, we haven't really heard that much about company likes Entrust or Universal Smart Comp, but maybe they are tomorrow's Petco or tomorrow's Toys ''R'' Us.

And so it really comes down to this, Mr. Speaker, again: Are there going to be additional protections for multimillionaire investors, or are there going to be additional protections and opportunities for unemployed single moms trying to make ends meet?

Our side of the aisle said, Let's help the single mom. Let's pass H.R. 1105, and put America back to work.

I yield back the balance of my time.

Mr. STUTZMAN. Mr. Speaker, I rise today in support of H.R. 1105, the Small Business Capital Access and Job Preservation Act. Washington can't regulate its way to the top while red tape puts American jobs at risk.

Too often big-government builds barriers to success but men and women in the real economy know how to get the job done. In nearly every sector of our economy, thousands of companies are backed by private equity and employ millions of hardworking Americans.

Unfortunately, Dodd-Frank places unnecessary and burdensome regulations on private firms that invest hundreds of billions of dollars each year to open doors for new opportunities. Instead of creating jobs, these requirements increase costs, divert capital, and consume time.

Private equity is critical to a strong recovery and works best when advisers look ahead for new opportunities, not when they're constantly forced to worry about red tape. Today, we have an opportunity to reduce Dodd-Frank's unfair burdens on responsible investment advisors.

It's time to pass this common-sense legislation and unleash new opportunities for job growth.

I thank my colleague Representative HURT for his work on this issue and Chairman HENSARLING for his leadership. I urge my colleagues to vote yes.

Mr. VAN HOLLEN. Mr. Speaker, today's legislation would amend the Investment Advisors Act of 1940 to generally exempt private equity fund investment advisors from its registration and reporting requirements, subject to certain conditions.

Proponents of this legislation argue that private equity funds were not the source of systemic risk during the most recent financial crisis and therefore that their investment advisors should not be subject to registration and reporting requirements under current law. While private equity funds can play an important role in capital formation, and I would agree that private equity funds were not the principal source of systemic risk during the last financial crisis, that does not mean it would be impossible for private equity firms to become a source of systemic risk at some point in the future.

Moreover, as Securities and Exchange Commission Chair Mary Jo White has pointed out, registration and reporting requirements are not used solely for systemic risk prevention. Just as importantly, they are also used for investor protection. In that regard, it is worth noting that the SEC has brought enforcement actions against unscrupulous private equity funds involving unlawful pay to play schemes, insider trading, conflicts of interest, valuation issues and misappropriation of assets. This investor protection function will become even more important once the SEC finalizes implementation of a provision in the recently enacted Jumpstart Our Business Startups (JOBS) Act permitting the general solicitation and advertising of private equity funds and private securities.

For these reasons, I will be opposing this bill.

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

AMENDMENT NO. 1 PRINTED IN PART B OF HOUSE REPORT 113–283 OFFERED BY MRS. CAROLYN B. MALONEY OF NEW YORK

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I have an amendment at the desk.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 1, strike line 10 and all that follows through page 2, line 17, and insert the following:

''(o) SIMPLIFIED REGISTRATION AND DISCLOSURE FOR SMALL PRIVATE EQUITY FUND ADVISERS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Commission shall promulgate rules providing for a simplified procedure for registration and disclosure under this section for any investment adviser acting as an investment adviser to a private equity fund or funds that, in the aggregate, have assets under management in the United States of between $150,000,000 and $1,000,000,000.

''(2) TAILORED APPLICATION.—The rules promulgated under paragraph (1) shall take into account compliance costs, fund size, governance, and any other factors that the Commission determines necessary.

''(3) PRIVATE EQUITY FUND DEFINED.—Not later than 6 months after the date of enactment of this subsection, the Commission shall issue final rules to define the term 'private equity fund' for purposes of this subsection.''.

The SPEAKER pro tempore. Pursuant to House Resolution 429, the gentlewoman from New York (Mrs. CAROLYN B. MALONEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I first want to commend the chairman and the ranking member for their hard and dedicated work on the Financial Services Committee.

I would also like to commend the vice-chairman, Congressman HURT, for his work on this bill. I agree with him that private equity funds did not cause the financial crisis.

I also agree that many private equity funds—and especially the small private equity funds that invest in middle-market businesses—support jobs across our country. I also agree that for many small equity funds, the cost of complying with every single requirement in the Investment Advisers Act can be burdensome and costly.

However, while I share the goal of reducing unnecessary regulatory burdens on small private equity funds with under $1 billion in assets, I believe that there are better ways to accomplish this goal to reduce the burden, to reduce costs without eliminating important investor protections.

I would say that we should have equality in this country—and equality of treatment for everyone, including investors. If you are a small investor, a large investor, a teacher, an unemployed worker, and you have invested, whoever you are, you should have protections. Aren't we a country of laws and equality of treatment? So my amendment would direct the SEC to create a simplified disclosure form for fund advisers between $150 million and $1 billion, while also retaining important investor protections.

We would reduce the burden, reduce the reporting, reduce the disclosure, simplify the forms, make it easier, but protect the fiduciary duty to act in a client's best interest. Isn't that the moral, right thing to do?

There is the obligation to disclose conflicts of interest and the obligation to disclose fees. I thought we all supported transparency. Well, let's have transparency in these investment funds, too.

I would ask my colleagues on the other side of the aisle who are objecting to this amendment how much of a burden is it to disclose whether or not you have a conflict of interest. You just have to check yes or no, I have a conflict of interest. Then maybe you have to disclose what that conflict is. But that is the fair and right thing to do.

How burdensome is it to disclose fees? Tell people what you are charging them. And how burdensome is it to have the necessary fiduciary duty to act in the client's best interest? Most people think that you are acting in their best interest. I think they would be horrified to know that some Members of this body want to roll back that protection for them.

I would also like to note that in August the SEC did provide relief for

smaller private equity funds from what the industry tells me is one of the most burdensome aspects of registration—the so-called custody rule—which requires that the funds use independent custodians for stocks that don't even trade. So private equity funds have already gotten relief, and I applaud the SEC for this commonsense decision.

The reforms in my amendment would build on this relief and would direct the SEC to act quickly on simplified forms—within 6 months—and save these small businesses money so that money can go out into the community.

The underlying bill grants a complete exemption to private equity fund advisers with under 2 to 1 leverage, which is pretty much the entire industry, because the funds themselves are not leveraged. It is the companies the funds invest in that are leveraged.

The underlying bill is opposed by the Securities and Exchange Commission, whose prime mission is to protect investors, and by President Obama's administration. He has even threatened a veto.

If the problem is the high cost of registry at the SEC and preparing the required disclosures, then the solution is to simplify the registration and disclosures for small equity funds. That is what my bill does. But it also protects investors.

It does not exempt the entire industry from investor protection, which is what the underlying bill does, and I do not believe that that is the intent of my colleagues on either side of the aisle.

So my amendment accomplishes the express goal of saving money and simplifying, but protects the integrity of our financial system and investors.

I urge everyone to support my amendment, and I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I rise in opposition to the amendment.

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

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

Mr. Speaker, the amendment, regardless of how well-intentioned it may be, functionally guts the bill and is essentially redundant of current law in Dodd-Frank.

And I grant the gentlelady, who is a very senior and thoughtful member of our committee, that her provision is perhaps more articulate than the underlying law, but section 408(n) of Dodd-Frank already says:

> In prescribing regulations to carry out the requirements of this section with respect to investment advisers acting as investment advisers to mid-sized private funds, the Commission shall take into account the size, governance, investment strategy of such funds.

It goes on to say:

> The Commission shall provide for registration and examination procedures with respect to the investment advisers of such funds which reflect the level of systemic risk.

So, again, it is essentially redundant of what is already in current law.

According to the Private Equity Growth Council, on average it is taking $1.8 million for the initial Dodd-Frank compliance cost and an additional $1.3 million each year in Dodd-Frank compliance costs. All for what? We already have underlying investor protections in place.

There is no evidence presented whatsoever that this has anything to do with systemic risk, all at the cost of jobs, at a time when, again, Mr. Speaker, tens of millions of our countrymen are struggling. They are underemployed, unemployed.

□ 1600

Again, who are we going to help? Are we going to help regulators? Are we going to help millionaire investors? Are we going to help struggling Americans trying to pay the bills? We should oppose this amendment, Mr. Speaker.

At this time, I would be very happy to yield 2 minutes to the gentleman from Virginia (Mr. HURT), again, the author of H.R. 1105.

Mr. HURT. I thank the chairman.

Mr. Speaker, I rise in opposition to the gentlelady's amendment.

I appreciate her work and interest on this important issue; but with all due respect, this amendment would defeat the entire purpose of the bill.

If adopted, all advisers to private equity who are currently undergoing the burdensome and unnecessary registration process would still be required to do so. Additionally, it would establish an entirely subjective, so-called ''simplified'' compliance standard that would have to be defined by the Securities and Exchange Commission. There is no reason to believe that such a so-called simplified standard would provide any meaningful relief for those private equity companies investing in small companies across this country.

As has been stated, small and mid-sized private equity firms are expending hundreds of thousands of dollars in annual compliance costs and would still have to be registered with the SEC. Instead of addressing this problem, this amendment, if adopted, would continue to restrict the ability of small and mid-sized private equity firms to invest in small businesses.

As Members of both parties have pointed out, there are not persuasive arguments that private equity generates systemic risk; and, indeed, to the extent that leverage at the fund level could potentially trigger such risk, we have already adopted a standard proposed by Mr. HIMES in committee that would require registration for advisers to firms with leverage that exceeds 2 to 1.

I know that the gentlelady understands that access to private capital is the lifeblood for small business. The current SEC registration requirements are unnecessary. They produce a significant burden on private equity firms and, therefore, restrict the flow of private capital to small businesses across the country.

I urge this body to defeat this amendment and to vote in favor of the underlying bill.

Mr. HENSARLING. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 1½ minutes remaining.

Mr. HENSARLING. I yield myself the balance of my time.

Mr. Speaker, again, historically, private equity has invested in tens of thousands of small businesses, and it has helped create millions of jobs in America.

The question today is: Are we going to put a roadblock in place of private equity—the small business investment engines—so that we can somehow help regulators?

With all due respect to our regulators—and there are many good ones and many great ones at the SEC—I have never met a regulator who turned down the opportunity to regulate more. I have never met him.

So the question is: Are we going to grant an even greater ability to take funds away from small businesses to create a work product that doesn't meet the commonsense test, the jobs test, the smell test—or any other test—at a time when people are still suffering and wondering how are they going to put gas in the tank; how are they going to take their kids to school; how are they going to afford their health care bills since, clearly, they cannot keep their health insurance even if they want to.

How are they going to do this?

We need private equity to fund small business to get America back to work. We need to defeat this amendment. We need to pass the underlying bill. It is time to be pro-jobs.

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

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

Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentlewoman from New York (Mrs. CAROLYN B. MALONEY).

The question is on the amendment by the gentlewoman from New York (Mrs. CAROLYN B. MALONEY).

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

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 186, nays 225, not voting 20, as follows:

[Roll No. 620]

YEAS—186

Andrews	Brady (PA)	Carney
Barber	Braley (IA)	Carson (IN)
Bass	Brown (FL)	Cartwright
Beatty	Brownley (CA)	Castor (FL)
Becerra	Bustos	Castro (TX)
Bera (CA)	Butterfield	Chu
Bishop (NY)	Capps	Cicilline
Blumenauer	Capuano	Clarke
Bonamici	Cárdenas	Clay

Cleaver
Clyburn
Cohen
Connolly
Conyers
Courtney
Crowley
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Garcia
Gibson
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Himes
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maffei
Maloney, Carolyn
Maloney, Sean
Matsui
McCollum
McDermott
McGovern
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Murphy (FL)
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Pingree (ME)
Pocan
Price (NC)
Quigley
Rahall
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schneider
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NAYS—225

Aderholt
Amash
Amodei
Bachmann
Bachus
Barletta
Barr
Barrow (GA)
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cooper
Costa
Cotton
Crawford
Crenshaw
Cuellar
Daines
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gardner
Garrett
Gerlach
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jordan
Joyce
Kelly (PA)
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Marchant
Marino
Massie
Matheson
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McIntyre
McKeon
McKinley
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Perry
Peterson
Petri
Pittenger
Pitts
Poe (TX)
Polis
Pompeo
Posey
Price (GA)
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schock
Schrader
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NOT VOTING—20

Bishop (GA)
Campbell
Cantor
Cramer
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman
Vargas

□ 1631

Messrs. NEUGEBAUER, GRIFFITH of Virginia, DUFFY, SAM JOHNSON of Texas, HUELSKAMP, GRIFFIN of Arkansas, BACHUS, RYAN of Wisconsin, and COSTA changed their vote from ''yea'' to ''nay.''

Mrs. CAPPS, Mr. McDERMOTT, Ms. SLAUGHTER, Messrs. ELLISON, RAHALL, and KIND changed their vote from ''nay'' to ''yea.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HECK of Nevada). The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. HORSFORD. Mr. Speaker, I have a motion to recommit at the desk.

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

Mr. HORSFORD. I am opposed in its current form.

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

The Clerk read as follows:

Mr. Horsford moves to recommit the bill H.R. 1105 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 2, line 17, strike the quotation marks and final period and insert after such line the following:

''(3) PROTECTING AMERICAN JOBS.—The exemption described under paragraph (1) shall only apply to an investment adviser providing investment advice to a fund that—

''(A) does not own a controlling interest in a company that outsources American jobs to other countries; and

''(B) publicly reports on a quarterly basis the number of jobs eliminated at each company owned and controlled by the fund.''.

Mr. HURT (during the reading). Mr. Speaker, I ask unanimous consent that the reading of the motion be dispensed with.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nevada is recognized for 5 minutes in support of his motion.

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

The underlying bill would exempt almost every private equity fund from registration and reporting requirements under Dodd-Frank. It is another attempt by House Republicans to turn back the clock on progress that we have made to make sure Wall Street is helping Main Street.

This bill, despite being titled the Small Business Capital Access and Job Preservation Act, has nothing to do with small business or creating jobs, and everything to do with chipping away at the safeguards put in place when Congress passed financial sector reform.

Wall Street reform has made the financial system more transparent, reduced risk, and protected against systemic failure. Private equity fund advisers have been filing reports with the SEC for over a year now. We shouldn't be trying to gut the system of accountability and oversight, we should be building it up. We should be working together to make the reforms work and make them stronger.

H.R. 1105 would roll back the progress by providing blanket registration and reporting exemptions, seriously hampering oversight.

The motion to recommit I am offering would amend the underlying bill so that investment funds are only eligible if they do not own a controlling interest in companies that outsource American jobs to other countries. We would also require reporting about any downsizing at each company owned and controlled by the fund.

Instead of decreasing transparency by Wall Street, we should be demanding greater public disclosure to protect consumers. We should not be encouraging outsourcing of American jobs overseas. We should be incentivizing companies to keep jobs right here in America, or to bring them back. And we should not be encouraging downsizing or the elimination of jobs, but incentivizing companies to hire employees and to get the American public back to work.

Now, when I go home to my district in Nevada and meet with constituents, they want to know what Congress is doing to create jobs. They aren't asking me to roll back reforms that make

financial markets more stable. They aren't asking me to make life easier for Wall Street. They want this Congress focused on one street, Main Street, and on creating middle class jobs to help grow the economy and put Americans back to work.

And so it is telling that for this Congress, with so few legislative days remaining in this year, we are focusing our precious time on private equity fund advisers. This bill focuses the attention of Congress on the policy desires of an elite group that is doing just fine. They are asking for more secrecy. Why? That is not what we should be spending our time on.

Instead of bringing an infrastructure bill to the floor that would create middle class jobs, instead of passing comprehensive immigration reform, Mr. Speaker, to fix our broken system and to grow the economy, instead of passing workplace protections that prevent Americans from being fired because of who they love, instead of working to reduce food insecurity, instead of replacing the harmful sequester that is hurting everything from military contractors to economic activity for all Americans, instead of doing any of that, of doing what the American people are demanding of this Congress, the House GOP, through H.R. 1105, are focusing their energy on gutting Wall Street reform.

So we have serious business that this body could be focused on, business that many of our constituents on both sides of the aisle say they want us to address. But, instead, we have H.R. 1105, a focus to gut Wall Street reform; and it is a quiet, but concerted, effort to once again turn back the clock on the American people. Not to mention, the underlying bill is also a futile attempt because the President has already said he would veto the legislation.

I urge my colleagues to vote ''yes'' on the motion to recommit and for the House of Representatives to do the people's business, and I yield back the balance of my time.

Mr. HURT. Mr. Speaker, I rise in opposition to the motion to recommit.

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

Mr. HURT. Mr. Speaker, with all due respect to the gentleman from Nevada, the problem with his motion to recommit is that it would punish a company like Vitamin Shoppe. Vitamin Shoppe is a leading U.S.-based vitamin and supplements distributor. Earlier this year, Vitamin Shoppe went global, opening its first international franchise in Panama City, Panama. By partnering with a private equity fund, Vitamin Shoppe grew its business from a Northeast-based specialty retailer to a national chain, adding more than 400 stores and 2,500 new jobs.

With all due respect, this bill is not about overseas jobs. This bill is not about Wall Street. This bill is about Main Street American jobs to the tune of 7.5 million jobs working in 17,000 U.S. companies. This bill is about encouraging private capital investment in those Main Street jobs. This bill is about not adding $500,000 in compliance costs to Main Street job creation.

To put this in perspective, I dare say, of every congressional district represented on this floor, this bill is about a window manufacturer in Rocky Mount, Virginia, in Virginia's Fifth District, our district, which has operated there for the last 70 years. It has provided good jobs in our community. It has provided jobs for generations of people living in Franklin County, Virginia, and for families who have worked there for generations. In the last 10–20 years in Rocky Mount, Virginia, just like all across southside Virginia and so many congressional districts across this country, we have seen hard times because of the loss of thousands of manufacturing jobs. We have seen over the last 10–20 years double digit unemployment.

□ 1645

This window manufacturing plant was able to survive because of private equity investment, and now that window manufacturing company boasts 1,000 employees. Those jobs still exist today because of a private equity investment.

Last night we had a meeting of the Rules Committee, and one member of the committee asked a question. He said: If a big PE firm has to pay an extra $500,000 for compliance costs, what is the big deal?

It seems to me that it would be better, perhaps, to ask that question to an employee at that windows manufacturing firm in Rocky Mount. If asked, I suspect he would say, you know: I have a good job. I love my job. I work 60 hours a week to be able to pay my mortgage, to pay my bills and take care of my family. He would say, Please, to all of you in Washington, do everything that you can to make sure that 1 year from now I still have my job and make sure that my neighbor has a job, too.

That is a big deal, and that is what this bill is about. I urge the defeat of this motion to recommit, I urge the adoption of this good jobs bill, and I ask for your vote for H.R. 1105.

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

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

There was no objection.

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

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

RECORDED VOTE

Mr. HORSFORD. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 185, noes 227, not voting 19, as follows:

[Roll No. 621]

AYES—185

Andrews
Barber
Barrow (GA)
Bass
Beatty
Becerra
Bera (CA)
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Duckworth
Duncan (TN)
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Frankel (FL)
Fudge
Gabbard
Gallego
Garcia
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maloney, Carolyn
Maloney, Sean
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Pingree (ME)
Pocan
Price (NC)
Quigley
Rahall
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schneider
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NOES—227

Aderholt
Amash
Amodei
Bachmann
Bachus
Barletta
Barr
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cooper
Cotton
Cramer
Crawford
Crenshaw
Daines
Davis, Rodney
Delaney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duffy
Duncan (SC)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Garamendi
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)

Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Himes
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jordan
Joyce
Kelly (PA)
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Maffei
Marchant
Marino
Massie
Matheson
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McKinley
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (FL)
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Perry
Peterson
Petri
Pittenger
Pitts
Poe (TX)
Polis
Pompeo
Posey
Price (GA)
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schock
Schrader
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NOT VOTING—19

Bishop (GA)
Campbell
Cantor
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman
Webster (FL)

□ 1653

Mr. JONES changed his vote from ''no'' to ''aye.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Ms. WATERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 254, noes 159, not voting 18, as follows:

[Roll No. 622]

AYES—254

Aderholt
Amash
Amodei
Bachmann
Bachus
Barber
Barletta
Barr
Barrow (GA)
Barton
Benishek
Bentivolio
Bera (CA)
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Butterfield
Calvert
Camp
Capito
Cárdenas
Carney
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cooper
Costa
Cotton
Cramer
Crawford
Crenshaw
Cuellar
Daines
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duckworth
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Esty
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallego
Garcia
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Himes
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Israel
Issa
Jackson Lee
Jenkins
Johnson (OH)
Johnson, Sam
Jordan
Joyce
Kelly (PA)
Kind
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kirkpatrick
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Maffei
Maloney, Sean
Marchant
Marino
Massie
Matheson
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McIntyre
McKeon
McKinley
Meadows
Meehan
Meeks
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (FL)
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Owens
Palazzo
Paulsen
Pearce
Perry
Peterson
Petri
Pittenger
Pitts
Poe (TX)
Polis
Pompeo
Posey
Price (GA)
Quigley
Rahall
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Ruiz
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schneider
Schock
Schrader
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Sewell (AL)
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Vargas
Veasey
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NOES—159

Andrews
Bass
Beatty
Becerra
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Capps
Capuano
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Courtney
Crowley
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Garamendi
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maloney, Carolyn
Matsui
McCollum
McDermott
McGovern
McNerney
Meng
Michaud
Miller, George
Moore
Moran
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Pingree (ME)
Pocan
Price (NC)
Rangel
Richmond
Roybal-Allard
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (VA)
Scott, David
Serrano
Shea-Porter
Sherman
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—18

Bishop (GA)
Campbell
Cantor
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman

□ 1700

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GINGREY of Georgia. Mr. Speaker, on rollcall No. 620 on the Maloney Amendment to H.R. 1105—the Small Business Capital Access and Job Preservation Act, I am not recorded due to a death in the family. Had I been present, I would have voted ''no.''

Mr. Speaker, on rollcall No. 621 on the Motion to Recommit to H.R. 1105—the Small Business Capital Access and Job Preservation Act—offered by Mr. HORSFORD of Nevada, I am not recorded due to a death in the family. Had I been present, I would have voted ''no.''

Mr. Speaker on rollcall No. 622 on Final Passage of H.R. 1105—the Small Business Capital Access and Job Preservation Act, I am not recorded due to a death in the family. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mrs. MCMORRIS RODGERS. Mr. Speaker, on rollcall No. 618 on Ordering the Previous Question, H. Res. 429, A resolution providing for the consideration of H.R. 1105—Small Business Capital Access and Jobs Preservation Act and H.R. 3309—Innovation Act, I am not recorded because I was absent due to the birth of my daughter. Had I been present, I would have voted ''yea.''

Mr. Speaker, on rollcall No. 619 on Agreeing to the Resolution, H. Res. 429, A resolution providing for the consideration of H.R. 1105—Small Business Capital Access and Jobs Preservation Act and H.R. 3309—Innovation Act, I am not recorded because I was absent due to the birth of my daughter. Had I been present, I would have voted ''yea.''

Mr. Speaker, on rollcall No. 620 on H.R. 1105, on Agreeing to the Amendment offered by Mrs. MALONEY of New York, I am not recorded because I was absent due to the birth of my daughter. Had I been present, I would have voted "nay."

Mr. Speaker, on rollcall No. 621 on H.R. 1105, on Motion to Recommit with Instructions, the Small Business Capital Access and Jobs Preservation Act, I am not recorded because I was absent due to the birth of my daughter. Had I been present, I would have voted "nay."

Mr. Speaker, on rollcall No. 622 on H.R. 1105, on Passage, the Small Business Capital Access and Jobs Preservation Act, I am not recorded because I was absent due to the birth of my daughter. Had I been present, I would have voted "yea."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3313

Mr. LAMALFA Mr. Speaker, I ask unanimous consent that Representative RUIZ, at his request, be removed as a cosponsor from my bill, H.R. 3313.

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

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. LAMALFA Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

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

There was no objection.

THE PRESIDENT WILL DO AS HE PLEASES

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

Mr. POE of Texas. Mr. Speaker, the President has taken an oath to uphold the Constitution, but this President has refused to follow and enforce certain laws.

He doesn't enforce all immigration laws. He doesn't enforce the mandatory minimum punishments. He doesn't enforce the work requirement for welfare recipients. He doesn't enforce the marijuana laws.

He illegally made recess appointments. He illegally changed ObamaCare by postponing implementation for Big Business, Small Business and individuals, and granting arbitrary waivers to special people.

He unconstitutionally took America to war in Libya.

All of these actions are unilateral, unlawful, and unconstitutional. The Constitution requires the President to execute and enforce law, not create his own laws or ignore the rule of law. However, this President, the former constitutional law professor, seems to think the Constitution is a mere suggestion, and he will do as he pleases.

And that's just the way it is.

TRIBUTE TO ROSA PARKS

(Mrs. BEATTY asked and was given permission to address the House for 1 minute.)

Mrs. BEATTY. Mr. Speaker, today I rise to pay tribute to a woman who is considered the modern mother of the civil rights movement, Rosa Parks. This past Sunday, we celebrated the 58th anniversary of Rosa Parks refusing to give up her seat on that bus in Montgomery, Alabama.

I am so proud to stand here from the great State of Ohio, because it was the great State of Ohio that was the first State in this Nation to name December 1 Rosa Parks Day.

On Thursday and Friday of this week, in our district, we will bring people from all over the State to pay tribute to her, and we will bring in more than 600 little children who will learn about civil rights and understand the value of working together.

That day in 1955, she started something larger than herself. She sat down so we could stand up. Mr. Speaker, it is my honor to be a part of the legislation that created December 1 in Ohio as Rosa Parks Day.

RESTORING MEDICARE ADVANTAGE CHOICE FOR OUR SENIORS

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

Mr. ROTHFUS. Mr. Speaker, Medicare Advantage provides quality coverage to many seniors in western Pennsylvania. It is popular because it provides more options and increased care coordination.

Until 2011, seniors were able to take advantage of an annual open enrollment period from January through March and make adjustments if the plan they chose did not meet their needs. Unfortunately, the Affordable Care Act eliminated this option.

The Wall Street Journal recently reported that one of the Nation's largest Medicare Advantage providers had dropped thousands of doctors from its network. As a result, seniors may be unsure about whether they need to switch plans to continue seeing their doctors when the current open enrollment period ends this Saturday.

This uncertainty underscores the importance of the Medicare Beneficiary Preservation of Choice Act, H.R. 2453, which Congressman KURT SCHRADER and I introduced earlier this year. This bill would restore seniors' freedom to try their plans and make changes.

I thank my 13 Republican and Democrat colleagues for joining me in advocating for our seniors, and I encourage Members on both sides of the aisle to support this commonsense and bipartisan legislation.

AFFORDABLE CARE ACT SUCCESS STORY

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

Mr. VEASEY. Mr. Speaker, I have risen before to talk about the fact that the congressional district that I represent has the highest uninsured rate out of any congressional district in the entire country.

About 40 percent of the constituents that I represent don't have health care insurance, and I wanted to talk today about how the Affordable Care Act is already helping many of those constituents in the very district that I represent.

Yesterday, I found out that a constituent who resides in the district I represent, Jason Roberts, had suffered from cancer and that he had been running out of options, but when the Affordable Care Act kicked in, he found out that his COBRA benefits would be saved.

Because of the options offered through the Affordable Care Act, Jason, who, again, had suffered from cancer, he actually dropped his monthly premiums by $251 and his deductible by $1,500. That is an overall savings of about $4,500 a year for what Jason describes as ''great coverage.''

The simple fact that he and so many others are actually able to keep their insurance, even if they have a preexisting condition like Jason had with cancer, is a true testament to the benefits of the health care law.

Let's work together to make sure that this health care law works for all of the uninsured like Jason and that it continues to work for all Americans.

THE INTERIM AGREEMENT WITH IRAN IS A BAD DEAL

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

Mr. COFFMAN. Mr. Speaker, last month I was joined by my colleagues in sending a letter to Secretary of State Kerry to express concern about a potential interim agreement with Iran.

Two weeks ago, such a deal was reached. It is a bad deal. The world rolls back sanctions without Iran fully dismantling its nuclear weapons program.

Sanctions have impacted Iran's economy, leading its people to elect a less confrontational President. This recent political shift, in addition to pressure from sanctions, drove Iran to the negotiating table. Regardless, the Ayatollah, the real power in Iran, continues spewing hateful language at Israel and the West.

Now is not the time to ease sanctions that have been effective for a mere promise that Iran's nuclear weapons program will be temporarily suspended. The sanctions' intent was to prevent a nuclear Iran. Anything less than the

complete dismantling of its nuclear weapons program is unacceptable.

THEFT OF INTELLECTUAL PROPERTY

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

Mr. CÁRDENAS. Mr. Speaker, the U.S. motion picture and television industry has broad economic benefits in many districts across the Nation. This vibrant industry supported 1.9 million jobs and $104 billion in total wages in 2011. U.S. film exports enjoy a positive trade balance, with a surplus of $12.2 billion recorded in 2011. However, theft of intellectual property threatens our industry's success, and India is a major source of that threat.

India accounts for more than half of all illegal movie recordings in the Asia-Pacific region. These pirated copies are sold online and on the black market, not only in India, but around the globe. India's irresponsible policies need to change. They need to pass anticamcording laws.

We want to share our onscreen treasures with the world, but we can't stand by and let them be stolen at the expense of the hardworking Americans who bring these films to life.

HONORING THE SERVICE OF WILLIAM D. RICKETT

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

Mr. FITZPATRICK. Mr. Speaker, for 14 years, Bill Rickett was the man who kept Bucks County moving. Mr. Rickett served, since 1999, as the founding Executive Director for the Bucks County Transportation Management Association.

Under Bill's leadership, the Bucks County TMA successfully completed a number of projects to improve transportation access and mobility throughout the area, including connecting commuters to regional rail service by shuttle and improvements to the Route 13 corridor in Lower Bucks County, as well as many others.

Aside from his service at the TMA, Mr. Rickett worked with community organizations to make Bucks County a better place to live and to work, including serving on boards of both the Lower Bucks County Chamber of Commerce and the Development Advisory Board of the Bucks County Enterprise Zone.

Thanks to his efforts, Bucks County continues to find new and innovative ways to enhance the quality of life for its residents. On behalf of his coworkers and a grateful county, I want to thank Mr. Rickett and wish him nothing but the best in his well-deserved retirement.

PAYING TRIBUTE TO MAJOR THOMAS E. LAMB'S DEDICATED SERVICE TO OUR NATION

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

Mr. KINGSTON. Mr. Speaker, one of the great pleasures of serving on the Defense Committee is that we get to be associated with a large number of people who are in the Armed Services, and one such acquaintance and friend is Major Tom E. Lamb.

Tom Lamb is the congressional budget liaison for the Army to the Appropriations Committee, does an excellent job in that capacity. He was also the military fellow in our office and got to know the good folks in south Georgia and our staff, and we all grew to love Tom.

I am going to submit for the RECORD a number of things about Tom's life, but I have got to tell one story about him. And you, Mr. Speaker, as a member of the military, will appreciate this.

We were traveling in a remote part of the world and had to make an unexpected stop because of a weather delay in our travel and had to get into a dirt runway in a particular location, and then we had to split up the group because of a weight problem and weather problem and just complications. So one of Tom's duties was to reassign people on a new and a different airplane that was a smaller airplane, and he was having trouble getting everybody on board because of the weight issue. And finally, I said to Tom: Tom, what is the problem? I am counting up the number of seats, and there should be enough room.

He said: Sir, we have to go by weight, and I have asked each Member of Congress what their weight is and, sir, not everybody is giving me their accurate weight, and so I am having to do a little bit of balancing and avoid embarrassment to everybody.

It was just amazing to me that here is this guy, a military officer, an Iraqi and an Afghan veteran, and yet he had the aplomb and the diplomacy to handle a situation like this with a smile, with humor, and get us out of this location by splitting up everybody and not causing any turmoil or friction.

That is just a small example of the kind of things that today's military leaders can do. And I know there were a lot bigger issues that he dealt with when he was in Iraq and Afghanistan and, indeed, working in the budget office—I worked with him on lots and lots of different issues—but Tom Lamb, to me, Mr. Speaker, represents the finest in the military and the finest in the United States of America.

I wish Tom and his wife, Emilie, the best in their next duty assignment.

Tom, thank you for all the great service you have given the United States Government, the Congress, and our office in particular.

Mr. Speaker, I rise to pay tribute to Major Thomas E. Lamb for his extraordinary dedication to duty and service to the U.S. Army and the United States of America. Tom has served for the last 2 years as a Congressional Budget Liaison for the United States Army and will soon depart for his next duty assignment. A native of Washington State, Tom earned his commission at the United States Military Academy at West Point in 2002. As our nation's armed forces were at war combating the evils of terrorism, Tom prepared to join that fight soon after graduation. At his first duty assignment with 1–4 Air Defense Artillery in Germany, Tom deployed and led an infantry scout platoon in combat in Iraq. Following his first combat tour, he then served in the 2nd Infantry Division, forward deployed on Freedom's Frontier in the Republic of Korea from 2004 to 2005. After returning to the United States for five months, Tom again deployed to Iraq in 2006 to serve as a staff officer and deputy commander of a Military Transition Team charged with training Iraqi Security Forces. After a year and a half stateside, Tom deployed once again, this time to Afghanistan in 2009, as a company commander.

After returning from his third deployment and a total of 35 months in combat, Tom began his studies as an Army Congressional Fellow, earning a Master of Professional Studies degree in Legislative Affairs from The George Washington University. He was then assigned as a Congressional Fellow in my office and served as my principal advisor on defense matters. He provided critical insight and assistance to me in my role on the Defense Appropriations Subcommittee. As Representative to four major military installations and the many brave Soldiers, Sailors, Airmen and Marines that call the 1st District of Georgia home, I relied daily on Tom's military acumen. He transitioned to the Pentagon for assignment as a Congressional Budget Liaison Officer in the office of the Assistant Secretary of the Army for Financial Management and Comptroller where he was tasked with managing the Army's challenging military construction, installations, energy and environmental portfolios. Tom skillfully advised the Army's senior leaders, fostering and strengthening the relationship between the Congress and the United States Army.

Major Lamb's leadership throughout his career thus far has positively impacted his peers and superiors, Soldiers and civilians alike. As a Congressional Budget Liaison Officer he worked directly with the House and Senate Appropriations Committees to inform Representatives, Senators, and staff about the diverse and important Army installations and infrastructure that support the training and well being of our Soldiers. On behalf of a grateful nation, I join my colleagues today in recognizing and commending Major Tom Lamb for over a decade of active service in the United States Army.

We wish Tom and his wife, Emilie, all the best as they continue their journey of service to our great Nation.

□ 1715

IN REMEMBRANCE OF HAZEL REED

(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, I appreciate the opportunity to memorialize a friend who just passed away recently here in northern California. I knew her from Paradise, California. Her name was Hazel Reed. Everybody referred to her as Haze, and that is kind of the part of the fun of who she was.

I know she enjoyed visiting our ranch on occasion and was always very active in our community with political-type issues and the standing up for the freedom and values that this country is founded on. And so I always appreciated her greatly for her spirit, her feistiness, and that she would take the time out of her life to be involved in the political process and more importantly standing up for our community and its values.

So again, I'm happy to at least at this date memorialize her, though we will miss her. Hazel Reed known as Haze from Paradise, California. So God bless her.

IRAN

The SPEAKER pro tempore (Mr. PERRY). Under the Speaker's announced policy of January 3, 2013, the gentleman from Illinois (Mr. ROSKAM) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous materials on the subject of this Special Order.

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

There was no objection.

Mr. ROSKAM. Mr. Speaker, there are hinge points in history. There are times at which you can sense that history is moving almost on a hinge from one trajectory to another trajectory, and my sense and my observation is that the United States is experiencing such a hinge right now.

Okay, what is the hinge? What is the change? What is going on? Here is what is happening. The administration has made a decision that is moving subtly in some ways, but I think the results are going to be very, very consequential and the subtleties will be lost, and we are going to be at a very different position. In other words, the hinge will move us from our current policy which says that Iran shall not be a nuclear power. That is the stated position of the United States. It is unambiguous. There is no ambiguity about that, at least not up until now.

But the hinge that is changing is a direction that begins to say, well, maybe not. Maybe instead we need a policy of containment, and that is very dangerous, Mr. Speaker. That is a direction that we ought not go. It is a direction, unfortunately, that the Obama administration is leading us in right now, and I'm convinced it is a mistake.

The House of Representatives has a responsibility as part of a coequal branch of government. We have worked, we have passed sanctions that are robust and dynamic that are not taken up by the false claim of the Iranians, a false promise of future conduct. We need our colleagues on the other side of the rotunda to take on a very rigorous sanctions bill and to push back very, very aggressively.

Because here is the thing: the Iranians are allowed to enrich under this proposed deal. There is no investigation as it relates to the warheads. There is no investigation as it relates to their missile capacity. And so what is happening? The Iranians gain an advantage of time and money, and we squander both. This is the time when the United States needed to be clear and not ambiguous.

So there are Members who are gathered here today, Mr. Speaker, to talk about the seriousness of this issue, to admonish the administration and encourage them to change course; and we hope to highlight the significant nature of this shift in American foreign policy that we are seeing lay out before us as we speak.

So toward that end, I would be honored at this point to yield to the gentleman from California (Mr. SHERMAN), my colleague and friend.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding.

The political pundits are all focused on was this a good deal, was this a bad deal. But we're not here in Congress to give a grade to the administration. We are here in Congress to decide what legislation should be passed. Congress is a policymaking body, although so often those in the administration think that we are, at most, advisers or critics; but let us take a look at this deal, and we'll see that what we get out of this is at least overstated by its proponents.

Because we are told that this halts their enrichment of uranium. It is true that it limits their 20 percent uranium; and Iran will not be making progress during the 6-month period of this deal toward its first bomb, but they will be making very substantial progress toward their eighth, ninth, and 10th bomb. And Iran is not a nuclear power until they have some to hide, one or two to test. It is not their objective to have but one, because throughout this agreement it is very clear the centrifuges keep spinning, the amount of low enriched uranium keeps growing; but we're told that Iran will not be increasing its stockpile. If you read the agreement, yes, they will, but they have to convert to uranium oxide metal, that which they produced during the term of this agreement.

There are some proponents of the agreement that say, Well, that means that they are neutralizing all that they produce under the agreement. That is hardly true.

I have been the chair or ranking member of the Terrorism and Nonproliferation Subcommittee since it was created in the early part of this century, and I have worked with the nonproliferation experts. The fact is that this uranium oxide, this huge new additional stockpile to be created over the next 6 months can be converted back to gaseous form and then enriched further. And converting it back to gaseous form will take only a couple of weeks.

So this agreement provides that Iran makes substantial progress toward more low-enriched uranium, building its stockpile toward a real collection of nuclear bombs.

We are also told that we have given up very little in this agreement. We have given up far more than you can find in the text because the most important thing about our sanctions is momentum. And we passed additional sanctions in 2010, 2011, 2012; and, if hadn't been for this agreement, the Senate would have passed the bill that we worked on in the summer, and we would have passed additional sanctions in 2013.

The content of those sanctions is important, but even more important is the momentum. If you are a multinational corporation, you can find a law firm that will find loopholes in our existing sanctions, but you will decide not to invest a lot into that business plan because you know Congress is going to pass more sanctions.

Well, now you know we are not passing any sanctions in 2013; and the question before us, as legislators, is whether we will be passing sanctions in 2014.

Why is momentum so important not just to those international businesses trying to decide whether to invest in exploiting the loopholes? Most of economics is psychology. It is currency values. It is consumer confidence. It is business confidence. It is investment. And we saw the celebrations in Tehran as the business community celebrated this agreement because it ends the continuing momentum toward additional sanctions.

But we are not here, again, to grade the administration. That is for pollsters and pundits. We are here to decide whether to pass legislation.

It is very clear we are not going to pass legislation that becomes effective in 2013. The question before us is whether we will pass legislation which, by its terms, becomes effective June 1, 2014. And the reason the administration sent some of its top officials to brief us in a classified briefing today is because they want to convince us not to take any action in the first 5 or 6 months of 2014. Well, what does that mean? That means, in effect, we are not going to take action in 2014. Why is that?

Most people think that this deal expires in late May, 6 months after it was adopted on November 24, 2013. That is not the case. The start date is some day to be determined sometime probably in late January. So if we, as a Congress, are convinced not to take any action, not to pass any legislation, not to go through the committee process and the markup until after this

agreement has terminated, we are talking about late July. Well, at the end of July, we go on break. We come back for, what, 2 or 3 weeks between then and the November elections.

So if the administration can convince us to not do anything until 6 months after the trigger date, which is a date to be determined sometime in January, they can assure the Iranians that no new sanctions will be adopted in 2014. And that will be apparent to those doing business in Iran and those doing business with Iran.

The administration complimented us more than once, saying these sanctions are what brought Iran to the table, but let us remember that the administration opposed the adoption of these sanctions every single time. The reason we did not adopt any sanctions against Iran in 2009 was because of opposition from the administration and the tremendous intellectual clout and credibility that the State Department and administration bring.

But it is not just this administration. We didn't pass any sanctions during the entire 8 years of the prior administration. Oh, we passed some through the House, but they stopped them in the Senate, and with considerable effort. Not one bill became law. So we have seen two administrations do their best to delay, dilute, prevent, and defeat sanctions legislation.

So now they say, Isn't it great we have this legislation, but don't pass any new legislation. Let us remember, we were against the legislation they now say is so great.

The best example of this is the Kirk-Menendez amendment in 2011. That was the bill that prevented Iran's central bank from clearing their petroleum dollar-denominated transactions through the American banking system. Well, what did the administration say in the form of a letter from Secretary Geithner? He wrote on December 1, 2011: ''I am writing to express the administration's strong opposition to this amendment because, in its current form, it threatens to undermine the effective'' sanctions. ''In addition, the amendment would potentially yield a net economic benefit to the Iranian regime.''

□ 1730

There is only one reason Iran is at the table today. It is because of the sanctions we have adopted the last 3 years. And the most important of those was the Menendez-Kirk sanctions that the administration fought against.

What we ought to do is adopt legislation providing additional sanctions. And we have already written them. We passed the bill in June, with 400 votes on this floor. We should have those sanctions—and I would think others—go into effect on June 1, unless Congress, in an expedited proceeding, passes a resolution saying, Hold off. We've seen enough progress. These sanctions don't need to go into force.

Instead, and the other choice, we can do nothing on the theory that we will do the right thing in the last few days of July, as if Congress turns on a dime, as if the State Department has been unsuccessful in delaying, defeating, and diluting sanctions in the past. That, I think, would be a mistake.

With that, I would point out that this deal calls for a rollback of sanctions that violates American law in a number of respects. It will not be the first time that an administration has refused to enforce the sanctions bills passed by Congress.

I will say that from 2010 through 2013 this administration has done a much better job of enforcing such legislation than either of the prior two administrations. But as a technical matter, the administration has agreed to waive that which the law does not allow it to waive, particularly section 504. And I will go into the details in some other forum.

Mr. ROSKAM. I thank the gentleman for his insight and for his leadership on this important issue, and particularly his highlighting that the timing, Mr. Speaker, is an illusion, as the gentleman said, to think this all turns on a dime on the 1st of June.

With that, I would like to yield to the gentleman from North Carolina (Mr. HUDSON).

Mr. HUDSON. Mr. Speaker, the nuclear deal agreed upon with Iran is shameful. There is no better example of this than Iran's announcement just days after the agreement was reached to open a new nuclear weapon plant that is not even subject to IAEA inspection.

Any nuclear deal must include swift and decisive action that forces Iran to completely abandon its crusade to acquire a nuclear weapons capability. We must not give a dangerous regime with a penchant for terrorism and extremism the capability to build a weapon before the world can react.

A nuclear-equipped Iran is the most dangerous threat to Israel, the world, and to the stability of the Middle East. Indeed, with a nuclear weapons capability, Iran is a direct threat to the United States.

Mr. Speaker, negotiations like this require serious discussions about our foreign policy in the Middle East, not a reckless decision by President Obama that weakens our national security, threatens our allies, and lacks the support of this Congress and, frankly, the American people.

Reducing sanctions now merely rewards bad behavior and fundamentally halts the progress we have already made. Indeed, instead of reducing our influence and taking steps backward, we must pursue every avenue to ensure that Iran does not engage in nuclear weapons proliferation and, most importantly, does not develop a nuclear weapon.

The only suitable agreement is one that starts with Iran ending their uranium enrichment program; otherwise, we should not loosen sanctions on this bad actor.

Mr. ROSKAM. Mr. Speaker, I yield to the gentleman from Colorado (Mr. LAMBORN).

Mr. LAMBORN. I thank Representative PETER ROSKAM, a leader on the U.S.-Israel relationship here in Congress. He and I are two of the cochairs of the Republican Israel Caucus.

I share with many colleagues on both sides of the aisle deep concern over the interim agreement that this administration has reached with Iran over its nuclear program. We have struck a deal that irreversibly weakens sanctions against a country that is infamous for deception and deceit—a deal that does nothing about the infrastructure of its nuclear program.

In the weeks since the accord was announced, we already see the first signs of how these sanctions—which are what brought Iran to the negotiating table in the first place—are being eroded by other countries eager to resume trade with Iran, as many of us predicted.

Weakening the sanctions now without demanding that Iran dismantle its nuclear program takes away our leverage. They have not stopped a single one of its 19,000 centrifuges from enriching uranium. They are not dismantling their plutonium plant either, a plant which has absolutely no peaceful civilian purpose.

We are witnessing a recurrence of the kind of effort that failed to prevent North Korea from acquiring nuclear weapons, but in an even more volatile and dangerous region of the world. All this is being done with a country that our own State Department has long defined as the chief state sponsor of international terrorism and which is determined to get nuclear weapons.

By giving up our leverage in return for a flawed interim agreement, we are only reducing the chances that a productive accord can ever be reached with Iran over its nuclear program where Iran actually renounces its right to enrich uranium.

Mr. ROSKAM. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. RODNEY DAVIS).

Mr. RODNEY DAVIS of Illinois. Thank you to my good friend and colleague from the great State of Illinois (Mr. ROSKAM) for leading this Special Order on a very important subject.

We have concerns. We should have concerns over a deal with Iran, especially as Americans. It wasn't too long ago that President Clinton told us that North Korea would abide by a similar deal. They agreed to stop their nuclear ambitions in order to get sanctions lifted and get billions in aid from the United States. But they went ahead and secretly continued their program. I caution this administration and the American people to make sure that this doesn't happen again with Iran.

This interim deal allows Iran to continue enriching uranium to the 5 percent purity level and to keep building new centrifuges to repair old ones. It

calls for Iran to convert 20 percent of enriched uranium either to fuel or to a diluted 5 percent stock. But these processes can easily be reversed, especially since this interim deal does not force Iran to disassemble the infrastructure that allowed it to produce enriched uranium in the first place.

A nuclear Iran is a grave danger to our friend and greatest ally in the Middle East, the State of Israel; the rest of our allies throughout the world; and our own American foreign policy interests. As Henry Kissinger noted in The Wall Street Journal:

> The heart of the problem is Iran's construction of massive nuclear infrastructure and stockpile of enriched uranium far out of proportion to any plausible civilian energy production.

I am very concerned that this interim deal does not address the issues at hand.

Furthermore, easing sanctions as part of the interim deal causes us to lose leverage at the negotiating table. As many of my colleagues have already mentioned, it is these sanctions that brought them to the negotiating table. We cannot lose sight of their effectiveness.

I actually happen to agree with my colleagues here in the House, like Mr. ROSKAM, and my Senator, MARK KIRK, that we should increase sanctions. That would give us a stronger negotiating stance and draw more concessions from Iran.

The world needs to be a much safer place for all of us. The only way to make it a safer place is to stop Iran's nuclear capabilities. Mr. Speaker, this deal does not do that.

Mr. ROSKAM. Mr. Speaker, I will yield to the gentleman from Arizona (Mr. FRANKS). As he is approaching the microphone, let me just make one point, and that is something that Mr. DAVIS just highlighted.

Sanctions are working. Sanctions have brought the Iranians to the table. So think of it this way. You have got a hold of a pit bull. You have got it. It is a very dangerous animal and it is ferocious, and if you let go of it, it may come and attack you. Why in the world, if you have got it under control or under some semblance of control, would you say, ''You know what? Let's loosen our grip and try this again''?

It doesn't make any sense.

I yield to the gentleman from Arizona.

Mr. FRANKS of Arizona. I certainly thank the gentleman.

Mr. Speaker, I would suggest there are two components to every threat in terms of national security that this country and other nations face. That first component is that of intent, and the second is that of capacity.

If one listens to the rhetoric that the Iranian leaders have spoken in recent years, the intent issue should be settled clearly in our minds. The question that remains is their capacity.

I would suggest to you, Mr. Speaker, that if, indeed, Iran gains a nuclear weapons capability, the world will step into the shadow of nuclear terrorism. Terrorists the world over will have indirect access to nuclear weapons. My children and those of the Members in this body will face a forever future that is uncertain every step they take.

Mr. Speaker, about 8 years ago, I stood here in this same spot and called for Iran to be referred to the Security Council. At that time, they had only 160 centrifuges. Of course, the call for them to be referred to the Security Council was diminished in that people said they needed 3,000 centrifuges for a full-blown nuclear weapons program. Today, Mr. Speaker, Iran has 19,000 centrifuges. Those centrifuges will continue to spin—most of them—under this agreement that the President has announced.

This agreement the President has announced ignores not only U.S. law, but ignores the UN sanctions that are in place. It also ignores the fact that Iran has not made any concessions in this area in the last 30 years. It also ignores the position that this deal puts Israel in—one that is untenable and more impossible than any I have seen in my lifetime.

The naivete of this administration in dealing with Iran is something that is simply breathtaking.

Mr. Speaker, I would just suggest to you that if Iran gains nuclear weapons, we will need a new calendar. It will change our reality in the world that much. And I would say to you that, while there is still time, we need to act.

Mr. Speaker, there is that moment in the life of every problem when it is big enough to be seen and still small enough to be addressed, but in terms of Iran's nuclear weapons pursuit, that window is closing quickly. And whatever this body can do, whatever this President can do to prevent Iran from gaining a nuclear weapons capability, must be done, because soon they will have the ability to ignore our entreaties and only a military intervention will prevent it.

Mr. Speaker, whatever our cost is for preventing Iran from gaining nuclear weapons, it will pale in its significance compared to the cost of allowing Iran to become a nuclear-armed nation.

Mr. ROSKAM. I thank the gentleman.

Mr. Speaker, it is an amazing thing to think about how aggressive Iran has been without a nuclear weapon. It is a worldwide sponsor of terror, incredibly aggressive, and going after and making threats about the Strait of Hormuz and so forth. Can you even imagine what it would be like as a nation if it had a nuclear threat behind it? It would change the dynamic entirely.

I think one of the weaknesses of the administration's proposed deal is this: it puts the imprimatur of approval on enrichment. Up until now, it has been American policy that says, You can't enrich. You have no right to a nuclear capability.

And let's be frank. There is nobody with a straight face that is saying that the Iranians have any interest in pursuing nuclear technology because of an interest in global warming. This is not an energy pursuit at all. It is clearly a pursuit to manipulate the world stage toward their ends that are oftentimes driven by terror.

One of the great advocates of a strong U.S.-Israeli relationship and one of the great advocates of a strong U.S. foreign policy is the gentlelady from Florida, former chairman of the Foreign Affairs Committee, Ms. ILEANA ROS-LEHTINEN, to whom I now yield.

Ms. ROS-LEHTINEN. Mr. Speaker, I want to thank Mr. ROSKAM for his leadership in spearheading this discussion on the dangers of last month's interim nuclear agreement deal with Iran.

As we have had more time to dissect this deal, it is becoming clearer and clearer that, despite Secretary Kerry's claim that no deal is better than a bad deal, we have been had.

In exchange for the one thing that Iran so desperately needs—sanctions relief to jump-start its flailing economy—the administration received nothing more than window dressing to stop Iran's nuclear program.

This interim deal is the unraveling of the sanctions policy that was so painstakingly crafted over the past 10 years. It was aimed at bringing Iran's nuclear program to an end. We have already seen other nations eager to get back into the Iranian market, and it will now be nearly impossible to stop the cash infusion into the Iranian regime.

□ 1745

How can we stop this?

This deal is contrary to U.S. sanctions law. It is contrary to U.N. Security Council resolutions that explicitly prohibit Iran from being able to enrich its own uranium.

By accepting this deal, the administration has acquiesced to Iran's illegitimate claim to a right to enrich uranium, and it has done nothing to dismantle the nuclear infrastructure of Iran's. Any temporary pause in Iran's progress can now be easily started right up again with no real detriment to Tehran's march toward nuclear weapons capability.

The administration has struck a deal with an Iranian regime that is one of the world's biggest supporters of terrorism and is a U.S.-designated state sponsor of terrorism. It has offered sanctions relief to the very same man who only 10 years ago, while serving as the chief nuclear negotiator of Iran to the West, boasted of using deception to buy time for Iran's nuclear program to progress. Yet the administration has fallen for what I call the ''Rouhani ruse.''

We have already seen Iran announce that it will continue construction on its plutonium plant at Arak, with some experts believing that Iran will exploit a possible loophole in the agreement to allow it to build important components

of this heavy water reactor off site; and we continue to see Iran make advances on other nuclear weapons programs not addressed in the interim agreement, such as the development of ballistic missile technology needed to launch a nuclear payload over long distances.

Mr. Speaker, not only is this interim deal dangerous for the precedent that it sets—that rogue regimes will get rewarded at the expense of our friends and allies who do play by the rules—but the deal is also dangerous because it weakens our credibility and harms our relations with other countries.

This sends a terrible message to other countries in the region that have long feared Iran becoming nuclear but have refrained from seeking their own nuclear programs because the United States had promised that we would not allow Iran to enrich uranium or to complete its heavy water reactor. This deal will create a loss of trust from other regional allies, such as Saudi Arabia and others, who now see a double standard from the United States. Our closest friend and ally—the democratic Jewish State of Israel—continues to feel an existential threat from Iran.

President Obama has weakened the trust and the credibility of the United States and, in exchange, has strengthened the legitimacy of the illegitimate Iranian regime. It is a double whammy—we lose stature while elevating a dangerous regime. And all for what—our ability to prevent a nuclear-armed Iran and an all-out arms race in the Middle East? It is not going to happen. We are going to see a nuclear-armed Iran, and we are going to see an all-out arms race in the Middle East. We have tarnished our relationships with our trusted allies.

I remain committed, Mr. Speaker and Mr. ROSKAM, to ensuring that Iran never becomes a nuclear-capable country. I urge my colleagues in the Senate to take up the sanctions legislation that we in the House overwhelmingly passed earlier this year.

Mr. Speaker, Iran has no right whatsoever to enrichment. There can be no ambiguity here. The United States must not accept any new deal with Iran that does not end Iran's enrichment program completely and that does not completely dismantle the nuclear infrastructure of this dangerous regime.

I thank Mr. ROSKAM for his leadership, and we will continue to fight.

Mr. ROSKAM. I thank the gentlelady.

At this time, I would like to yield to the gentleman from Texas (Mr. WEBER).

Mr. WEBER of Texas. I thank the gentleman from Illinois, our distinguished deputy whip.

Mr. Speaker, this House disagrees on almost every issue brought before it. However, this is one issue on which this House agrees: we all agree that we must never allow a nuclear-armed Iran.

Repeatedly, this Congress has passed resolutions condemning a nuclear Iran as well as having passed multiple pieces of legislation strengthening an Iranian sanctions policy in the hopes of halting their progress. A number of resolutions calling for sanctions, increased scrutiny and the cessation of enrichment have also passed the U.N. Security Council. Yet instead of tightening the sanctions policy—a policy which has forced Iran to the negotiations table in the first place—this administration seems hell-bent on easing those sanctions and on allowing the release of billions of dollars in assets and finances to Iran. Even more incredulous, we still don't have a finalized deal, much less even know the details of what they are planning.

As a result of this administration's easement, Iran is already threatening an oil price war within OPEC, and companies around the world are jockeying to play in a country that still has no restrictions upon enrichment or upon nuclear weaponization. The terms of the so-called ''deal,'' still under negotiation, allow Iran to continue enrichment, directly violating multiple U.N. resolutions, directly violating U.S. stated policy, and directly violating international stated policy.

The Institute for Science and International Security recently published a report indicating that Iran was a mere few months away from reaching that nuclear threshold. However, this administration's negotiations do nothing regarding dismantling systems obviously aimed at weaponization. They do nothing regarding the removal of uranium enriched beyond civilian needs. They do nothing regarding work on delivery systems or ballistic missiles, and they do nothing to stop the enrichment currently taking place. In essence, Iran has received everything it has wanted, and we have gotten nothing. Christmas has come early in Iran.

The Iranian Government, Mr. Speaker, is not to be trusted. It has been demonstrated time and time again. If we intend to keep our country safe and strong, we cannot grant concessions without first verifying behavioral changes from politically unstable countries like Iran. We tried that tact, Mr. Speaker, in North Korea. How has that been working for us?

Members of Congress should refuse to stay silent on this issue. It is time for the Senate to step up to the plate and pass the Nuclear Iran Prevention Act. It is way past time for our administration and our negotiators to take a hard-line stand against this evil.

Here is a plan to do that. Let's demand some action. I will give you seven things:

(1) Demand that Iran stops human rights violations and releases all political hostages, including Americans like Pastor Saeed Abedini, former U.S. marine Amir Hekmati, and ex-FBI agent Robert Levinson;

(2) Stop the exportation of terrorism and renounce terrorism;

(3) Stop all the centrifuges; destroy them; and allow unlimited access from the IAEA;

(4) Publicly apologize to America and Israel for calling them the large and small Satan;

(5) Recognize Israel's right to exist as a Jewish state;

(6) Withdraw from Syria if they want to prove that Iran is serious.

(7) Wait a year to show the world they are serious, and perform those six functions. We want action, Mr. Speaker, not promises.

As former Senator Phil Gramm once stated:

> If the lion is going to lie down with the lamb, then we want America to be the lion.

We want to use our strength, to show our strength, to negotiate from a position of strength. To do anything else may make Israel the sacrificial lamb. This current administration needs to understand that this deal is a bad deal.

I am RANDY WEBER, and there you have it.

Mr. ROSKAM. I thank the gentleman for his insight and for his perspective and for his admonition for action.

Mr. Speaker, at this point, I would like to yield to the gentlelady from Indiana (Mrs. WALORSKI), a member of the Armed Services Committee.

Mrs. WALORSKI. Thank you, Mr. ROSKAM, for your leadership on the issue and for the opportunity to speak about this issue tonight.

Mr. Speaker, in his State of the Union address on January 24, 2012, President Barack Obama said:

> Let there be no doubt: America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal.

On March 4, 2012, President Obama again stated his desire to prevent a nuclear-armed Iran. He said:

> Iran's leaders should understand that I do not have a policy of containment; I have a policy to prevent Iran from obtaining a nuclear weapon.

On October 22, 2012, President Obama said of Iran:

> The clock is ticking . . . and we are going to make sure that, if they do not meet the demands of the international community, then we are going to take all options necessary to make sure they don't have a nuclear weapon.

Fourteen months later, the clock is still ticking, and Iran is now closer to acquiring a nuclear weapons capability.

Now that world leaders have reached an interim agreement on Iran's illegal nuclear program, we must be able to verify compliance and demand that any final deal completely dismantle Tehran's existing nuclear program.

There are three reasons this is imperative and for the international community to demand the suspension of nuclear enrichment:

First, Tehran must stop all enrichment activities because Iran is in noncompliance with the highest form of international law:

Iran is in direct violation of mandatory U.N. Security Council resolutions demanding them to suspend all enrichment and reprocessing. By not requiring Iran to abide by multiple U.N. resolutions, we are rewarding bad behavior.

We are signaling to the entire world that we are not serious about preventing the spread of nuclear weaponry;

Second, a nuclear-armed Iran threatens our national security. The threat of a nuclear-armed Iran is not something that is just talked about in the Halls of this Congress. Every time I am home, I hear the fears of Hoosiers who worry about how acts of terrorism might impact gas prices, food prices, and the well-being of loved ones. Since 1984, our government has designated Iran as a state sponsor of terrorism. The State Department has characterized Iran as the ''most active state sponsor of terrorism'' in the world. Iran has provided weapons, training and funding to terrorist groups, including Hamas, Hezbollah and Shiite militias in Iraq, who are responsible for the murders of hundreds of U.S. servicemembers and innocent civilians;

Third, a nuclear-armed Iran threatens to further destabilize an already volatile region: If Iran is allowed to further pursue its nuclear ambitions, the region—highlighted by perpetual conflict in places like Iraq, Syria and Yemen—will become more destabilized. Furthermore, a nuclear-armed Iran will jeopardize the safety of our allies and partners in the region, like Israel.

I believe—now more than ever—the United States must renew our unbreakable commitment to Israel and her inherent right to self-defense.

Iran's continued violation of U.N. and International Atomic Energy Agency restrictions have only given the world good reason to question Iran's willingness to abide by any future international agreement.

Mr. ROSKAM and Mr. Speaker, I call on the President to remember his words to the American people about preventing Tehran from obtaining a nuclear weapon, and I urge the President to use all tools at his disposal, including additional sanctions, to persuade Iran from developing nuclear weapons.

Mr. ROSKAM. Thank you, Mrs. WALORSKI.

Mr. Speaker, at this point, I would like to yield to the gentlelady from Minnesota (Mrs. BACHMANN), a member of the House Intelligence Committee.

Mrs. BACHMANN. Mr. Speaker, I want to say thank you to my colleague, PETER ROSKAM. We came in together when we won our election in 2006. It has been a privilege to serve with Mr. ROSKAM, who is not only the head and cochair of the Israel Caucus but who is also a strong defender of a strong United States national security posture—one that has helped to lead the world into safety for decades and one that we continue to maintain for the benefit of the American people.

□ 1800

You see, this is a very interesting time that we are in. We have virtually watched the hinge of history turn just in the events of these last several weeks.

Why do I say that? I say that because the Obama administration and the negotiators of the Obama administration have entered into a deal that could effectively guarantee that Iran will obtain the certainty of a nuclear weapon. Now, I know that it is the stated intention of the Obama administration that just the opposite of that will happen, but there is a big difference between theory and intention and the outcome of the result.

Today, we listened to members from the Obama administration and members of the negotiating team from the Obama administration, and they seem quite convinced in the theory of stopping Iran from obtaining a nuclear weapon. The theory goes something like this. It says we believe that Iran has the capacity to continue to enrich uranium and do it for a peaceful purpose. They believe that it is possible to verify that Iran would do that.

But what about the reality? What is the reality of what the supreme leader of Iran has said their intentions are with this program? Just prior to the signing of the agreement, the supreme leader was not vague; he was quite clear. He gave a speech on press TV. He wanted the world to know what his intentions were. He gave a speech in front of tens of thousands of paramilitary troops in the Iranian Revolutionary Guard. He said that ''it will be Iran's position that we will not change our nuclear program one iota.'' So apparently, according to the supreme leader, the program that Iran has originally envisioned it will go on. ''It will go on at the same pace that it was going on before without any change.''

Once the agreement was struck, there was a real question, and the question was this: Will Iran maintain the indigenous inherent ''right'' to enrich uranium? You see, that is the whole ball game, Mr. Speaker: Will Iran have the right to enrich uranium?

What do you need to build a nuclear weapon? You need fuel for that weapon, whether it is plutonium or whether it is uranium. Iran wants to make sure that they achieve the goal, so they are engaging both in developing plutonium and uranium. They have a heavy water reactor, the Iraq facility, and the Iraq facility is under construction. We have a 6-month interim agreement where we are supposed to get to a final negotiation. The plutonium facility is not built yet, but it is under construction.

One of those items is building a road to the reactor. That road continues to be built. There is no effort to stop that from being done. There is virtually no way for us to be able to stop mobile components from being built elsewhere and eventually brought into the heavy water reactor for the plutonium site. That is an issue. That is a big issue, and the other one being enrichment.

We know today that Iran has something like 19,000 centrifuges. A minimum 10,000 of those centrifuges are spinning, so much so that the estimate is they have somewhere between 9 and 10 tons of enriched uranium.

If we were serious about stopping Iran from creating a nuclear weapon, there are several simple things we would do. We would make sure that Iran would shut down the heavy water plutonium reactor and we would make sure that Iran would dismantle, take a sledgehammer to the centrifuges. Gone. That hasn't happened. Not to one. The centrifuges remain. So if you have centrifuges enriching, if you have enriched uranium, if you are continuing to enrich, I would say you have got a program.

This is very interesting because we just concluded a negotiation. From my experience as a former Federal tax litigation attorney—I did a lot of negotiating—usually when two sides are negotiating, they do it for a reason, and the reason is because they want to be better off, both parties, they want to be better off based upon the agreement that they negotiated. It seems to me something happened along the way during this negotiation. It makes me wonder if the Obama administration negotiators forgot which side they were negotiating for.

Why do I say that? I say that because take a look at what Iran got out of the deal. And I want to give full attribution to Illinois Senator MARK KIRK, who created this terrific graphic. This is what Senator KIRK let's us know about the agreement.

What we are getting out of the deal are zero centrifuges dismantled. These are the machines that create the fuel for a nuclear weapon. Not one will be dismantled out of 19,000. Zero uranium of the 9 to 10 tons will be shipped out of Iran. So the material remains in Iran. The ability to continue to create more material remains in Iran. It looks like a pretty good get for Iran.

Zero nuclear facilities are closed. We know that there is even more than we thought originally. There is Natanz, there is Fordo, Parchin, and the plutonium reactor at Iraq, let alone other covert programs we are not aware of. There is also no delay on the plutonium reactor. In fact, the supreme leader in Iran made it abundantly clear. They said, we read the agreement to say that we are not going to stop any construction on the plutonium Iraq reactor. I would say that is a violation of the agreement right there.

What has been the reaction of the Obama administration? What has been the reaction of the negotiators? Do they have egg on their faces? Do they look a little foolish from this agreement that they struck? We haven't heard anything from the current negotiators.

There is also no stop in the missile testing. So if Iran has a nuclear weapon, if they have the fuel for a nuclear weapon, and if they have the capability to deliver that weapon through missile testing, I would say they have got something. There is also no stopping terrorism from Iran and there is no stopping human rights abuses.

Many Americans aren't aware that there are Americans who are being held hostage today in Iran. When Ronald Reagan dealt with the Soviet Union to try to end the Cold War, Ronald Reagan handed the Soviets a list of dissidents that he wanted freed in order for him to begin these talks with the Soviet Union. He sent a signal to the Soviet Union. It said, in America we believe every American life counts. That sent a very strong message.

In the case of the Obama administration negotiators, they didn't even bring it up. They didn't demand that one American be released before we talk. Now, this is interesting because the Obama administration put a lot of pressure on Prime Minister Netanyahu of Israel. He said, You, Mr. Prime Minister, have to agree to release over 100 murderous thugs, including murderers who murdered an American, before the Palestinians will come to the table to negotiate with you on the Israel-Palestinian conflict. That was our President who put pressure under the prime minister—you have got to release thugs in order to negotiate. We would put that kind of pressure on Israel and we wouldn't put that kind of pressure on Iran?

You see, that is why, Mr. Speaker, I ask the question: Did the negotiators forget which Nation they were negotiating for? Because it looks to me like the score is pretty clear: United States zero, Iran made out on the deal.

The sad thing about that final score—and let's hope it is not the final score—is that, again, the hinge of history turns. If you have an Iran with a nuclear weapon, it won't be just Iran. You will explode proliferation. Saudi Arabia will have a nuclear weapon. Egypt will have a nuclear weapon. We will have a nuclear weapon most likely in Lebanon. And then at that point, what will happen with terrorist organizations like Hezbollah, al Qaeda, the al-Nusra Front, and on and on from there? The world changes. The hinge of history turns.

That is why this isn't political. That is why it is bipartisan here tonight. It is why Mr. ROSKAM has taken this very important courageous step of holding this time when Members of Congress can weigh in, because we aren't about bashing the Obama administration. That is not why we are here. We are here because we believe in national security—America's national security, Israel's national security—and peace across the world. That is Pax Americana. America doing everything that we can to be forward of keeping the peace in the world.

This action nearly guarantees war and a threat of a nuclear strike. We can prevent that. But the final deal that comes out in these final P5+1 negotiations must be very simple: close down the plutonium reactor, zero right to enrich for Iran, and zero processing. If you do that, then we will have a deal.

Mr. ROSKAM. Mr. Speaker, we have had a discussion tonight that has been incredibly robust. It has been bipartisan. We have had insight from members of the Intelligence Committee, the Armed Services Committee, Members who have had a long-term interest in Middle Eastern affairs and American military affairs, all of whom, Mr. Speaker, have a clear view of history. A clear view of history says let's look back at past activities as the best indicator of what the future is going to be like.

In summary, Mr. Speaker, what we know is this. That the administration has struck a bad deal, maybe for all the right reasons, but they have struck a bad deal. It is the responsibility of Congress not to put its imprimatur of support on a bad deal, but to act as a coequal branch of government and say, We ought not do this. We have got to recognize the weakness of it. We have got to recognize the long-term consequences of it, and we have got to hold this administration accountable.

I yield back the balance of my time.

GENERAL LEAVE

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the subject of the Special Order today.

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

There was no objection.

Mr. LIPINSKI. Mr. Speaker, a few weeks ago, we learned that the Obama Administration, along with representatives of the so-called P5+1 countries, had reached an agreement with Iran on freezing nuclear enrichment and relieving a portion of the sanctions that have been rightfully levied against Iran.

I think it is a positive step to have engaged Iran and to have reached a multilateral agreement. Certainly, freezing their nuclear enrichment, diluting the enrichment levels of Iran's uranium stocks, and reestablishing intrusive IAEA inspections are improvements over the current situation.

However, while I appreciate the need for a course of action that addresses the threat of a nuclear armed Iran, I maintain strong concerns about this agreement.

Foremost, I have serious doubts about the amount of trust we can extend to Iran. Engaging in negotiations that merely freeze their nuclear enrichment is a far cry from Iran foreswearing nuclear weapons, not to mention their abhorrent support for terrorism in Iraq, Syria, Lebanon and beyond. We must recall that this is the same fundamentalist regime that has supported the murder of Israelis in Argentina, has cast doubt on the existence of the Holocaust, and that enabled attacks on American military personnel in Iraq and Afghanistan.

Amazingly, despite the supposed goodwill of the agreement, three Americans continue to be detained in Iran. I find it extremely regrettable that the release of these Americans—Pastor Saeed Abedini, former U.S. Marine Amir Hekmati and ex-FBI Agent Robert Levinson—was considered marginal to the nuclear issue, and could not be addressed simultaneously while negotiations occurred in Geneva. These Americans' families are understandably left in pain as they wonder about their loved ones' welfare, and what it will ultimately take to get them home. This speaks volumes about the intents and reputability of the Iranian regime—how can we trust a government to follow through on an agreement about nuclear issues when they continue to hold our citizens captive?

I am also very concerned about the implicit acceptance, if not endorsement, of Iran's right to enrich uranium. Numerous United Nations Security Council resolutions have stipulated that Iran must stop enrichment and set-aside its nuclear program. Yet, somehow, this agreement falls short of that previously established UN mandate. While it may be acknowledging the nuclear capacity that Iran has achieved, I cannot accept that.

It is unclear to me what peaceful need Iran has for uranium enrichment. There are international offers on the table to develop and fuel nuclear power plants and to provide medically necessary isotopes for Iran, in order to eliminate their purported need for indigenous nuclear capability. But Iran would prefer to deny those offers, and use the ruse of power and medicine to enable its pursuit of nuclear weapons.

This agreement even allows Iran to maintain the facilities, centrifuges and basic stockpiles that have enabled their nuclear pursuits. Remarkably, the Iranian military facility at Parchin, where research on a nuclear weapon has been widely suspected, is not included in the inspection program and imposes no restrictions on activities at this site.

Though the opportunity to use these implements may be forestalled for now, should a subsequent agreement not materialize, Iran could return to its current nuclear capacity in short order, and have billions of dollars' worth of sanctions relief in hand, with little long-term benefit to show from this short-term accord.

Yet, an agreement has been reached and we have to accept that as the reality at the moment. Nonetheless, I think it is important for the U.S. Congress to continue to pursue new sanctions that are contingent on Iran's absolute adherence to this agreement, and earnest engagement towards a deeper, longer-term agreement that further removes Iran's nuclear capacity. We must make clear that there will be swift and severe consequences should Iran deviate from the agreement. And, we must continue to aggressively counter their terrorism threat, meddling in the security affairs of the region, and abuse of human and religious rights.

We must maintain a strong posture towards the Iranian regime, as they have done nothing to earn the trust of the United States, or the western world in general. Iran remains a threat to regional and global security, and we must not neglect or forget that.

Implementing this agreement and pursuing any longer-term accord must be done with open eyes to the real threat that Iran has been and continues to be.

CONGRESSIONAL PROGRESSIVE CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the gentleman from Wisconsin (Mr. POCAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. POCAN. Mr. Speaker, I rise today on behalf of the Congressional

Progressive Caucus to talk about the engine of our economy—the American worker. The American worker is known for their ingenuity, their work ethic, their drive, and their ability to get things done faster, better, and more efficiently than our competition. But also, unfortunately, the American worker is working harder than ever and they still aren't getting ahead.

The obstacles facing our workforce have never been greater. Too many people are still unemployed or underemployed, too few possess 21st century skills needed by employers, and the workforce protections fought for by generations are under attack like never before.

But tonight, the Congressional Progressive Caucus would like to focus on two issues promoting worker fairness: First, we want to ensure that we value and respect work through a fair wage; and second, we want to ensure that our country pursues fair—not free, but fair—trade deals that ensure American workers can compete on a level playing field.

Mr. Speaker, we are now in the biggest sales season of the year. Having already passed Black Friday and Cyber Monday, businesses are relying on the sales of the next month for their yearly profits. But a major problem faces our retailers this season. Too many people, many of them employed by retailers themselves, do not make enough money to purchase the consumer goods that drive our economy.

It has been 4 years since minimum wage workers have received a pay raise. Since that point, incomes of the top 1 percent have grown more than 31 percent, while CEO pay is 354 times that of the average employee. Meanwhile, the minimum wage, in its real value, is at historic lows. Adjusted for inflation, the 1968 minimum wage was at $10.60 an hour in 2013 dollars, according to the Bureau of Labor Statistics' Consumer Price Index. The minimum wage today is only $7.25. That comes out to approximately $15,000 a year for an individual and $30,000 a year for a family with two parents. The typical big business CEO, who got a 16 percent raise in 2012, got paid $15.1 million. That person will make more in a couple of hours than a full-time minimum wage worker will make in an entire year.

□ 1815

Making $15,000 a year working full time is simply not enough to get by in the United States. Think about the cost of rent, food, transportation. These costs keep going up, but the minimum wage does not. Is there any wonder why tomorrow Americans across the country will strike at food stores for a livable wage.

I joined one of these food strikes earlier this year in Madison, and I was inspired by the encourage of workers when they spoke out and took the risk of losing their job in order to talk about the low wages they were receiving. Something is wrong when in the richest country in the world, full-time workers have to strike because they can't afford their basic living expenses. When millions of Americans who work hard and play by the rules can't support themselves or their families, when they live in poverty, we face an economic crisis. Consumer spending goes down, deficits go up, and the gap between the small group of the very rich and the large group of the very poor grows even wider.

Mark Zandi, a chief economist for Moody's Analytics, recently said for the economy to thrive, we need everyone participating. Mr. Speaker, corporate profits are thriving. The stock market is thriving. The top 10 percent of the country are thriving.

According to tax expert David Cay Johnston, the top 10 percent earners took in 150 percent of the increased income in this country between 2009 and 2011. In fact, 40 percent of the increased income since 2009 went to the top 1 percent of the top 1 percent, those making at least $8 million in 2011.

But do you know who is not thriving? Well, pretty much everyone else. During that same time period, incomes fell for the bottom 90 percent of Americans, and the minimum wage continued to lose its value. This is not a sustainable future for our economy.

As the President said today in a speech, the combined trends of increased inequality and decreasing mobility pose a fundamental threat to the American Dream, our way of life, and what we stand for around the globe.

Democrats proposed a solution, and we are honored to have the President's backing. Congressman GEORGE MILLER of California and Senator TOM HARKIN of Iowa have introduced the Fair Minimum Wage Act of 2013. This bill, which already has 150 cosponsors in the House of Representatives, would gradually increase the minimum wage over 3 years from $7.25 an hour to $10.10 an hour, and it would be indexed in the future to increases in inflation thereafter.

I have already detailed the negative effects of today's unlivable minimum wage; but if we pass the Fair Minimum Wage Act, 30 million Americans would receive a pay raise. Thirty million Americans would have more money in their wallets to support their families and therefore support our still-recovering economy. And who are these 30 million Americans, Mr. Speaker? Critics charge that these are all a bunch of high school students trying to make a little extra cash, get some work experience, and if you raise the minimum wage, you will take away opportunities from young people.

Well, let me put that claim to rest. It is a myth. Nearly 90 percent of the workers who make the minimum wage are 20 years or older. More than half are over 25 years old, and 55 percent work full time. In other words, they rely on minimum wage for their full-time work; and 44 percent have some type of a college education, an associate degree or a bachelor's degree or higher. And 56 percent of those low-wage workers are women. And yet the critics still persist with these myths that somehow raising the minimum wage will slow down hiring, especially for small businesses.

Just last month, Speaker BOEHNER was asked about the minimum wage and he said:

> When you raise the price of employment, guess what happens, you get less of it.

He continued:

> At a time when the American people are still asking the question, Where are the jobs? why would we want to make it harder for small employers to hire people?

Well, Speaker BOEHNER has a very different experience than we have heard from experts across the country and my experience as a legislator in the State of Wisconsin. Every single time we raised the minimum wage in recent history in Wisconsin, more people entered the workforce. It actually created more jobs by offering that increased wage. More people decided they were willing to go out and work. The same has been shown to be true at the national level.

I support raising the minimum wage, as do Businesses For a Fair Minimum Wage. So does the U.S. Women's Chamber of Commerce and the American Sustainable Business Council. A number of business organizations see the very key to helping fix the economy is to help raise that minimum wage. In fact, two-thirds of small business owners across the country, according to a poll by Greenberg Quinlan Rosner Research on behalf of Small Business Majority, two-thirds of small business owners across the country support raising the minimum wage because small business owners, like myself—I have owned a small business for 25 years—understand two things. First, when you pay your workers with a decent wage and treat them with respect, you earn their loyalty. You get their hard work, and your business does better. That's why 85 percent of small business owners already pay their workers more than the minimum wage. Second, small business owners know that we need customers and we need people making enough money to afford the very products and services that we sell.

When you give a pay increase to the people who need it the most, that money goes directly back into the economy and helps support a rising tide, lifting all boats in the economy. Sixty-five percent of small business owners agree that ''increasing the minimum wage will help the economy because the people with the lowest incomes are the most likely to spend any pay increases buying necessities they could not afford before, which will boost sales at businesses. This will increase the customer demand that businesses need to retain or hire more employees.''

This is backed up by research, contrary to what Speaker BOEHNER and

other critics will say. Extensive research refutes the claim that increasing the minimum wage causes increased unemployment and business closures. In fact, according to the Economic Policy Institute, raising the minimum wage would actually have a positive impact on our economy by investing those dollars right now in the economy when we need it the most. When we increase the minimum wage, we raise wages for 30 million Americans, increasing salaries by $51.5 billion over the next 3 years.

And that is not just helping the wages of people who make minimum wage, but for millions of Americans whose salaries are pegged to the minimum wage. That is extra earnings that could be put in our economy right now when we need it the most. We could increase consumer spending at a time when weak consumer demand is one of the biggest obstacles facing our economy. These extra earnings would increase the gross domestic product by $33 billion over the bill's 3-year period, generating 140,000 jobs.

So when we increase wages, we increase consumers' ability to buy, which increases the gross domestic product and therefore increases jobs. At the very worst, raising minimum wage has no effect on employment, but it does provide a greater standard of living for millions of American workers. That is why 80 percent of Americans support raising the minimum wage, including 57 percent of Republicans and 59 percent of self-identified conservatives. It is a commonsense economic policy; and as a small business owner, I know it is a good business policy.

The Senate will hopefully consider an increase by the end of the year, and I encourage the people's House to do the very same.

That is one issue that is really important, but I want to just read a couple of quotes from business people specifically about raising the minimum wage. Let me read a quote from Business For a Fairer Minimum Wage director Holly Sklar who said:

> The biggest problem Main Street businesses face is a lack of customer demand. With the Federal minimum wage stuck at $7.25 an hour, just $15,080 a year, workers now have less buying power than they did a half century ago in 1956, and far less than they had when the minimum wage was $10.55, a high point in 1968, adjusted for inflation. We can't build a strong economy on downwardly mobile wages. It is time to raise America by raising the minimum wage.

There are small business owners who have said the exact same thing, who realize what we need to do with the economy. Camille Moran, owner of Caramor Industries and 4 Seasons Christmas Tree Farm in Louisiana said:

> A minimum wage increase is long overdue. It is not right or smart for any business to pay a wage that impoverishes not only their working men and women and their families, but also impoverishes our communities and our Nation. Boosting the wages of low-paid workers who could then purchase goods and services they need is the best medicine for our ailing economy.

Let me read from another business owner specifically about raising the minimum wage. This is David Bolotsky, founder and CEO of Uncommon Goods in Brooklyn, New York:

> Businesses don't expect the cost of energy, rent, transportation, and other expenses to remain constant; yet some want to keep the minimum wage the same year after year despite increases in the cost of living. That kind of business model traps workers in poverty and undermines our economy. The minimum wage should require that all businesses pay employees a wage that people can live on.

I have more and more stories from small business owners who get that the best thing we can do right now is provide the minimum-wage worker an increase in pay, put that money into the economy, create those jobs, and let's give a boost to what we need to most in America.

But the second issue that we want to address with the Congressional Progressive Caucus Special Order hour on the American worker is a trade deal that is coming down the pike possibly as early as the end of year, and that is the Trans-Pacific Partnership.

We have spoken a lot today about the need to ensure workers receive a fair wage for a hard day's work, but we are also concerned about another way our workers can get the short end of the stick, and that is with unfair trade deals that decimate American industries and ship jobs overseas. Unfortunately, we appear to have a massive, secret, and likely very harmful unfair trade deal on our hands.

The Trans-Pacific Partnership, or the TPP for short, is a NAFTA-style agreement between the U.S. and 11 other nations that have been largely negotiated in secret, and seems to not just repeat but perhaps worsen the mistakes made in the past.

In fact, this coming week, TPP negotiators are going to meet again in Singapore, and they plan to have a deal by the end of the year, in less than a month. That means we may be less than 30 days away from having a final TPP deal, a deal that we have no idea what it may contain. While we may not know what is in the bill, we do know what we have been promised, and it is similar to promises that people across the country and in my State of Wisconsin have been told before about these massive trade deals, from NAFTA to CAFTA to the U.S.-Korea Free Trade Agreement.

We have been told that free trade would lead to increased U.S. jobs; it would reduce our trade deficits; it would boost our exports; and it would lead to improved human rights and labor standards around the globe. Unfortunately, almost every single one of those promises has gone unfulfilled.

In Wisconsin, we have seen the devastating effects of free trade agreements such as NAFTA to our local manufacturing industries and our jobs. In fact, according to the Bureau of Labor Statistics, 5 million Americans have lost manufacturing jobs since the passage of NAFTA. A recent report found that the U.S. actually experienced a net loss of 700,000 jobs to Mexico from NAFTA. As a small business owner myself, I have seen the number of American-made products dwindle that used to be available and made here in the United States.

The record on trade surpluses is equally as damaging. The year before NAFTA went into effect, we had $1.66 billion trade surplus in goods with Mexico. Last year, we tallied a $62 billion deficit. And just 1 year after the U.S.-Korea FTA took effect in March 2012, our trade deficit in goods with South Korea has increased by $5.5 billion, a 46 percent increase.

Meanwhile, in countries from Mexico to Colombia to Bahrain, promises of improved labor rights have instead been replaced with reports by Human Rights Watch, Amnesty International, and the U.S. Department of State of continued, and oftentimes worsening, abuses.

So with all of these examples behind us, and with our economy continuing to recover slowly from the financial crisis, it should be our Nation's priority to pursue transparent trade policies that promote American industry, protect American workers, and improve the economic interests of middle class families across our country.

But as I have mentioned before, the TPP is no better than the deals of the past, and it could even be worse.

□ 1830

At this time, I yield to my colleague from the State of Connecticut (Ms. DELAURO). She is the cochair of the Steering and Policy Committee and the ranking member on the Labor, Health and Human Services, Education, and Related Agencies Appropriation Subcommittee. She is also a long-time legislator and a hero of mine in Congress.

Ms. DELAURO. I want to say thank you to my colleague from Wisconsin and thank you for all of your efforts and what you have been doing. It is an honor for me to serve with you.

At the heart of soul of what your interests are all about is what that chart reflects. It is about people who are making the minimum wage. What is their life about? What are we doing in terms of the policies that we create in this institution, which is an institution which historically has been about providing opportunity? A drop in the minimum wage is not an opportunity for future success. Your characterization of the Trans-Pacific Partnership in creating this kind of an effort is absolutely on target.

In terms of this agreement, next week, as you know, the trade ministers from 12 nations are going to meet in Singapore. As U.S. trade negotiators continue to push for this partnership, the TPP agreement, they want to push to move it so that we can do something by the end of this year.

You made a point before that this could have been a new opportunity. It

represented an effort to create something that was new, a sustainable model that promoted economic development with shared prosperity. But, as you know, unfortunately the talks have gone down the same road as previous trade agreements: export of more jobs, not more goods; unsafe imports; and threats to the public health, among other things. You made that clear.

The country lost more than 5 million manufacturing jobs, millions of service sector jobs since the North American Free Trade Agreement, which I will tell my colleague that I was proud to vote against when that came before this body, and the World Trade Organization. Both of those went into effect, and we have seen the loss of more than 5 million jobs.

Again, your point is well stated. Wages in the United States have decreased and economic inequality is something that is talked about a lot today. It is not an abstract concept. It is not an abstract construct. It is the result of public policy that has fostered economic inequality in the United States, and that has increased as a result of these past trade agreements.

The recent trade agreement with Korea reinforced why we cannot continue to do more of the same. In its first year, U.S. exports to Korea dropped 10 percent as imports from Korea increased. The trade deficit with Korea exploded by 37 percent in just 1 year, which equates to a net loss of approximately 40,000 more U.S. jobs. Why in an economy that is so difficult for people today are we embarking on public policy initiatives that increase lost jobs, lost wages, more economic uncertainty, and insecurity for families in the United States? It is wrongheaded. There is no reason to believe that the Trans-Pacific Partnership deal will not be the same kind of a raw deal for U.S. workers and more as this agreement would be unprecedented in scope.

The President himself has commented that the pact would establish rules that extend far beyond traditional trade matters to include ''a whole range of new trade issues that are going to be coming up in the future: innovation, regulatory convergence, how we are thinking about the Internet and intellectual property.''

The agreement will create binding policies on future Congresses in numerous areas to include those that are related to labor, patent and copyright, land use, food, agriculture and product standards, natural resources, the environment, state-owned enterprises, and government procurement policies, as well as financial, health care, energy, telecommunications, and other service sector regulations. This is a treaty that goes beyond tariffs. The scope is, as I have outlined, unbelievable.

We also know that the lack of transparency on this treaty is unbelievable. It is interesting to note that industry has had great access to the process and what is going on. Members of Congress, both sides of the aisle, have not had that same access to the information in this trade agreement, and it is our constitutional authority as Members of Congress to approve trade agreements. We cannot be frozen out any longer. We are not going to tolerate that.

We know, for example, that the agreement will likely lead to increases in U.S. imports of shrimp and other seafood from Vietnam and Malaysia. Here is something I believe my colleague knows but others need to know:

In 2012, imported seafood products from Vietnam were refused entry 206 times because of contamination concerns while some exporters in Malaysia have acted as a conduit to transit Chinese shrimp to the United States in order to circumvent both FDA import alerts and antidumping duties.

When I said they had been stopped, why have they been stopped? Filthy product, contaminated product, antibiotic-laced product putting in jeopardy the public health of people in the United States. And rather than improving food safety enforcement and regulations in partner nations, the agreement may lead to a drain of resources needed to ensure that food safety at agencies like the FDA are called in to resolve these disputes with other countries. The agreement may even undermine critical U.S. food safety regulations.

We also know from the recently leaked text that U.S. trade negotiators—I say ''recently leaked'' because we don't have access to the information. We are not able to come in and have people lay it out for us.

We now know from the leaked text that U.S. trade negotiators are proposing unbalanced intellectual property provisions that are going to hinder our trading partners' access to safe and more affordable drugs. This is not only going to raise the price of medicines overseas, preventing millions from getting the medical care that they need, but it limits the ability of United States companies exporting these drugs to grow internationally and to generate more jobs at home.

Incredibly, even as the administration is proposing to lower drug costs for consumers here in the United States by proposing in its budget to modify the length of exclusivity on brand name biologics from 12 to 7 years, our trade negotiators are demanding 12 years of data exclusivity from our trading partners, denying their people quicker access to more affordable drugs.

How can the United States be in that business? It is morally unacceptable that people overseas will have less access to lifesaving drugs. That is not who we are as a Nation. That is not where our values lie.

These and other critical areas are being negotiated without sufficient congressional consultation, even though, as I mentioned, under the Constitution, the Congress, not the Executive, has the exclusive constitutional authority to ''regulate commerce with foreign nations'' and write the Nation's laws. Over the last few decades, Presidents have increasingly taken over both of those powers through a mechanism known as ''fast track.'' What it does is erode Congress' ability to shape the content of the free trade agreement, which today, as I said again earlier, clearly goes well beyond tariff issues of the shaping of the trade agreement, but it then becomes—if you provide for fast track authority, then that means it comes to this body. My colleague from Wisconsin knows this. He served in legislative bodies. We will have no ability to amend, and you just come and you rubber-stamp it. No more. No more.

Under the recent iteration of fast track—which expired, by the way, in 2007—U.S. trade negotiations required various stages of congressional consultation before and during the negotiations. But even that minimal level of congressional consultation has not occurred with regard to the Trans-Pacific Partnership treaty, which is why myself and so many of my other colleagues from both sides of the aisle, including my colleague from Wisconsin (Mr. POCAN), have made it clear that the 20th century fast track and its lack of any meaningful input from Congress in the formative stages of an agreement is not appropriate for the 21st century trade agreements like the Trans-Pacific Partnership. More fast track is a nonstarter.

What we need to do is to create a 21st century mechanism to negotiate approved trade agreements that ensure that they benefit more Americans. Don't decrease their wages. Don't decrease the minimum wage. Give them a fighting chance to help themselves and their families. We cannot approve a Trans-Pacific Partnership agreement that continues to follow the same failed trade template that has hurt working families for so long, that jeopardizes our public health here and abroad, and that creates binding policies on future Congresses that we had no input in creating.

If we are to uphold the trust of our constituents, for them, for this economy, for our country, we need to do better, and the content and the process of the Trans-Pacific Partnership does not allow us to do better by our constituents or the great people of the United States. This is a treaty that needs to be restarted. Instead of being brought up and finished by the end of the year, we need to restart the effort, have congressional input, and do something that will help to make a difference in the lives of the people that we serve.

I thank the gentleman for having this Special Order to focus on this issue. I know that he will, as I will, continue to try to make clear to the public what we are talking about, what is in this legislation, which is not going to benefit themselves and their families. That is something that I

know that you are committed to and I am committed to, as well. And we are going to continue this battle. As far as I am concerned—I won't speak for you—we are not going to make that end-of-the-year treaty. There are going to be many roadblocks before that occurs.

I thank the gentleman for allowing me to participate in this Special Order tonight.

Mr. POCAN. Thank you, Representative DELAURO, not only for your long history of standing up for the American worker and trying to get fair trade and not just free trade, but also for really giving a strong explanation about the problem with food coming into our country.

Ms. DELAURO. The food issue is supreme, and this usually stays under the radar. We are bringing it to the fore.

Mr. POCAN. And medicine. Much less labor standards. We know in Vietnam the wage is 28 cents an hour. That is 4 percent of our currently already low minimum wage. To think that somehow we can have fair trade with a country that has 28 cents as minimum wage, that the factories have violated safety requirements eight out of 10 times they have been inspected, that workers routinely fail to get the minimum 4 days a month of rest.

□ 1845

This is not a trade partner that you can have in a trade agreement that is going to at least raise the level for American workers. It can only lower the level.

And another concern I know you and I have had, Representative DELAURO, has been on procurement and what exactly is in this agreement on procurement. I was an author, when I was in the State Legislature in Wisconsin, of Buy America laws, to make sure that our tax dollars went to goods that supported American workers.

The very language that has been in these trade agreements could take away our ability to have Buy Local and Buy American laws, and we need to change that.

So, again, thank you so much for your efforts on this. We are going to work with many other colleagues on both sides of the aisle to do what we can to defeat this fast track.

Ms. DELAURO. I think it is important to note that there is bipartisan support in opposition to a fast track authority unless it gets changed to include congressional input, as well as bipartisan support in opposition to this trade agreement for what it does, because people being hurt don't have a party label.

The minimum wage, the drop in the minimum wage, affects Democrats, Republicans, Independents. I don't care where you are and who you are, it is affecting your life and the life of your family.

So I thank the gentleman again and look forward to our continuing efforts.

Mr. POCAN. Thank you again, Representative DELAURO, for your many years of advocacy for the American worker and your continued strong passionate advocacy on behalf of the American worker. Thank you.

One of the things that, as we talked about the various provisions, there are literally over 20 chapters that involve everything from labor conditions, the environment, procurement, food safety, intellectual property, on and on. This is a wide, wide variety of topics that are covered in the trade deal.

And the fact that Congress could maybe lose its say through a fast track agreement would be completely egregious because we are elected by the people. We have to represent our constituents and make sure we defend that worker in our district.

If you take away Congress' voice, that is wrong. Whether it is done by a Democrat or a Republican, we must have our say.

People will say that somehow we are anti-trade. We are, in fact, very much pro-trade. We just want it to be fair trade. We want it to be drafted carefully and correctly, and I believe you can do that.

But when you have an agreement like we have seen with past agreements and what we expect so far to see in the TPP from some of the leaked text, it looks again that the interest of global corporations will be ahead of the good of the American worker.

There are situations where a foreign-owned business could have more power than our own sovereign courts on issues, and where Buy American policies can be undermined, where corporations can be incentivized to move their production offshore, and it can engage us in a race to the bottom on worker protections, wages and rights. And the American worker gets left behind.

We simply can't do that. We need to make sure that Congress has every possible say in a trade agreement, especially something as wide as the Trans Pacific Partnership can include.

We need to know what is in these laws; and if you think about it, we don't know that. You just heard Representative DELAURO and me, who have been following this issue, we don't even know exactly what is being negotiated in this agreement.

So we have a lot of questions, and we have very few answers.

Does the agreement do anything to tackle currency manipulation? We don't know.

Does it include enforceable environmental and labor standards? We don't know.

And how much does it deal with the blatantly non-trade items from, food safety to financial regulations to Internet freedom?

Once again, the answer is we don't know.

Yet, despite all these unanswered questions, despite the fact that most Members of Congress have barely gotten a chance to see leaked portions of the agreement, and despite the fact that this deal will have lasting repercussions on our economy and our workers, once again, there is word that we are hearing they are going to try to fast track this through Congress. And that simply is not acceptable.

Given all the lingering questions that we have out there on the Trans-Pacific Partnership, I firmly believe that rushing this bill through Congress is both dangerous and irresponsible.

Just earlier this year, I led a letter, with 35 other freshman Democrats, expressing similar concerns about transparency and making sure that we have a bill, a trade deal that is in the best interest of our constituents, our workers.

Madam Speaker, our job in Congress is to represent the people who sent us here. It is not our job to represent the interests of foreign corporations or CEOs who want to find the cheapest labor they can to increase their profit margins, and it is not our job to sit on the sidelines while more bad trade deals get passed through this body.

We have a responsibility to the American worker to ensure that they can compete on an even playing field with workers across the world. If we compete on an even playing field, we will always win. We have the work ethic. We have the ability to do that.

But unless we are given that equal opportunity, the American workforce cannot be treated in a fair and sustainable way. They can't compete when their jobs are shipped overseas, or their wages get driven down so low that they face almost unlivable conditions.

We can and must do better for our workforce. We can raise the minimum wage. We can pass job-first trade deals. We can invest in our workforce through education and job-training programs that prepare the American people for the challenges of the 21st century.

That is what the Congressional Progressive Caucus is committed to doing, and that is what I am committed to doing. That is why I encourage the entire body to help us move forward.

Madam Speaker, the Congressional Progressive Caucus has done the best we could tonight to try to raise——

Mr. POLIS. Will the gentleman yield?

Mr. POCAN. I yield to the gentleman from Colorado.

Mr. POLIS. I will be happy to talk about TPP for a moment. I have some time coming up on a different topic.

But one of the issues around it has been the secrecy under which it has been negotiated. I actually, some months ago—to show that these are not just partisan concerns—sent a bipartisan letter, with DARRELL ISSA, requesting that there is more transparency about this process.

I have had the opportunity on three occasions to review the text in my office. My own staff wasn't allowed to even be there with me.

The American people are unable to execute the proper oversight over something that is of great economic

importance to our country because of the secrecy under which it is being negotiated.

Mr. POCAN. Thank you, Representative POLIS from Colorado. Again, you have been an outstanding advocate on behalf of the American worker.

And I too did the exact same thing. I looked at sections of this, and my staff weren't allowed; but even more troubling, I wasn't allowed to take notes about the language of these agreements.

But from what I saw in the agreements was definitely no better than past agreements and very likely could be worse when it comes to labor standards and when it comes to our procurement policies allowing us to have Buy American laws.

So the Congressional Progressive Caucus today really wanted to highlight the American worker. And the two issues that we wanted to highlight tonight, one was the need to raise the minimum wage, something we expect the Senate may be taking up yet this year, and that we hope this body will take up. And let's raise that minimum wage to $10.10, just like the proposal that we have before Congress.

Secondly, let's make sure we have fair trade deals, not just free trade, but fair trade deals that protect the American worker, protect the environment, protect our businesses around intellectual property and other concerns. We can do that. And the Congressional Progressive Caucus will continue to do that.

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

IMMIGRATION REFORM

The SPEAKER pro tempore (Mrs. WALORSKI). Under the Speaker's announced policy of January 3, 2013, the Chair recognizes the gentleman from Colorado (Mr. POLIS) for 30 minutes.

Mr. POLIS. Madam Speaker, I am here today, unfortunately, to talk about the continuing inaction of this body on immigration reform. It has been 159 days since the Senate passed a commonsense immigration reform bill securing our borders, creating jobs for Americans, restoring the rule of law, requiring employment verification, uniting families. And this body has failed to act.

The House's failure to act on immigration reform has already cost our economy over $6 billion. Today, Madam Speaker, I want to talk about the human cost as well.

In the week following the Thanksgiving holidays, I want to recognize those individuals that are suffering because of our inaction, families that are torn apart, immigrant workers so critical for our economic success, living in the United States, who even helped put our Thanksgiving dinners on the table this year.

I want to begin by telling the inspiring story of a Capitol Hill staffer, sadly, a former Capitol Hill staffer, Erika Andiola. I had the opportunity to meet Erika and her mother today, and I hope that her story will inspire this body to finally reform our broken immigration system.

Erika wrote this letter to many of her friends, including some of your staffers, Madam Speaker, just the other day about why she is leaving:

> Dear friends, today is my last day on the Hill. While ''last day on the job emails'' are customary, I wanted to share the unfortunate reason I am leaving. A few days ago, I informed my boss I would be leaving my job on Capitol Hill to return home to Mesa, Arizona, and fight against efforts to deport my mother.
>
> After a year as a congressional staffer, during the push to bring millions of people out of the shadows in the U.S., I am now needed most as a daughter to my mother.
>
> In many ways, my life represents a broad spectrum of experience for undocumented young people in our country. I am facing the most painful aspect of the record-setting deportations of the Obama Administration: family separation by deportation.
>
> My home was raided by ICE on the same date I began my work in Congress. The raid stemmed from a traffic stop. While ICE is supposed to prioritize deportations for violent crimes, they decided to go after my mother, who has never committed a violent crime.
>
> Families being separated is nothing new. The administration is currently nearing the 2 million deportation mark. Behind that number is an even larger number of families, like my family, being left behind.

I had the opportunity to meet Erika Andiola and her mother earlier today, and I can tell you we will miss her service in this body for the Member she worked for. She has her legal status, thanks to President Obama's Deferred Action program, or DACA, that allows her the paperwork to work, again a result of the inaction of this body, that the Executive had to take action, with the limited authority he has, to at least give a temporary reprise to Erika. But no such help for her mother.

And who among us wouldn't, if forced to choose between our job and our family, who wouldn't choose our family?

As Erika returns home to Arizona, I wish her and her mother well and good luck in ensuring that they can stay together in a country that I hope values families, just as it valued Erika's service to her country as a congressional staffer.

I encourage everyone to share Erika's story and to get involved at keepustogether.org to help keep Erika's family together.

Our inaction on immigration reform has also impacted our immigrant workforce, a critical part of our economy. Roughly 16 percent of all workers in the U.S. are foreign born, in diverse sectors from agriculture to information technology to hospitality to self-employed entrepreneurs.

As the Aspen Institute's November series of ''Working in America'' noted, the experience of immigrant workers varies significantly. Some achieve great success, while others are employed in low-paying and substandard working conditions.

In my State of Colorado, according to the 2011 census, over 11 percent of our workforce is comprised of immigrants. Among them, unauthorized immigrants comprise nearly 5 percent of Colorado's workforce. That is according to a study by the Perryman Group.

If we were to remove unauthorized immigrants from Colorado tomorrow, our State, my State, would lose $8 billion in economic activity, $3.6 billion in gross state product, and it would cost our State almost 40,000 jobs for Americans that would be destroyed if we didn't have the people that are in Colorado today already working and simply lack a legal way to do that that only this body can fix.

Nationwide, the millions of undocumented immigrant workers are often marginalized and exploited. In many cases, they have harvested our Thanksgiving dinners. They have harvested our onions, packed our tomatoes, perhaps cleaned your hotel room, Madam Speaker, or mine, washed our dishes.

Yet, their immigration status means that when unscrupulous employers try to take advantage, they often lack a voice to stand up for stable and fair working conditions or to report crimes.

Undocumented workers around our country engage in difficult, dangerous work under the harsh conditions. They often live in fear of detention or deportation.

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Consider the example of a worker in Nashville who, while cleaning the restaurant where she was employed, cut herself, yet her managers refused for 4 hours to take her to the hospital. Even after receiving medical treatment, her employer refused to pay any of the costs for an employment-related injury. And the injury caused her a permanent handicap, with limited mobility in her hand.

Or consider the case of Raul, a North Carolina farmworker who lacks documentation. Raul shares a room and dirty and freezing bathrooms and showers with six others. Raul rises every day to provide for his family and give them the life he never had. Because his family is in another country, he hasn't seen his children in 5 years and misses them terribly, but his immigration status prevents him from even visiting his family back home and being able to return to his job here.

Or consider the case of Guadalupe Hernandez, a returned migrant and former undocumented farmworker who came to the U.S. at the age of 12 and has been back and forth three times since. Guadalupe endures working for 12 to 14 hours a day at minimum wage in order to provide for schooling for her five children.

So while Congress is working 113 days next session, 113 days next year—that is how much we will be here. I sure hope it is enough time to reform our immigration system. So while Congress is working 113 days, the average undocumented farmworker's workload

is close to 200 days a year squeezed into 36 weeks of seasonal work, working double shifts to be able to put food on our tables for Thanksgiving.

While Congress works an average of 3 days per week and Members of Congress earn $3,500 a week, undocumented workers work 53 hours a week at an average salary of $318 a week.

In the time it takes Congress to hold our first vote in a series of votes—15 minutes, how long it takes people to come here and cast their vote—the average immigrant worker has picked four 30-pound buckets of grapes.

Our current immigration system has allowed the situation to persist and worsen. The current system lacks a pathway to citizenship without a family member who is already a U.S. citizen or permanent legal resident. Even legal guest workers under our current immigration laws are subject to workplace abuse, are poorly paid, often risk having their identity documents seized, and often live in reprehensible living conditions.

H–2 guest workers, low-skilled seasonal jobs, are bound to employers who hire them and can't even search for other work. They are often overloaded with debt because of the fees that recruiters charge to bring them from their own country and arrange for transportation.

Comprehensive immigration reform would protect American workers by preventing unauthorized immigrants from undermining wage and safety laws and protecting U.S. workers' rights.

H.R. 15, the bipartisan comprehensive immigration reform bill I am proud to have helped introduce in the House, would provide relief and help to all workers. The bill is similar to the Senate's immigration reform bill that passed with more than two-thirds of the Senate support, including agriculture, business, labor, tech, and many others in a broad-based coalition.

We are joined here on the floor by a champion of immigration reform, a Member of the House from the great State of California. It is my honor to yield to the gentleman from California (Mr. CÁRDENAS).

Mr. CÁRDENAS. I thank the gentleman for yielding.

Madam Speaker, I want to just explain some facts to my fellow Americans. I want to remind us that immigrants contribute tremendously to our economy as workers, taxpayers, and consumers. But despite their contributions, immigrants face exploitation and significant barriers to advancement in our country. When we look at how important immigrants are to our economy, it comes as no surprise that when we help immigrants succeed, we help our economy succeed.

And one of the things I want everybody to remember, as I speak for the next few minutes, is that at any given time in our great Nation's history, somebody in your ancestry was treated less-than. There was a time where if you were of Irish descent, you were treated badly; if you were Russian, you were treated badly; if you were Chinese, you were treated badly; if you were Eastern European, you were treated unfairly.

Unfortunately, what we have had in our country are phases where one particular person who looks a certain way—and especially when you think after 9/11—that people are treated differently. And the problem that I have with that is that that is not the America I was born into, and that is not the America that I want to represent, and that is not the America that is going to make this country prosper.

Immigrants make up a critical component of the American labor force. Immigrants accounted for nearly one-half of the U.S. labor force growth since the mid-1990s. Immigrants contribute to innovation, business creation, and job creation. Immigrants are more likely than native-born Americans to start their own businesses.

Immigrant-owned businesses employed 4.7 million Americans in 2007 alone. In 2011, immigrant businesses were estimated to generate $775 billion in revenue, $125 billion in payroll, and $100 billion in income.

Immigrants also help to slow the aging of our labor force and the corresponding economic burdens that come with that.

Immigrants make up a critical component of America's agricultural industry, in particular. That is what brought my father to this country. He worked in the fields in the Central Valley of California so that my mother could stay home and raise, eventually, the 11 children that they had together. About 77 percent of the farmworker labor force is foreign-born, like my father, and at least one-half of the farmworkers are undocumented.

Farmworker work is one of the most hazardous occupations in our country and in the world, and many of these jobs would go unfilled without immigrant workers.

That is another thing that my father wanted for me. He worked in the fields tirelessly. His hands would bleed so that we, Americans, could have fresh fruits and vegetables on our table. But he dreamed that his children, American-born children, could actually go to college and surpass his dreams, as he only had a first grade education in the country that he came from.

With the help of immigrant farmworkers in America, the value of U.S. agricultural exports rose 2.5 times between 1989 and 2009, and exports of high-value agricultural products, including fruits and vegetables, more than tripled.

America, it is really important for us to understand, when we don't welcome those hardworking immigrants to be part of our integrated workforce, what happens is that places like Argentina, who would love to compete with us, they laugh at us, and they say, We will sell you our products. We will sell you our oranges and vegetables. They are pretty good, but they are not American-made.

Immigrants contribute to our economy through taxes. The State and local taxes paid in 2010 alone by households headed by undocumented immigrants was over $11 billion. And this is according to the Institute on Taxation and Economic Policy. Undocumented immigrants contributed as much as $13 billion in payroll taxes to the Social Security program in 2010 but only took $1 billion in benefits, creating a net positive effect on our Social Security system that benefits Americans, and this is according to the Social Security Administration.

Despite their contributions, immigrants face exploitation and significant barriers to advancement; and again, that is not the America we should feel proud of.

We have an opportunity to pass comprehensive immigration reform in this great country on this floor. All we need is the opportunity to put a bill up for a vote. And I believe that the majority of Members of this House will do the righteous thing, the right thing, and welcome those immigrants and integrate them into our system; and we will see the economy of the United States of America flourish once again like we all want it to, like we hope it should, and how we all deserve to see happen.

For example, immigrants of legal status earn 10 percent more than those who are undocumented, again, boosting the economy. Comprehensive immigration reform would allow immigrant students—DREAMers, as some of us call them—to gain a greater earning boost as more are able to attend college and become productive members of our labor force. Comprehensive labor reform would allow undocumented entrepreneurs the ability to expand their businesses and hire American citizens.

When we look at how important immigrants are to our economy, it comes as no surprise that when we help immigrants succeed, America succeeds. Our country is built on the backs of immigrants from Europe, from Africa, from the Americas, from Canada, from every part of this world. We are the country where dreams come true. We are the country where freedom rings true.

But right now, 11 million human beings do not enjoy those freedoms, yet they are here toiling, working, and we are benefiting from that. And that is a shame. We are better than that, America. We deserve an opportunity to see this legislative body vote on comprehensive immigration reform.

And I will say it once again: If we don't do it because it is just the right thing to do, let's do it for the selfish reason that it will boost the economy of the United States of America more than we have seen in over 50 years.

Mr. POLIS. One of the ways that H.R. 15 was actually brought to the floor of the House and introduced was by the chief sponsor of the bill. The gentleman from Florida, in his short time

in the House, has made an enormous impression, and particularly in pushing for comprehensive immigration reform.

H.R. 15, which is very similar to the Senate bill—and if we were to pass it in this body, it would be able to be ratified with the changes and sent to the President's desk—continues to gain support in this body. And I am happy to yield to its principal author, the gentleman from Florida (Mr. GARCIA).

Mr. GARCIA. I thank the gentleman from Florida.

Madam Speaker, I don't know of any other district in the United States that more clearly shows the economic contributions of immigrants than my own. You see it everywhere, from the languages spoken on the street to the diverse businesses on every corner.

Miami is a town built by immigrants. It is a perfect example of what happens when, instead of forcing people to live in the shadows, you welcome immigrants and you allow them to work and become valued members of the community.

Over the last 50 years, south Florida has seen unprecedented growth and has become the gateway to Latin America and its economy. None of this—none of this—would be possible without the hard work of immigrants who came to my community searching for the American Dream, just like my parents did. I would like to share a few of their stories.

Jose lives in Homestead. It is an area in my district that produces nearly half of the winter vegetables consumed in the entire United States. He came to this country in 1986 and, despite his best efforts, was unable to gain status. Even after suffering from a workplace accident that resulted in his finger being amputated and another in which he injured his back and arm, he still wakes up every day at 5 a.m. to do whatever needs to be done on the farm, from cleaning to planting to packing. Jose's wife was deported. He is now the primary breadwinner for his family. Both of his parents died in Mexico. He was unable to say good-bye. Jose does his job, pays his taxes, and serves as an advocate and mentor for other farmworkers, but our immigration system has done nothing but turn a blind eye to his sacrifice.

Lourdes started working in the fields at the age of 10, picking asparagus, tomatoes, and cucumbers all over the east coast. Despite having to drop out of high school because of the work and the constant moving, Lourdes eventually was able to complete her social work degree 20 years after she started, and all of her children have been able to go to college. Last year, she was recognized by the White House as a champion of change and is now an advocate for the farmworker community and is a proud champion of immigration reform.

And finally, I want to talk about someone who is sitting in the gallery, Secia Soza. Until the age of 8, she had always assumed that she had been born in the United States, like her brother. While she eventually was granted deferred action, both of her parents have been deported.

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Neither were criminals. In fact, her father owned a small business.

There are millions of Joses and Lourdeses and Secias. They grow our food, they build our homes, and they care for our families. They often work at jobs that no one wants and start businesses that create jobs when there were none before and in areas where they are needed most.

Our Nation would not be the society it is today without the generations of immigrants who came to our shores searching for a better life. The 11 million undocumented individuals living here today are no different. They are American in every way but on paper.

If we want to secure our economic future, we need to fix our broken immigration system in a way that addresses our need for immigrant workers and recognizes the incredible sacrifices and hard work that immigrants endure.

Jose, Lourdes, and Secia have waited long enough. The time to pass immigration reform is now.

If the gentleman from Colorado would permit, I also want to recognize those folks who labor in my community at this a long time. They spend enormous hours and effort trying to pass this. From our communities they come here and make a difference. We thank them. Some of them are in the audience today. I appreciate their work. Among them, Nora Santiago, has done a wonderful job for years, not only in moving the issue but in caring for some of these children that get left behind when their parents get deported.

With that, I yield to the gentleman from Colorado.

The SPEAKER pro tempore. All Members are reminded that it is not in order to bring to the attention of the House an occupant of the gallery.

Mr. POLIS. Madam Speaker, the gentle people in the gallery, the men and women who are spending their time here, would not have to be in those galleries advocating if this House simply took up the bill.

Do you think they want to be spending their time here, Madam Speaker? Is that what you think, they want to be spending their time here in the gallery, probably traveling at their own expense to Washington?

And you are saying we are addressing them, and that is what you are upset about, Madam Speaker?

I want you, Madam Speaker, to address the reason that they are here. They are here because our government is tearing apart their families, Madam Speaker.

The SPEAKER pro tempore. Will the gentleman from Colorado understand all Members——

Mr. POLIS. Will the Speaker understand that the Speaker is obstructing H.R. 15 from coming to the floor? Will the Speaker understand that?

The SPEAKER pro tempore. The gentleman will suspend.

Mr. POLIS. Will the Speaker understand that? Will the Speaker understand that?

The SPEAKER pro tempore. The gentleman may proceed.

Mr. POLIS. Will the Speaker understand that the Speaker is preventing H.R. 15 from coming to the floor, and that is why there are men and women in the gallery that potentially face deportation and their families are being torn apart.

It is very simple, Madam Speaker. Very simple. We need an immigration system that reflects our values as Americans—a Nation of immigrants and a Nation of laws. One that creates jobs for Americans; one that reduces our deficit by over $200 billion; secures our border; prevents terrorists from entering our country so we know who is here; and ensures that crimes are reported.

We can do that, Madam Speaker.

And I have heard it said that perhaps some prefer to do it piecemeal. Let's see what the pieces are and let's have a meal. That is what the Thanksgiving spirit is all about. We will be happy to look at the pieces. Let's see them.

In fact, the Judiciary Committee has reported out four bills. Those bills aren't perfect, by any means; but through the Rules Committee and the amendment process on the floor, I hope that we could potentially make them part of a bill. But those four bills have languished.

In the meantime, other bills that have come through the Judiciary Committee, for instance, an asbestos bill, found a fast track to the floor. Patent reform, fast track to the floor. Four immigration bills passed out of committee. Weeks go by, months ago by, and nobody hears a thing.

Why aren't we considering those bills, Madam Speaker?

Even I support this patent bill that we will be voting on tomorrow. But even from our friends in the tech community, job creators, major companies, they like this bill, in many cases. But you know what they really want? Immigration reform. They will say, Fine, you helped us out finding a few patent trolls. Now get immigration reform done, because we will be able to create jobs for Americans.

That is what we are here for, Madam Speaker: uniting American families, creating jobs for Americans.

We do that, Madam Speaker, by passing H.R. 15, by passing pieces and having a meal, however you want to do it. In fact, how about we invite our friends from across the aisle, Republicans, to join us here next week to talk about immigration reform and a path forward?

We have been down here every week since the Senate passed comprehensive immigration reform demanding the House bring up pieces or bring up comprehensive immigration reform, and we

invite our Republicans friends to discuss this with us.

There is no Democratic or Republican solution. This takes us working together for an American solution. We know that, Madam Speaker. H.R. 15 is not a Democratic bill or Republican bill. It is a bipartisan bill, with principals from both parties. More than two-thirds of the Senate support its commonsense approach.

We can improve upon the pieces and have a meal, or we can pass comprehensive immigration reform to reflect our values as Americans and create jobs for Americans and protect our borders.

The longer that we fail to act, the more men and women will have to be in these galleries here, Madam Speaker—perhaps against your wishes—will have to be fasting; will have to quit their jobs working in Congress, like Erika, because her mother is facing deportation.

Is that the America we want when we look at ourselves in the mirror?

Madam Speaker, is that what we are proud of as Americans? Is that our values? Are we proud that a young, talented staff person like Erika, working on behalf of her country for her Congresswoman here in the United States Capitol has to quit her own job because our own government is deporting her own mother, who hasn't committed any criminal or violent crime? It might have cost the taxpayers tens of thousands of dollars for deportation and at the cost of tearing a family apart and preventing Erika from offering all that she had to give to our great country.

We can do better, Madam Speaker. We can do better by the handful of people in this gallery and the millions of families across this country that are demanding action now, and the hundreds of million—yes, every American man, woman, and child who stands to benefit by immediate action here in the House of Representatives.

I yield back the balance of my time.

TPP TRADE AGREEMENT

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

Ms. KAPTUR. Madam Speaker, I rise tonight to associate myself with the Special Order opposing any fast track deal for the Trans-Pacific Partnership, or the TPP trade agreement as it is called.

It is simply the same old trade model since 1975 that has caused this country to rack up over $9 trillion of trade deficit—more imports coming in here than exports going out. An incredible debt.

We talk about the budget deficit. The reason we have a budget deficit is because we have a trade deficit and the outsourcing of jobs from coast to coast.

There is simply no reason to bring up a deal under the fast track procedure which will not permit amendment on this floor—a deal negotiated in secret by yet another Presidential administration.

Americans know how the middle class has been shrinking, how incomes have been shrinking, how production from coast to coast has been outsourced.

I associate myself with the remarks with the Special Order this evening that calls on the administration to rebalance our trade accounts. They could take up a bill that I have authored to rebalance America's trade accounts and take a look at all of these nations with which we have amassed these huge, huge deficits while our production is being outsourced.

Madam Speaker, let's table the Trans-Pacific Partnership deal. Let's table fast track and develop a brand-new trade model that benefits the United States of America and its people again so their incomes can rise.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GINGREY of Georgia (at the request of Mr. CANTOR) for today and the balance of the week on account of a death in the family.

Mr. RUSH (at the request of Ms. PELOSI) for December 2 through December 5 on account of attending to family acute medical care and hospitalization.

ADJOURNMENT

Ms. KAPTUR. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 5, 2013, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

3981. A letter from the Director — Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule — Deposit Insurance Regulations; Definition of Insured Deposit (RIN: 3064-AE00) received December 2, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

3982. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Etofenprox; Pesticide Tolerances [EPA-HQ-OPP-2011-0905; FRL-9902-39] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3983. A letter from the Director, Regulation Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Tennessee; Revisions to the Knox County Portion of the Tennessee State Implementation Plan [EPA-R04-OAR-2013-0455; FRL-9903-17-Region-4] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3984. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; New York; Determination of Clean Data for the 1987 PM10 Standard for the New York County Area [Docket No.: EPA-R02-OAR-2013-0618; FRL-9903-24-Region-2] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3985. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Florida: General Requirements and Gasoline Vapor Control; Correcting Amendment [EPA-R04-OAR-2012-0385; FRL-9903-23-Region 4] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3986. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Metaldehyde; Pesticide Tolerances [EPA-HQ-OPP-2012-0706; FRL-9399-8] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3987. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Electronic Reporting Under the Toxic Substances Control Act [EPA-HQ-OPPT-2011-0519; FRL-9394-6] (RIN: 2070-AJ75) received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3988. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Octadecanoic Acid, 12-Hydroxy-, Homopolymer, Ester with 2-Methyloxirane Polymer with Oxirane Monobutyl Ether; Tolerance Exemption [EPA-HQ-OPP-2013-0526; FRL-9903-18] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3989. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Quinclorac; Pesticide Tolerances [EPA-HQ-OPP-2012-0429; FRL-9902-15] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3990. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the Arizona State Implementation Plan, Maricopa County Area [EPA-R09-OAR-2013-0194; FRL-9838-6] received November 26, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

3991. A letter from the Chief Legal Officer, Privacy and Civil Liberites Board, Privacy and Civil Liberties Oversight Board, transmitting the Board's final rule — Freedom of Information, Privacy Act, and Government in the Sunshine Act Procedures [PCLOB; Docket No. 2013-0003; Sequence 1] (RIN: 0311-AA01) received November 18, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3992. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Endangered and Threatened Wildlife; Notice of 12-Month Finding on a Petition To List the Sperm Whale (Physeter macrocephalus) as an Endangered of Threatened Distinct Population Segment (DPS) in the Gulf of Mexico [Docket No.: 1206013325-3912-03] (RIN: 0648-XA983) received December 2, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

3993. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — Health Insurance Providers Fee [TD 9643] (RIN: 1545-BL20) received December 2, 2013, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. JEFFRIES (for himself and Mr. KING of New York):

H.R. 3646. A bill to direct the Secretary of the Army to give priority to projects and studies for hurricane and storm damage risk reduction, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. AMODEI:

H.R. 3647. A bill to amend title 38, United States Code, to improve the provision of guide dogs to veterans blinded by a service-connected injury; to the Committee on Veterans' Affairs.

By Mr. BRALEY of Iowa:

H.R. 3648. A bill to amend the Internal Revenue Code of 1986 to allow the work opportunity credit to small businesses which hire individuals who are members of the Ready Reserve or National Guard, and for other purposes; to the Committee on Ways and Means.

By Mrs. BUSTOS:

H.R. 3649. A bill to amend the Internal Revenue Code of 1986 to allow the work opportunity credit for hiring individuals who are veterans or members of the Ready Reserve or National Guard, to make permanent the work opportunity credit, and to expand and make permanent the employer wage credit for employees who are active duty members of the uniformed services; to the Committee on Ways and Means.

By Mr. CROWLEY (for himself, Ms. MENG, Ms. SCHAKOWSKY, Mr. QUIGLEY, Mr. HIMES, Mr. MEEKS, Mr. ISRAEL, and Mr. SIRES):

H.R. 3650. A bill to amend title 49, United States Code, to prohibit the operation of certain aircraft not complying with stage 4 noise levels, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HASTINGS of Florida (for himself, Mr. CONYERS, and Ms. LEE of California):

H.R. 3651. A bill to establish a commission to study employment and economic insecurity in the United States workforce; to the Committee on Education and the Workforce.

By Mr. HOLDING:

H.R. 3652. A bill to amend title 18, United States Code, to provide for penalties for aggravated identity theft facilitated by employment at an agency implementing the Patient Protection and Affordable Care Act; to the Committee on the Judiciary.

By Mr. KING of New York (for himself, Mr. POE of Texas, Ms. KELLY of Illinois, Mr. GRIMM, Mr. WEBSTER of Florida, and Mr. OLSON):

H.R. 3653. A bill to amend the Internal Revenue Code of 1986 to allow an increased work opportunity credit with respect to recent veterans, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. POLIS (for himself, Mr. BEN RAY LUJÁN of New Mexico, and Ms. KUSTER):

H.R. 3654. A bill to establish a renewable electricity standard, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RYAN of Ohio (for himself and Mr. JOYCE):

H.R. 3655. A bill to award a Congressional Gold Medal to Simeon Booker in recognition of his achievements in the field of journalism, including reporting during the Civil Rights movement, as well as social and political commentary; to the Committee on Financial Services.

By Mr. GERLACH (for himself and Mr. FATTAH):

H. Con. Res. 68. Concurrent resolution providing official recognition of the massacre of 11 African-American soldiers of the 333rd Field Artillery Battalion of the United States Army who had been captured in Wereth, Belgium, during the Battle of the Bulge on December 17, 1944; to the Committee on Armed Services.

By Ms. SPEIER (for herself, Mr. CICILLINE, Mr. DEUTCH, Mr. ELLISON, Mr. GRIJALVA, Mr. KEATING, Mr. MORAN, Ms. TSONGAS, Mr. SEAN PATRICK MALONEY of New York, Ms. SCHWARTZ, Ms. SCHAKOWSKY, Mr. MCGOVERN, Ms. MCCOLLUM, Mr. POCAN, Mrs. DAVIS of California, and Mr. LOWENTHAL):

H. Con. Res. 69. Concurrent resolution expressing the sense of Congress that efforts by mental health practitioners to change an individual's sexual orientation is dangerous and harmful and should be prohibited from being practiced on minors; to the Committee on Energy and Commerce.

By Mr. JONES (for himself and Ms. SPEIER):

H. Res. 430. A resolution expressing the sense of the House of Representatives that the President should ensure that the Government of the Islamic Republic of Afghanistan is making significant progress in fulfilling its deliverable requirements under the Tokyo Conference Agreement in order to receive United States financial assistance; to the Committee on Foreign Affairs.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. JEFFRIES:

H.R. 3646.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause I of the United States Constitution (related to general welfare of the United States).

By Mr. AMODEI:

H.R. 3647.

Congress has the power to enact this legislation pursuant to the following:

The constitutional authority on which this bill rests is the power of Congress to make rules for the government and regulation of the land and naval forces, as enumerated in Article I, Section 8, Clause 14 of the United States Constitution.

By Mr. BRALEY of Iowa:

H.R. 3648.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clause 18 of the United States Constitution.

By Mr. BUSTOS:

H.R. 3649.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clause 18 of the United States Constitution.

By Mr. CROWLEY:

H.R. 3650.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 3: The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

By Mr. HASTINGS of Florida:

H.R. 3651.

Congress has the power to enact this legislation pursuant to the following:

U.S. Const., Art. I, §8, cl. 3: Congress shall have the power to regulate commerce with foreign nations and among the various states.

By Mr. HOLDING:

H.R. 3652.

Congress has the power to enact this legislation pursuant to the following:

The authority to enact this bill is derived from, but may not be limited to, Article I, Section 8, Clause 3 of the United States Constitution.

By Mr. KING of New York:

H.R. 3653.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1

The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States.

By Mr. POLIS:

H.R. 3654.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 3 (relating to the power of Congress to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes).

By Mr. RYAN of Ohio:

H.R. 3655.

Congress has the power to enact this legislation pursuant to the following:

To make Rules for the Government and Regulation of the land and naval Forces.

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States or in any Department or Officer thereof.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. VISCLOSKY.
H.R. 107: Mrs. ELLMERS.
H.R. 129: Mr. YOHO.
H.R. 183: Mr. AL GREEN of Texas.
H.R. 184: Mrs. BEATTY.
H.R. 207: Mr. DUNCAN of Tennessee.
H.R. 490: Mr. NEAL.
H.R. 503: Mr. PEARCE, Mrs. BACHMANN, Mr. RICE of South Carolina, Mr. WALBERG, Mr. FRANKS of Arizona, Mr. WENSTRUP, Mr. MCALLISTER, and Mr. CARTER.
H.R. 517: Mr. DOYLE.
H.R. 543: Mr. FARR.
H.R. 647: Mr. KILDEE and Mr. WESTMORELAND.
H.R. 715: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. NADLER, Ms. NORTON, Mr. PRICE of Georgia, Mr. SESSIONS, Mr. SCOTT of Virginia, and Mr. YOUNG of Alaska.

H.R. 725: Mr. HUFFMAN.
H.R. 855: Mr. GUTIERREZ.
H.R. 863: Mr. ISRAEL.
H.R. 914: Mr. PEARCE.
H.R. 924: Mr. LOWENTHAL and Mr. GARCIA.
H.R. 961: Mr. LARSON of Connecticut.
H.R. 962: Mr. GENE GREEN of Texas, Mr. RIBBLE, and Ms. PINGREE of Maine.
H.R. 984: Mr. ROONEY.
H.R. 1015: Mr. HONDA.
H.R. 1078: Mr. MARCHANT.
H.R. 1150: Ms. TSONGAS.
H.R. 1209: Mr. KIND, Mr. ROKITA, Mr. AMODEI, Mr. ENGEL, Ms. TITUS, Mr. NUNES, Ms. CHU, Mr. ROYCE, Ms. GABBARD, Mr. PITTS, Mr. DENHAM, Mr. VALADAO, Ms. HAHN, Mr. GRIMM, Mr. WILSON of South Carolina, Mr. WOLF, Ms. DUCKWORTH, Mr. ROHRABACHER, and Mr. KLINE.
H.R. 1226: Mr. LANKFORD.
H.R. 1252: Mr. KILDEE.
H.R. 1318: Mr. THOMPSON of Mississippi.
H.R. 1354: Mr. RUIZ, Mr. LOWENTHAL, and Mr. PETERS of Michigan.
H.R. 1380: Mr. HONDA.
H.R. 1701: Mr. ROKITA.
H.R. 1726: Mr. PITTS and Ms. LOFGREN.
H.R. 1750: Mr. PERLMUTTER and Mr. ADERHOLT.
H.R. 1751: Mr. HUFFMAN.
H.R. 1771: Ms. HANABUSA.
H.R. 1814: Mr. HURT and Mr. RICHMOND.
H.R. 1843: Ms. ESTY.
H.R. 1845: Mr. DEFAZIO.
H.R. 1851: Ms. EDWARDS and Mr. RUIZ.
H.R. 1852: Mr. SESSIONS.
H.R. 1875: Mr. CAPUANO.
H.R. 1905: Mr. PERLMUTTER and Mr. LEVIN.
H.R. 1920: Ms. KELLY of Illinois, Mr. BRADY of Pennsylvania, Mr. PALAZZO, and Mr. O'ROURKE.
H.R. 1975: Mr. DOGGETT.
H.R. 1992: Mr. LOWENTHAL.
H.R. 2000: Mr. CARTWRIGHT.
H.R. 2012: Mr. MURPHY of Florida, Ms. SCHWARTZ, Mr. SHERMAN, and Mr. MEEHAN.
H.R. 2023: Mr. PRICE of North Carolina and Mr. CONNOLLY.
H.R. 2073: Mr. ISRAEL and Mr. COURTNEY.
H.R. 2288: Ms. DUCKWORTH and Mr. CARTWRIGHT.
H.R. 2300: Mr. HARRIS, Mrs. BLACK, Mrs. BLACKBURN, Mr. MARCHANT, Mr. CONAWAY, Mr. WOODALL, and Mr. CALVERT.
H.R. 2376: Mr. THOMPSON of Pennsylvania.
H.R. 2429: Mr. HALL, Mr. BROOKS of Alabama and Mr. FRELINGHUYSEN.
H.R. 2430: Ms. LEE of California and Mr. TURNER.
H.R. 2445: Mr. GRIFFITH of Virginia.
H.R. 2476: Mr. MEADOWS.
H.R. 2484: Mr. PETERS of Michigan, Mr. RAHALL, and Mr. CARTWRIGHT.
H.R. 2548: Mr. KINZINGER of Illinois.
H.R. 2560: Ms. TITUS.
H.R. 2575: Mr. HASTINGS of Washington.
H.R. 2591: Mr. PRICE of North Carolina and Mr. SMITH of Washington.
H.R. 2619: Ms. MCCOLLUM and Mr. MCGOVERN.
H.R. 2663: Mr. CARSON of Indiana.
H.R. 2697: Mr. MCGOVERN.
H.R. 2725: Mr. HECK of Nevada.
H.R. 2767: Mr. DUNCAN of South Carolina.
H.R. 2831: Ms. CHU.
H.R. 2901: Mr. KEATING, Ms. TITUS, Mr. WAXMAN, Mr. CICILLINE, Mr. BERA of California, and Mr. PETRI.
H.R. 2906: Mr. KING of New York.
H.R. 2921: Mr. GIBSON.
H.R. 2995: Mr. KIND, Ms. SCHWARTZ, and Mr. RENACCI.
H.R. 3040: Mr. KENNEDY, Mr. DAVID SCOTT of Georgia, and Mr. PRICE of North Carolina.
H.R. 3061: Mr. PRICE of North Carolina and Mr. CUMMINGS.
H.R. 3111: Ms. DUCKWORTH.
H.R. 3122: Mr. CAPUANO.
H.R. 3179: Mr. CASTRO of Texas.
H.R. 3311: Mrs. BROOKS of Indiana and Mr. LONG.
H.R. 3318: Mr. LOEBSACK and Ms. WASSERMAN SCHULTZ.
H.R. 3335: Mr. WALBERG.
H.R. 3367: Mr. VARGAS.
H.R. 3370: Mr. LONG, Mr. SCHNEIDER, Mr. RAHALL, Mr. MCALLISTER, Mr. BERA of California, Ms. HERRERA BEUTLER, and Mr. FORBES.
H.R. 3384: Mr. PETERS of Michigan.
H.R. 3401: Mr. CAPUANO and Mr. THOMPSON of Mississippi.
H.R. 3407: Mr. CLAY.
H.R. 3413: Mrs. BLACKBURN.
H.R. 3445: Mr. GEORGE MILLER of California, Ms. SCHAKOWSKY, Mr. RUSH, and Ms. SHEA-PORTER.
H.R. 3461: Mr. PRICE of North Carolina, Mr. DELANEY, Mr. GRIJALVA, Ms. SPEIER, and Mr. CARTWRIGHT.
H.R. 3471: Mr. SCHIFF, Mr. KILMER, Ms. SHEA-PORTER, Mr. PETERS of California, Mr. MURPHY of Florida, Mr. WAXMAN, Ms. WILSON of Florida, and Ms. PINGREE of Maine.
H.R. 3473: Mr. KIND and Mr. PETERS of California.
H.R. 3474: Mr. BENTIVOLIO.
H.R. 3479: Mrs. BACHMANN.
H.R. 3482: Mr. BUCHANAN, Mr. RIGELL, Mr. ISRAEL, Mr. OLSON, Mr. RICHMOND, Ms. SCHWARTZ, and Mr. POE of Texas.
H.R. 3485: Mr. GOODLATTE and Mr. MILLER of Florida.
H.R. 3486: Mr. CULBERSON.
H.R. 3488: Mr. SCHOCK, Mr. BLUMENAUER, Mr. THOMPSON of California, Mr. PAULSEN, Mr. COFFMAN, Mr. HANNA, Mr. MEEKS, and Mr. MATHESON.
H.R. 3489: Mr. REED.
H.R. 3494: Ms. PINGREE of Maine, Mr. NADLER, Mr. CONNOLLY, Ms. DELBENE, Ms. BROWNLEY of California, Mr. MORAN, Mr. HUFFMAN, Mr. VELA, Mr. BEN RAY LUJÁN of New Mexico, Mr. TIERNEY, Mr. CAPUANO, and Mr. LARSEN of Washington.
H.R. 3538: Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. FATTAH, Ms. ROYBAL-ALLARD, Mr. CÁRDENAS, Mr. GALLEGO, and Mr. O'ROURKE.
H.R. 3541: Mr. NEUGEBAUER, Mr. MARINO, Mr. LAMALFA, Mr. PITTENGER, and Mrs. BACHMANN.
H.R. 3571: Mr. KEATING, Ms. LEE of California, Mr. CONYERS, Mr. MCGOVERN, Mr. BRALEY of Iowa, Mr. LEVIN, Mr. MAFFEI, and Mr. MCDERMOTT.
H.R. 3574: Ms. SLAUGHTER.
H.R. 3578: Mr. FLORES, Mrs. HARTZLER, and Mr. PETRI.
H.R. 3581: Mr. PAULSEN.
H.R. 3589: Mr. POSEY, Mr. FRANKS of Arizona, and Mrs. BACHMANN.
H.R. 3590: Mr. YOUNG of Alaska and Mr. BENISHEK.
H.R. 3595: Mr. LANKFORD, Mr. RICE of South Carolina, Mr. HARRIS, and Mr. DUNCAN of South Carolina.
H.R. 3599: Mr. GOHMERT.
H.R. 3609: Mr. JEFFRIES.
H.R. 3612: Ms. BONAMICI.
H.R. 3625: Mr. STOCKMAN, Mr. ADERHOLT, Mr. HALL, Mr. SCHWEIKERT, Mr. BERA of California, Mr. MURPHY of Florida, Mr. OLSON, Mr. SMITH of Texas, Mr. PALAZZO, Ms. SEWELL of Alabama, Mr. COFFMAN, Mr. CRENSHAW, Mr. KILMER, and Mr. BACHUS.
H.R. 3627: Mr. MURPHY of Florida and Mr. SWALWELL of California.
H.R. 3630: Ms. CASTOR of Florida.
H.R. 3633: Mr. COURTNEY.
H.R. 3634: Mr. GIBSON, Mr. PETERS of California, Ms. SINEMA, Ms. KUSTER, Mrs. CAROLYN B. MALONEY of New York, Mr. DELANEY, Mr. NADLER, Mr. ENGEL, and Mr. HANNA.
H.R. 3639: Mr. LAMBORN.
H.R. 3641: Mr. WILLIAMS.
H.R. 3643: Mr. CONYERS and Mr. LANGEVIN.
H.J. Res. 43: Mr. KILDEE and Mr. GARAMENDI.
H.J. Res. 47: Mr. WOLF.
H.J. Res. 104: Mr. BENTIVOLIO.
H. Con. Res. 52: Mr. DUNCAN of Tennessee.
H. Res. 19: Mr. DOGGETT.
H. Res. 47: Mr. FOSTER.
H. Res. 112: Ms. CASTOR of Florida.
H. Res. 147: Mr. POMPEO.
H. Res. 231: Mr. YARMUTH, Mr. WOLF, Mr. FINCHER, and Mr. RUPPERSBERGER.
H. Res. 254: Mr. O'ROURKE and Ms. CHU.
H. Res. 284: Mr. ENGEL.
H. Res. 365: Mr. MAFFEI, Mr. BEN RAY LUJÁN of New Mexico, Mr. LYNCH, Mr. RANGEL, Mr. PETERS of California, Mr. CARTWRIGHT, Ms. DUCKWORTH, and Mr. GUTIÉRREZ.
H. Res. 401: Mr. RYAN of Ohio.
H. Res. 406: Mr. PRICE OF North Carolina.
H. Res. 410: Mr. KING of Iowa and Ms. HAHN.
H. Res. 422: Mr. POLIS, Mr. MORAN, Mr. PETERSON, and Mr. BENTIVOLIO.
H. Res. 423: Mr. CONNOLLY, Mr. MCNERNEY, and Mr. ENGEL.
H. Res. 424: Mr. MCGOVERN, Mr. COOPER, Mrs. CAROLYN B. MALONEY of New York, Mr. CONYERS, Mr. HASTINGS of Florida, Mr. POCAN, Mr. DINGELL, Ms. KUSTER, Ms. TSONGAS, Mr. LOEBSACK, Ms. DUCKWORTH, Ms. SHEA-PORTER, Mr. TONKO, Mr. WELCH, Mrs. CAPPS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CICILLINE, Mr. MICHAUD, Mr. RICHMOND, Mr. GEORGE MILLER of California, Mr. CROWLEY, Mr. HIGGINS, and Mr. OWENS.
H. Res. 425: Mr. RIBBLE.

DELETION OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3313: Mr. RUIZ.