

continue to attract the best and the brightest to help some of our Nation's largest challenges.

This Act codifies Executive Order 13704, and ensures the continuation of the Presidential Innovation Fellows program, which helps bring private-sector information technology solutions to Federal agencies.

Established by President Obama in 2012, this program has matched over 100 innovators with top civil servants at 25 different Federal departments and agencies. These partnerships harness new technology and tools to create a more effective and efficient government. During their tenure, fellows work to quickly deliver innovative products and services that help improve the way the Federal Government interacts with the American people.

The fellows are as diverse as our country and come from every region, age, skill, race, and gender. They have experience at companies like Google and Facebook, degrees from some of our top universities, extensive experience in nonprofits and, most importantly, a desire to harness their skills for public service.

Past projects include the Blue Button Initiative, which allows 150 million Americans access to their own health data so they can make informed decisions about their family's care.

The GeoQ project provides FEMA with better on-the-ground knowledge in times of disaster, using crowdsourced pictures to better assess damages and needs.

The NotAlone.gov project provides students and law enforcement personnel resources on responding and preventing sexual assault on college campuses.

And as a veteran myself, I appreciate the Veterans Employment Center, which has created a central hub for those who served with resources and potential employers to help them make the transition to civilian life.

This is a good bill that would make permanent a successful program. I urge my colleagues to support it.

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

Mr. FARENTHOLD. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MCCARTHY), the majority leader.

Mr. MCCARTHY. I thank the gentleman for yielding.

Mr. Speaker, the American people deal with their government in different ways almost every day; veterans trying to navigate the Federal bureaucracy, entrepreneurs dealing with regulations, citizens looking to access public information.

□ 1430

Dealing with the government is never as clear, as easy, or as efficient as it should be. That is because, while the world has changed in so many ways, government has stayed in the past.

Just think of how little government has changed. In the 1930s, we got our

news from the radio and the morning paper; today we get it on our phones. In the 1930s, we would cool off by opening the window or using a fan; today we have central air. In the 1930s, the VA processed paper disability claims; today it still processes paper disability claims.

Why is it that we expect more technology from our phones every month yet tolerate the exact same from our government year after year after year? Government is stuck in the past. We need to bring it into the future, and that is one of the two pillars of the Innovation Initiative.

Bringing government into the 21st century demands challenging the status quo. That begins with people, making sure the American people benefit from the best talent our country has to offer.

The Presidential Innovation Fellows program allows highly talented professionals—that means engineers, designers, and innovators from across the country—to build a more efficient, effective, and accountable government. They challenge old ways of thinking and introduce new approaches to make our government work the way American people believe and deserve it to work.

Now, I sponsored the TALENT Act to make sure this program continues into future administrations. By codifying the Presidential Innovation Fellows program into law, we can continue bringing positive disruptors to Washington and modernize our government.

The greatest resource we have in our country is the American people. We need the talent of the American people now more than ever before so we can reform government so it works well for everyone.

Mr. TED LIEU of California. Mr. Speaker, I have no further speakers.

I yield back the balance of my time.

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

This is a great piece of legislation. Regardless of which side of the aisle we sit on and regardless of whether we think government is too big or too small, I think almost everybody in this Chamber should be able to agree that the government needs to do its job well. It needs to spend taxpayer money efficiently. It needs to get the job done for the American people.

One of the ways it can do that is by adopting modern technology and taking advantage of the disruption that we have seen in the private sector that has brought us innovations like our phone that now is more powerful than a desktop computer just a few years ago.

I agree with the gentleman from California. It is absolutely imperative that we provide better, more efficient service to our veterans, but the same should be true in dealing with every area of government. You should get as good service from the government as you do in the private sector.

We can talk all we want about the Federal bureaucracy, and I am sure I

will probably disagree with some of the folks on the other side of the aisle about some of the pros and cons of this. But I think what we have seen in California, in Texas, in the Carolinas, in Boston, and all over this great Nation, as we have seen this boom in technology, as we have seen the changes that are coming that we are able to do more with less, we are able to do things faster, we are able to be more efficient, and we are able to give people more leisure time. This innovation economy, this mindset of the entrepreneur is something that this program brings into the Federal Government.

Many people spend long careers in the Federal Government where it is often disincentivized to innovate. This short-term program that brings the best of the best into the government for short periods of time to shake things up and to rethink how we do things is one of the ways that we can make it where the Federal Government actually can compute its way out of a paper bag. It is a way we are able to help our veterans. It is a way we are able to help all of our citizens by providing the services that we choose to provide as a government in the most efficient manner, and it gives us an opportunity for somebody who is standing outside of the box to take a look at what we are doing so maybe we can act a little bit outside of the box and do a better job.

Mr. Speaker, I urge my colleagues to join me in supporting this phenomenal bill.

I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. FARENTHOLD) that the House suspend the rules and pass the bill, H.R. 5658.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. FARENTHOLD. 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 motion will be postponed.

#### NATIONAL SECURITIES EXCHANGE REGULATORY PARITY ACT OF 2016

Mr. ROYCE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5421) to amend the Securities Act of 1933 to apply the exemption from State regulation of securities offerings to securities listed on a national security exchange that has listing standards that have been approved by the Commission, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5421

*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 “National Securities Exchange Regulatory Parity Act of 2016”.

**SEC. 2. APPLICATION OF EXEMPTION.**

(a) AMENDMENTS.—Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—

(1) by striking subparagraph (A);  
 (2) in subparagraph (B), by striking “that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A)” and inserting “that have been approved by the Commission, consistent with section 2(c) of the National Securities Exchange Regulatory Parity Act of 2016”;

(3) in subparagraph (C), by striking “or (B)”;

(4) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect—

(1) on the date of enactment of this Act, with respect to a national securities exchange registered with, and whose listing standards have been approved by, the Securities and Exchange Commission on or before the date of enactment of this Act; and

(2) on the date the Securities and Exchange Commission issues the final rule required by subsection (c), with respect to a national securities exchange not described under paragraph (1).

(c) REPLACEMENT STANDARDS.—Not later than 360 days after the date of enactment of this Act, the Securities and Exchange Commission shall, by rule subject to public notice and comment, establish minimum core quantitative listing standards pursuant to section 6 of the Securities Exchange Act of 1934.

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

The Chair recognizes the gentleman from California.

**GENERAL LEAVE**

Mr. ROYCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include any extraneous material on this bill.

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

There was no objection.

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

I rise today in support of H.R. 5421. This is the National Securities Exchange Regulatory Parity Act.

If you go back to 1996, as part of the National Securities Market Improvement Act, Congress acted to exempt the listed securities on three specific stock exchanges from State-by-State registration. Why was that exemption important? You can ask anyone from Massachusetts who tried to invest in a little company called Apple during its December 1980 IPO. State regulators banned Apple stock for sale to the public for, in the view of State regulators, being too risky.

Congress passed a good bill in 1996, but we got one thing wrong. We couldn't predict the future. Today, only two of the original three exchanges exist, and many more, many

more exchanges have joined the fray. The SEC's interpretation of the law has, in fact, created a two-tiered legal structure by giving this blue-sky exemption exclusively to the original three named exchanges.

The bill before us today simply gives all national securities exchanges equal treatment under the law. We give an immediate exemption to securities listed on a national securities exchange registered with the SEC and whose listing standards have already been approved by the Commission, and we ask the SEC to engage in a rulemaking to establish minimum core quantitative standards for any new exchanges that register with the Commission after the bill's enactment.

With so many regulatory impediments to capital formation, it is important we encourage new exchanges to become listing venues and a source of capital for companies looking to go public, looking to expand, and looking to hire more workers.

So I want to thank Ranking Member MAXINE WATERS. I also want to thank her staff for working with us to get this bill to the floor. I also want to thank my good friend from New York, Congresswoman CAROLYN B. MALONEY, for her constructive additions to the bill since committee markup. Finally, I would like to thank Chairman HENSARLING and his able staff, Rebekah Goshorn and Kevin Edgar, for all of their hard work.

Mr. Speaker, I urge my colleagues to join me in supporting this common-sense legislation.

I reserve the balance of my time.

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

Mr. Speaker, I would like to first thank my Republican colleagues for amending H.R. 5421 in an attempt to improve the status quo for the benefit of securities exchanges and the investors that trade on them and provide the Securities and Exchange Commission with additional discretion in a currently inflexible process.

H.R. 5421 would modernize a 1996 law that governs the process used by the SEC in determining whether an approved listing standard of a national securities exchange should be exempt from State regulation and oversight. That outdated process currently requires the SEC to compare listing standards to an imperfect baseline—the standards of the New York Stock Exchange, the American Stock Exchange, and the NASDAQ Stock Market.

Twenty years later, that baseline does not make much sense, as the American Stock Exchange no longer exists, and we have six other exchanges that are approved to list securities without State oversight. It neither seems fair to the other exchanges nor sufficiently protective of investors to allow the three named exchanges to effectively dictate listing standards.

However imperfect, the current standard has guided the SEC to create

an informal framework to consider certain core listing standards, such as minimum revenue, market capitalization, number of shareholders, and share price.

Now, the bill that we marked up in committee would have upended this framework and preempted States for any approval listing standard. I opposed that bill, as I believe it would have removed a valuable analysis that protects investors and ensures appropriate State oversight of smaller companies that may, in the future, list on a venture exchange.

Since that time, however, my Republican colleagues have worked to take into account these concerns and have amended the bill for the better. I want to thank Mr. ROYCE for his leadership and for the work that he has done on this issue and the time that his staff has spent with my staff.

Under the bill before us today, the SEC would have nearly a year to engage in a rulemaking to establish minimum core quantitative listing standards that protect investors and the public interest. That rulemaking would provide clarity and transparency to the preemption process and leave the issue of State oversight over small company trading on venture exchanges with the SEC. Most importantly, it would provide investors and interested members of the public the opportunity to comment on the overall process in a space where investors and the public do not have the resources to comment on each of the 1,000 rules proposed each year.

I do have some remaining concerns that the bill directs the SEC to implement only core quantitative standards and does not mention qualitative standards. However, under the bill, the quantitative standards are to be informed by qualitative factors like investor protection and the public interest, and the SEC retains its authority to apply other qualitative factors, as it does now, in its initial rule approval and the preemption process.

Moreover, I would expect the SEC, in its rulemaking, to establish quantitative standards for some of the qualitative factors that it currently considers, such as the number or percentage of independent board directors and certain shareholder meeting requirements.

So I would like to thank Mr. ROYCE and my Republican colleagues for amending H.R. 5421.

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

Mr. ROYCE. I want to thank the gentlewoman from California for her work to improve the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HULTGREN). He would like to speak on the bill.

Mr. HULTGREN. Mr. Speaker, I rise today in support of the National Securities Exchange Regulatory Parity Act of 2016. I want to thank the chairman of the Foreign Affairs Committee, Mr. ROYCE, for introducing this legislation.

I am a proud cosponsor. I was also excited to see a very strong bipartisan vote of support in the Financial Services Committee.

□ 1445

This is a simple technical fix to a 20-year-old statute that didn't foresee, or at least didn't contemplate, an increase in the number of exchanges and today's competitive market structure.

In 1996, Congress enacted the National Securities Markets Improvement Act, which codified the blue sky exemption for companies listed on the three predominant listed venues of that time: the New York Stock Exchange, the American Stock Exchange, and the NASDAQ. The blue sky exemption means securities will not be subject to both State and Federal regulation, which can be redundant and overly burdensome.

Currently, exchanges not enumerated by the Act must have "substantially similar" listing standards as those that are specifically named in the Act. This puts these exchanges in an unnecessary, government-created, competitive disadvantage. It functionally prevents a handful of exchanges from being a first mover in adopting innovative listing standards.

The unintended consequences of Congress' amendment to include specific references to just a few exchanges is a two-tiered regulatory structure and is unfair to exchanges that have since registered with the SEC.

According to the Chicago Stock Exchange, it is not currently a primary listing exchange for any securities, "in part because such securities would be subject to both Federal and State regulation, which is prohibitively costly and overly burdensome to potential listing companies. This change would remove this current impediment to companies listing their securities on CHX and would help in the exchange's efforts to develop a robust primary listing market here in Illinois."

Furthermore, this legislation would benefit the options industry, which has its home in Chicago as well. The Chicago Board Options Exchange is the largest market for stock options. Why should one of the most innovative and respected markets have to jump through unnecessary hurdles to update its listing standards?

We should not have artificial impediments to accessing the capital markets.

I urge all my colleagues to oppose this commonsense legislation.

Mr. ROYCE. Mr. Speaker, I have no further requests for time, and I urge an "aye" vote.

I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 5421, as amended.

The question was taken; and (two-thirds being in the affirmative) the

rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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:

Ordering the previous question on House Resolution 820;

Adoption of House Resolution 820, if ordered;

Ordering the previous question on House Resolution 819;

Adoption of House Resolution 819, if ordered;

Suspending the rules and passing H.R. 5658.

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

PROVIDING FOR CONSIDERATION OF H.R. 5538, DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2017; PROVIDING FOR PROCEEDINGS DURING THE PERIOD FROM JULY 15, 2016, THROUGH SEPTEMBER 5, 2016; AND FOR OTHER PURPOSES

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on the resolution (H. Res. 820) providing for consideration of the bill (H.R. 5538) making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2017, and for other purposes; providing for proceedings during the period from July 15, 2016, through September 5, 2016; 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 236, nays 174, not voting 23, as follows:

[Roll No. 406]  
YEAS—236

Abraham	Brat	Collins (NY)
Aderholt	Bridenstine	Comstock
Allen	Brooks (AL)	Conaway
Amash	Brooks (IN)	Cook
Amodei	Buchanan	Costello (PA)
Babin	Buck	Cramer
Barletta	Bucshon	Crawford
Barton	Burgess	Crenshaw
Benishek	Byrne	Culberson
Bilirakis	Calvert	Curbelo (FL)
Bishop (MI)	Carter (GA)	Davidson
Black	Carter (TX)	Davis, Rodney
Blackburn	Chabot	Denham
Blum	Chaffetz	Dent
Bost	Clawson (FL)	DeSantis
Boustany	Coffman	DesJarlais
Brady (TX)	Cole	Diaz-Balart

Dold	Kinzinger (IL)	Roe (TN)
Donovan	Kline	Rogers (AL)
Duffy	Knight	Rogers (KY)
Duncan (SC)	Labrador	Rohrabacher
Duncan (TN)	LaHood	Rokita
Ellmers (NC)	LaMalfa	Rooney (FL)
Emmer (MN)	Lamborn	Ros-Lehtinen
Farenthold	Lance	Roskam
Fincher	Latta	Ross
Fitzpatrick	LoBiondo	Rothfus
Fleischmann	Long	Rouzer
Fleming	Love	Royce
Flores	Lucas	Russell
Forbes	Luetkemeyer	Salmon
Fortenberry	Lummis	Sanford
Franks (AZ)	MacArthur	Scalise
Frelinghuysen	Massie	Schweikert
Garrett	McCarthy	Scott, Austin
Gibbs	McCaul	Sensenbrenner
Gibson	McClintock	Sessions
Gohmert	McHenry	Shimkus
Goodlatte	McKinley	Shuster
Gosar	McMorris	Simpson
Gowdy	Rodgers	Smith (MO)
Granger	McSally	Smith (NE)
Graves (GA)	Meadows	Smith (NJ)
Graves (LA)	Meehan	Smith (TX)
Graves (MO)	Messer	Stefanik
Griffith	Mica	Stewart
Grothman	Miller (FL)	Stivers
Guinta	Miller (MI)	Thompson (PA)
Guthrie	Moolenaar	Thornberry
Hanna	Mooney (WV)	Tiberi
Hardy	Mullin	Tipton
Harper	Mulvaney	Trott
Harris	Murphy (PA)	Turner
Hartzler	Neugebauer	Upton
Heck (NV)	Newhouse	Valadao
Hensarling	Noem	Wagner
Herrera Beutler	Nugent	Walberg
Hice, Jody B.	Nunes	Walden
Hill	Olson	Walker
Holding	Palazzo	Walorski
Hudson	Palmer	Walters, Mimi
Huelskamp	Paulsen	Weber (TX)
Huizenga (MI)	Pearce	Webster (FL)
Hultgren	Perry	Wenstrup
Hunter	Peterson	Westerman
Hurd (TX)	Pittenger	Westmoreland
Hurt (VA)	Pitts	Whitfield
Issa	Poliquin	Williams
Jenkins (KS)	Pompeo	Wilson (SC)
Jenkins (WV)	Posey	Wittman
Johnson (OH)	Price, Tom	Womack
Johnson, Sam	Ratcliffe	Woodall
Jordan	Reed	Yoder
Joyce	Reichert	Yoho
Katko	Renacci	Young (AK)
Kelly (MS)	Ribble	Young (IA)
Kelly (PA)	Rice (SC)	Young (IN)
King (IA)	Rigell	Zeldin
King (NY)	Roby	Zinke

NAYS—174

Adams	Cooper	Grijalva
Aguilar	Costa	Gutiérrez
Ashford	Courtney	Hahn
Bass	Crowley	Heck (WA)
Beatty	Cuellar	Higgins
Becerra	Cummings	Himes
Bera	Davis (CA)	Honda
Beyer	Davis, Danny	Hoyer
Bishop (GA)	DeFazio	Huffman
Blumenauer	DeGette	Israel
Bonamici	Delaney	Jeffries
Boyle, Brendan	DeLauro	Johnson (GA)
F.	DelBene	Kaptur
Brady (PA)	DeSaulnier	Keating
Brown (FL)	Deuch	Kelly (IL)
Brownley (CA)	Dingell	Kennedy
Bustos	Doggett	Kildee
Butterfield	Doyle, Michael	Kilmer
Capps	F.	Kind
Capuano	Duckworth	Kirkpatrick
Cárdenas	Edwards	Kuster
Carney	Ellison	Langevin
Cartwright	Engel	Larsen (WA)
Castor (FL)	Eshoo	Larson (CT)
Castro (TX)	Esty	Lawrence
Chu, Judy	Farr	Lee
Cicilline	Foster	Levin
Clark (MA)	Frankel (FL)	Lewis
Clarke (NY)	Fudge	Lieu, Ted
Clay	Gabbard	Lipinski
Cleaver	Gallego	Loeb
Clyburn	Garamendi	Loeb
Cohen	Graham	Loeb
Connolly	Grayson	Lowenthal
Conyers	Green, Gene	Lowey