

I urge my colleagues to support this important bill. Twenty-six days to go. We can work together. Over 250 of us are cosponsoring this legislation.

I ask, on behalf of every citizen, everybody working in the medical device industry, and for the sake of our own economy, let's do something that makes sense for this country.

Mr. RASKIN. Madam Speaker, I reserve the balance of my time to close.

Mrs. LESKO. Madam Speaker, in closing, H.R. 4 is totally partisan, without one Republican cosponsor; and H. Res. 326, another totally partisan bill, ties the Trump administration's hands and embarrasses Israel.

Madam Speaker, I urge "no" on the previous question, "no" on the underlying measure, and I yield back the balance of my time.

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

I want to thank my friend from Arizona, who rightfully invites us to focus on legislation that will bring us together.

The gentlewoman from Indiana, who I have not had the good fortune of meeting yet, accuses me of wasting not just time, but something called "clock time," which sounds like a really low blow.

In any event, I think our legislation actually will bring us together and should bring us together. The rule is for two pieces of legislation that I thought ought to have and would have complete bipartisan support.

The first is simply to update the preclearance coverage formula, section 4(b) in the Voting Rights Act, as we were instructed to do by the Supreme Court in the *Shelby County v. Holder* decision.

The Voting Rights Act is the product of a massive political and social struggle in the country to make America move forward, but it had been supported by huge bipartisan majorities in 1965, in 1982, and in 2006. Yet, today, our friends across the aisle now attack it as a Federal takeover of State elections, which is absolutely flabbergasting that the Republican Party, the party of Lincoln, is now attacking the Voting Rights Act and the preclearance requirement for being some kind of assault on Federalism when it vindicates the right of all Americans to vote, as we are not only authorized to do under the 14th and 15th Amendments, but we are obligated to do under the republican Guarantee Clause to make sure that all Americans are in a representative relationship with their government.

So I invite them to come on back over to this side of the Voting Rights Act.

Obviously, we are all for a two-state solution, as American Presidents of both parties have been for, for the last several decades, so I invite them to come back over for that, too.

This resolution cannot be both a tired rehash of everything we have done in the past, as was claimed, but

also some kind of partisan departure. The partisan departure is on their side.

Madam Speaker, I urge a "yes" vote on the rule and a "yes" vote on the previous question.

The material previously referred to by Mrs. LESKO is as follows:

#### AMENDMENT TO HOUSE RESOLUTION 741

At the end of the resolution, add the following:

SEC. 3. Immediately upon adoption of this resolution, the House shall proceed to the consideration in the House of the bill (H.R. 2207) to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices. All points of order against consideration of the bill are waived. The bill shall be considered as read. All points of order against provisions in the bill are waived. The previous question shall be considered as ordered on the bill and on any 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 Ways and Means; and (2) one motion to recommit.

SEC. 4. Clause 1(c) of rule XIX shall not apply to the consideration of H.R. 2207.

Mr. RASKIN. Madam Speaker, 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.

Mrs. LESKO. Madam 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.

### INSIDER TRADING PROHIBITION ACT

#### GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2534 and to insert extraneous material thereon.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 739 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 2534.

The Chair appoints the gentlewoman from Alabama (Ms. SEWELL) to preside over the Committee of the Whole.

□ 1321

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 2534) to amend the Securities Exchange Act of

1934 to prohibit certain securities trading and related communications by those who possess material, nonpublic information, with Ms. SEWELL of Alabama in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

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

The Chair recognizes the gentlewoman from California.

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

Madam Chairwoman, I rise in strong support of H.R. 2534, the Insider Trading Prohibition Act, introduced by the gentleman from Connecticut, Representative JIM HIMES.

This long overdue bill creates a clear definition of illegal insider trading under the securities laws so that there is a codified, consistent standard for courts and market participants to better protect the hard-earned savings of millions of Americans and bring certainty to the U.S. securities market.

For nearly 80 years, the Securities and Exchange Commission—that is, the SEC—has sought to hold corporate insiders accountable for insider trading through general statutory antifraud provisions and rules it has promulgated under those provisions. This has resulted in a web of court decisions that generally prohibit insiders with a duty of trust and confidence to a corporation from secretly trading on material, nonpublic corporate information for their own personal gain.

These insiders are also generally prohibited from tipping outsiders, known as tippees, who then trade on the information themselves, even though they know it was wrongfully obtained.

But, because there isn't a statutory definition of "insider trading," there is uncertainty around who is subject to insider trading prohibitions; and, with various court decisions, liability for this type of violation has shifted.

For example, in 2014, an appeals court added a brand-new requirement that the tippee must not just know that information was wrongfully disclosed but must also know about the specific personal benefit that the insider received.

This decision has severely hampered the SEC's ability to prosecute insider trading cases and, according to Preet Bharara, the former U.S. attorney for the Southern District of New York "provides a virtual roadmap for savvy hedge fund managers to insulate themselves from tippee liability by knowingly placing themselves at the end of a chain of insider information and avoiding learning details about the sources of obvious confidential and improperly disclosed information."

So I am pleased that this bill codifies existing case law and overturns this new controversial requirement, creating a clear, consistent standard for the SEC, the courts, and market participants to follow, and does so in a way that, as Columbia Law School professor John Coffee testified before one of our subcommittees, “expands liability in ways that should not be controversial.”

I would like to commend Representative HIMES for his efforts since the bill was marked up in May in committee to ensure that it fairly reflects existing law. In addition to extensive outreach to current and former regulators and prosecutors, investor advocates, and institutional investors, Mr. HIMES also repeatedly engaged with our colleagues on the opposite side of the aisle.

As a result, Ranking Member MCHENRY will offer an amendment which will remove unnecessary ambiguities, clarify the intent of the bill to reflect existing insider trading case law, and ensure that the bill preserves the SEC’s ability to bring bad actors to justice under other related insider trading laws.

I plan to support this amendment as a reasonable bipartisan compromise, so I urge all Members to support this commonsense bill that makes the definition of illegal trading very clear for all so that the SEC can effectively crack down on corporate insiders who illegally trade on inside information.

Madam Chair, I reserve the balance of my time.

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

Madam Chair, preventing fraud and abuse within our financial system and cracking down on bad actors for illegal insider trading is a nonpartisan priority. This kind of fraud and illegal activity hurts everyday investors, and it also makes our markets less efficient, accurate, and reliable.

Current law prohibits trading on material insider information in breach of a fiduciary duty under the antifraud provisions of the Federal securities law.

The Securities and Exchange Commission and the Department of Justice are the Federal agencies tasked with enforcing insider trading. Both agencies regularly use their authority by bringing insider trading cases against bad actors who violate our insider trading laws.

The SEC has not asked for this bill, however, unlike other bills that Republicans have voted for out of this House in the past month. Moreover, Democrats have not fully identified a problem within the current body of the law that inhibits the prosecution of bad actors who illegally trade on material, nonpublic information.

As it is written before us on the floor at this moment, this bill could potentially create more confusion and uncertainty within the law of insider trading. It could even expand liability for

good faith traders, which would hurt the efficiencies of our markets, chill vital information gathering, and weaken investor confidence.

Republican and Democrat SEC chairs alike, with vastly different approaches to enforcement matters, have expressed concern over Congress codifying a prohibition on insider trading into one single statute. Specifically, they voiced concerns that Congress would write a law that could be both overly broad and too narrow at the same time.

I share their concerns with the bill as drafted before us today, and I am pleased to hear that the chair has indicated that the majority will be accepting the ranking member’s amendment shortly.

I am concerned that the current version of the bill, however, does not include an explicit personal benefit test, as set forth by the Supreme Court precedents. I am troubled that an unclear phrasing such as “relating to the market” is overbroad and will allow judges and prosecutors to expand the law.

I am also concerned that the bill, as drafted, lacks an exclusivity provision that would make this bill the exclusive law of the land.

Finally, the rule of construction section before us is troubling, because the Financial Services Committee has not even had a chance to debate this specific language. I fear that this language could add more confusion and uncertainty around insider trading laws, with rogue judges and prosecutors using the language to expand the bounds of insider trading law.

I do believe that the ranking member’s amendment goes a distance in clarifying that, but, as I will talk about, I will be having an amendment later on as well that I believe further clarifies that.

□ 1330

Drafting a statute that appropriately and accurately captures the subtleties of insider trading case law and regulations that have been shaped and finessed over decades into one single statute isn’t easy, to say the least.

Achieving bipartisan support also isn’t easy, especially when it involves nuanced and technical substance such as the body of insider trading law.

My colleague, Ranking Member MCHENRY, will be offering his amendment momentarily that represents a bipartisan agreement with the author to improve the bill by including some Republican priorities and improving the bill to better track current insider trading law.

As I had mentioned, I will be offering an amendment as well in an attempt to further clarify and improve this proposal.

So, while we are unsure exactly what the final product is going to look like here, I do want to commend both Mr. HIMES and Ranking Member MCHENRY for working together to attempt to

reach a bipartisan agreement to improve this bill with the amendment and to make it clear that it is Congress’ intent to codify existing law without broadening it into new areas. I hope that the author of the legislation will accept my amendment as well.

Madam Chair, I reserve the balance of my time.

Ms. WATERS. Madam Chair, I yield such time as he may consume to the gentleman from Connecticut (Mr. HIMES), the chair of the Strategic Technologies and Advanced Research Subcommittee of the Permanent Select Committee on Intelligence, and a valued member of the Financial Services Committee.

Mr. HIMES. Madam Chair, I thank the gentlewoman for yielding.

I rise, delighted today by our consideration of H.R. 2534, the Insider Trading Prohibition Act, because, after years of work, we are going to produce a bipartisan product which actually does address a significant challenge in insider trading law, and that is, in general, that, to date, there has existed, remarkably, no specific statutory prohibition on insider trading.

I am a believer, as I know everyone else in this Chamber is, that, if we are going to create criminal or civil liability, the legislators of the Congress of the United States should make specific how and when and under what circumstances we do so. And that is what we are doing today, I am delighted to report, in bipartisan fashion.

But let me back up for a second, for those who don’t sit on the committee or watch this particular space all that closely, just to explain why this is important.

Insider trading is an activity in which somebody who has information that they have been entrusted with, or for which they have paid or come by in some dishonest fashion, uses it to secure a market advantage. They have information that others don’t. They trade on that information. That allows them to get a material gain.

There is a problem with that, quite apart from the notion that it is only insiders or those people who are not acting based on their talent or their intelligence or their hard work, but acting based on who they know or, worse yet, who they might have paid, that they are the ones who benefit from our capital markets. I think that notion sort of strikes at the fundamental sense of fairness that we all carry around.

But, inasmuch as this behavior exists, it is profoundly damaging to the capital markets that are such a hallmark of the United States, and it is damaging because those capital markets rely on the confidence that millions of American families have out there that their hard-earned savings can be put into the market, invested, and redeployed in a way that is fair to them, that will create a return, and that they are doing so on a level playing field, not competing with people who may have an inside advantage.

Now, the good news here is that, in the generations preceding us, we have, in fact, prosecuted insider trading, but we have done so under antifraud provisions of the Securities Acts that were passed in the early 1930s; and, as a result, there is not a particularly good fit between the concept of fraud and the concept of insider trading.

And to my friend Mr. HUIZENGA's point, as he knows, this has led to a vast body of court-determined law, starting with the Dirks decision in 1984, moving through *Materia*, *Carpenter*, *O'Hagan*, all court decisions which crafted the concept of liability around insider trading, culminating in the 2014 Newman decision by the Second Circuit, leading then to the *Salman* decision at the Supreme Court in 2016.

All of these cases that I have mentioned have created uncertainty about the nature of liability and have resulted in overturned convictions of people who behaved in ways that would violate our intuitive sense of right and wrong.

So, because of this uncertainty, because of the overturning of convictions, now is the moment for us to finally do what we are here to do, which is to make it very clear what the law of the land is.

So the moment has come to pass this legislation, and I am delighted to say it comes after years of working with experts like the aforementioned Professor John Coffee, past and present Commissioners of the Securities and Exchange Commission, and consultation with prosecutors as well as with defense attorneys.

This is a fairly fiddly and technical area of the law, and so it was my intention, over the years, to make sure that we crafted good law which created liability for bad behavior but which did not, in fact, create liability for behavior like doing a little extra work to secure an advantage in investments.

It was also very, very important to me that this be done on a bipartisan basis. There is really nothing partisan about this bill. Neither party believes in insider trading or wants to support insider trading. This is not a question of balancing regulation or allocating public resources; this is a question of clarity of law.

So I want to close, apart from just saying that that has been the track record of the establishment and writing of this legislation, by thanking Ranking Member MCHENRY and Ranking Member HUIZENGA.

There will be an amendment offered by Ranking Member MCHENRY which the Democrats support. It does improve the bill. It is not really a compromise in the sense that it actually makes for a better bill.

But I am pleased to say that, after a lot of hard work, this is, in fact, the product of some very robust engagement between the Democratic and Republican Representatives in this Chamber. That is not easy to achieve under these circumstances.

So I want to start, first and foremost, by thanking Chairwoman WATERS and Chairwoman MALONEY for their sponsorship and then, again, Mr. MCHENRY and Mr. HUIZENGA, who committed to really understanding what is a technical corner of the law and offered, in good faith, amendments, including some ideas that we will shortly be taking up.

And then, finally, as every Member in this Chamber knows, hard work happens and gets done and leads to success only because of the commitment and very, very hard work of the staff on both sides of the aisle. So, before yielding back my time to the chairwoman, I do want to specifically thank Katelynn Bradley, Ben Harney, David Fernandez, and David Karp from the Financial Services staff; Mark Snyder, my legislative director, and Rachel Kelly, his predecessor, from my staff.

And then, on the Republican side, big thanks to Kimberly Betz, McArn Bennett, and Jamie McGinnis.

Madam Chair, I urge passage of this law. This will be a good thing for the confidence in our capital markets. It will be a good thing in reassuring the American public that we can get things done on a bipartisan basis. On that basis, I urge passage of H.R. 2534, the Insider Trading Prohibition Act.

Mr. HUIZENGA. Madam Chair, I yield such time as he may consume to the gentleman from Wisconsin (Mr. STEIL), the newest member of the Investor Protection, Entrepreneurship, and Capital Markets Subcommittee.

Mr. STEIL. Madam Chair, I thank my colleague from Michigan. Our districts touch in the middle of Lake Michigan, so I have never been to that part of my district, and maybe the gentleman has not either, but I appreciate him yielding.

I rise today to urge support of the Insider Trading Prohibition Act.

I want to thank Chairwoman WATERS, Ranking Member MCHENRY, as well as Mr. HUIZENGA and Mr. HIMES for their work on this important piece of legislation.

As we have seen far too often in this Congress, partisanship and poison pills can get in the way of progress and good ideas. I think all of us, at our core, agree on that. Although this took a little bit of time, I am pleased that we came here today reaching agreements from earlier in the week.

I spent my time working for a period of time at a publicly traded company. I saw firsthand the importance of having markets that operate efficiently but, also, fairly.

Millions of Americans have retirement accounts, 401(k)s, and pensions as it relates to their retirement, and it is critical that those individuals can rely and trust the markets that they are relying on for their end of life.

Millions of Americans are invested in these markets and these investments, the integrity of which is critical. They need to know that we are fighting on their behalf to ensure the game is not

rigged to help and favor a privileged few.

This bill includes, in particular, important clarifications that will improve our ability to police insider trading. It also incorporates changes supported by the ranking member in an amendment that I offered that I think provides important clarifications to allow the government to go after the bad guys.

This will ensure the bill is targeted at bad behavior and does not inadvertently prevent people from engaging in legitimate trades. It strikes the balance that I think is crucial if we want to have vibrant and trustworthy public markets.

I, again, want to urge my colleagues to support this nonpartisan legislation.

Ms. WATERS. Madam Chair, I reserve the balance of my time.

Mr. HUIZENGA. Madam Chair, I yield such time as he may consume to the gentleman from North Carolina (Mr. MCHENRY), the distinguished ranking member.

Mr. MCHENRY. Madam Chair, I thank the ranking member of the Investor Protection, Entrepreneurship, and Capital Markets Subcommittee, Mr. HUIZENGA, for his good work in committee and working on important legislation for economic growth and for his constituents in Michigan.

Madam Chair, preventing and punishing bad actors for illegal insider trading is one of the top priorities of Republicans on the House Financial Services Committee because this illegal activity hurts everyday Main Street investors as well as the integrity and the efficiency of our markets.

Trading on material insider information in breach of a fiduciary duty is currently prohibited by court-made law under the antifraud provisions of the Federal securities laws that we have. The Securities and Exchange Commission and the Department of Justice have the power to bring insider trading cases, and both agencies regularly exercise this power and have done so for decades.

Our body of insider trading laws has been developed through those decades of judicial precedent to protect investors and the markets by punishing bad actors who illegally trade on insider information.

Codifying nuanced case law and regulations that have been developed over decades into a single statute is really difficult. It is a very difficult undertaking, and it is, really, a very delicate piece of legislating that must occur.

Both Republicans and Democrats who have served on the Securities and Exchange Commission have expressed concerns about Congress drafting a statute that accurately captures this extensive and expansive body of law without expanding it into new areas, inadvertently, perhaps, or perfectly by design in some areas.

Moreover, bipartisanship is never easy. It is a give-and-take. It is a difficult process. I appreciate the gentleman from Connecticut (Mr. HIMES)

for his willingness to work with us in a bipartisan manner.

The bill on the floor today is not perfect, and, as the gentleman from Connecticut knows, I have several concerns with this bill.

I have concerns about the lack of an explicit personal benefit test consistent with Supreme Court precedent.

I am concerned that ambiguous language currently in the bill, such as “relating to the market,” is ripe for activist judges and overzealous prosecutors and private plaintiffs to exploit, leading to greater uncertainty for anyone involved in investing. That is not what we want; that is not what we seek; and that should not be this undertaking. And I also don’t believe that that is the intention of my colleague from Connecticut in the drafting of this bill.

I am also troubled that the Rules Committee print before us does not include an exclusivity provision establishing that this bill is the insider trading law rather than just an additional action around insider trading.

Finally, the Rules Committee print includes a rule of construction section that has yet to be vetted through the Financial Services Committee; and without a full understanding of the implications of this language, the bill could further open the door for activist judges, overzealous prosecutors, and trial lawyers, creating even more confusion around insider trading law.

□ 1345

That is not good for investors. That is not good for our markets. It is not good for anyone outside of a narrow few that personally benefit through fees around lawsuits.

My amendment, which I will offer in a minute, addresses some of these concerns, and I appreciate my colleague from Connecticut, and I appreciate the chair of the Financial Services Committee, Ms. WATERS, for their engagement so that we can actually come to a bipartisan agreement on this important act.

Now, Republicans continue to support sensible bipartisan insider trading bills, such as the one that Chairwoman WATERS and I brought forth, or she brought forth, as the first action of our committee on this House floor in this Congress, which was promoting Transparent Standards for Corporate Insiders Act, which we passed out of this Chamber. And starting off with the fact that we are going to be tough on bad actors from the Financial Services Committee and doing it in a bipartisan way shows our seriousness. And this bill before us is an addition to that seriousness that we take against bad actors in our area of jurisdiction.

Finally, I would say this: We currently have out of decades of lawsuits, decades of regulatory enforcement, we have the greatest clarity on insider trading that we have ever had in this Nation, and that is due to two Supreme Court cases, in particular, giving us serious rules of the road. And I think

that clarity is good. And what we want out of this legislation is to put in statute what is confirmed and established currently in the marketplace and currently in the courts of law.

This is not to create more confusion or more lawsuits, but rather, codify what is a well-regulated, bright-line space that we currently have. And we want to take that consistency that we currently have and establish it in statute. And that is the reason why Republicans have engaged deeply with Democrats over the last 5 months to come to some reasonable conclusion on this important matter of banning insider trading.

So Congress will have its say. I believe we will have a bipartisan vote for final passage, if my amendment is adopted, and I would hope that that would take place. And we have had good conversations along those lines, and I think we have workable language that could be acceptable to all in this body.

I want to thank everyone who has participated, but most particularly Mr. HIMES from Connecticut. While we don’t agree on every issue—heck, I don’t think you would get reelected in Connecticut if you agreed with me on every issue, nor I in North Carolina in my district—bipartisanship is a hard thing, but if we are going to do big, important things, we have to try for that. And when you are in the majority, it is implicit you have more votes than those in the minority.

So Democrats could pass this bill on their own. They could. And if they wanted to just use this as a political issue, they could just jam the language they have; they could, right? But it was your willingness to reach out, so that we could actually have a big bipartisan vote, rather than a narrow victory. That is also something that is a marker, that most in this country don’t hear about, that we actually do talk. We may disagree on big things, we may, and from time to time Chairwoman WATERS and I have had our public disagreements, but at the same time we have been able to come to terms on important things in our jurisdiction and get things done.

So while that is not the everyday case for this Congress, when it happens, I think we should actually acknowledge it. Not that anybody is going to pat us on the back for it, but we should acknowledge it.

I thank my colleagues on the Democrat side of the aisle for their work, and I thank my colleagues on the Republican side of the aisle for their work, as well.

Mr. HUIZENGA. Madam Chair, I yield myself the balance of my time.

Madam Chair, I would like to take this time to, again, congratulate the work that has been done. I do believe that there is additional work that is before us.

I will be having an amendment that I will be offering a little later on, and at this point, I think, as it is coming to-

gether, there still is not going to be total agreement or total unanimity. You will see with the ranking member’s amendment a number of Republicans who will join this bill. I believe that with the adoption of my amendment you would see even further Republican support of the underlying bill.

There will be some dissent. There is dissent within the industry. There is dissent within those prosecutors and the regulators. As I had noted, both Republican and Democrat chairs of the SEC and commissioners of the SEC have said that having Congress act on this particular issue will set off a new chain of events, a new set of legal challenges that will take years to settle in the courts, as well, and they are comfortable with the options that they have the way current law has settled.

Having said that, again, as the ranking member had said, in an attempt to codify a number of those Supreme Court rulings is commendable. I tend to be one who believes that Congress has a responsibility to review and look at and examine whether they should codify precedent.

I find it interesting that on both sides this happens and with the regulators, and that everyone seems to pick and choose a little bit as to what subject area they would like to codify and what subject area they would continue to like to have flexibility on, based on those lawsuits.

At this time the ranking member and his work with the gentleman from Connecticut has made significant progress, and I look forward to adopting the gentleman from North Carolina’s amendment and the potential adoption of my amendment, as well, as we move forward.

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

Ms. WATERS. Madam Chair, I yield myself the remainder of my time.

Madam Chairwoman, H.R. 2534, the Insider Trading Prohibition Act, is a long overdue piece of legislation that simply spells out the definition of illegal insider trading under the securities laws. It creates clarity for participants in financial markets and empowers the SEC to punish bad actors.

As we have discussed, this bill is supported by groups, including the Council of Institutional Investors, the California State Teachers’ Retirement System, the North American Securities Administrators Association, Healthy Markets, and Public Citizen.

Madam Chair, I thank the ranking member, Mr. MCHENRY, for his very kind comments. I thank him for his cooperation. I thank him for recognizing that it is possible to have bipartisan legislation. And I thank him for recognizing that Mr. HIMES has worked very hard to ensure that he would have this as bipartisan legislation, rather than simply having the Democrats try to run roughshod over the opposite side of the aisle to get this done.

I urge all Members to vote “yes” on this important bill. Madam Chair, I yield back the balance of my time.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

In lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services, printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 116-39, shall be considered as adopted.

The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the 5-minute rule and shall be considered as read.

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

H.R. 2534

*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 "Insider Trading Prohibition Act".*

**SEC. 2. PROHIBITION ON INSIDER TRADING.**

(a) IN GENERAL.—*The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 16 the following new section:*

**"SEC. 16A. PROHIBITION ON INSIDER TRADING.**

*"(a) PROHIBITION AGAINST TRADING SECURITIES WHILE AWARE OF MATERIAL, NONPUBLIC INFORMATION.—It shall be unlawful for any person, directly or indirectly, to purchase, sell, or enter into, or cause the purchase or sale of or entry into, any security, security-based swap, or security-based swap agreement, while aware of material, nonpublic information relating to such security, security-based swap, or security-based swap agreement, or relating to the market for such security, security-based swap, or security-based swap agreement, if such person knows, or recklessly disregards, that such information has been obtained wrongfully, or that such purchase or sale would constitute a wrongful use of such information.*

*"(b) PROHIBITION AGAINST THE WRONGFUL COMMUNICATION OF CERTAIN MATERIAL, NONPUBLIC INFORMATION.—It shall be unlawful for any person whose own purchase or sale of a security, security-based swap, or entry into a security-based swap agreement would violate subsection (a), wrongfully to communicate material, nonpublic information relating to such security, security-based swap, or security-based swap agreement, or relating to the market for such security, security-based swap, or security-based swap agreement, to any other person if—*

*"(1) the other person—*  
*"(A) purchases, sells, or causes the purchase or sale of, any security or security-based swap or enters into or causes the entry into any security-based swap agreement, to which such communication relates; or*

*"(B) communicates the information to another person who makes or causes such a purchase, sale, or entry while aware of such information; and*

*"(2) such a purchase, sale, or entry while aware of such information is reasonably foreseeable.*

*"(c) STANDARD AND KNOWLEDGE REQUIREMENT.—*

*"(1) STANDARD.—For purposes of this section, trading while aware of material, nonpublic information under subsection (a) or communicating material nonpublic information under subsection (b) is wrongful only if the information has been obtained by, or its communication or use would constitute, directly or indirectly—*

*"(A) theft, bribery, misrepresentation, or espionage (through electronic or other means);*

*"(B) a violation of any Federal law protecting computer data or the intellectual property or privacy of computer users;*

*"(C) conversion, misappropriation, or other unauthorized and deceptive taking of such information; or*

*"(D) a breach of any fiduciary duty, a breach of a confidentiality agreement, a breach of contract, a breach of any code of conduct or ethics policy, or a breach of any other personal or other relationship of trust and confidence.*

*"(2) KNOWLEDGE REQUIREMENT.—It shall not be necessary that the person trading while aware of such information (as proscribed by subsection (a)), or making the communication (as proscribed by subsection (b)), knows the specific means by which the information was obtained or communicated, or whether any personal benefit was paid or promised by or to any person in the chain of communication, so long as the person trading while aware of such information or making the communication, as the case may be, was aware, consciously avoided being aware, or recklessly disregarded that such information was wrongfully obtained, improperly used, or wrongfully communicated.*

*"(d) DERIVATIVE LIABILITY.—Except as provided in section 20(a), no person shall be liable under this section solely by reason of the fact that such person controls or employs a person who has violated this section, if such controlling person or employer did not participate in, or directly or indirectly induce the acts constituting a violation of this section.*

*"(e) AFFIRMATIVE DEFENSES.—*

*"(1) IN GENERAL.—The Commission may, by rule or by order, exempt any person, security, or transaction, or any class of persons, securities, or transactions, from any or all of the provisions of this section, upon such terms and conditions as it considers necessary or appropriate in furtherance of the purposes of this title.*

*"(2) DIRECTED TRADING.—The prohibitions of this section shall not apply to any person who acts at the specific direction of, and solely for the account of another person whose own securities trading, or communications of material, nonpublic information, would be lawful under this section.*

*"(3) RULE 10B-5-1 COMPLIANT TRANSACTIONS.—The prohibitions of this section shall not apply to any transaction that satisfies the requirements of Rule 10b-5-1 (17 C.F.R. 240.10b5-1), or any successor regulation.*

*"(f) RULE OF CONSTRUCTION.—Section 10(b) and 14(e) and any judicial precedents from judicial decisions under such sections shall apply to the purchase or sale of or entry into, any security, security-based swap, or security-based swap agreement to the extent such decisions do not conflict with the provisions of this section."*

*(b) COMMISSION REVIEW OF RULE 10B-5-1.—Not later than 180 days after the date of the enactment of this Act, the Securities and Exchange Commission shall review Rule 10b-5-1 (17 C.F.R. 240.10b5-1) and make any modifications the Securities and Exchange Commission determines necessary or appropriate because of the amendment to the Securities Exchange Act of 1934 made by this Act.*

*(c) CONFORMING AMENDMENTS.—The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is further amended—*

*(1) in section 21(d)(2), by inserting ", section 16A of this title" after "section 10(b) of this title,";*

*(2) in section 21A—*

*(A) in subsection (g)(1), by inserting "and section 16A," after "thereunder,"; and*

*(B) in subsection (h)(1), by inserting "and section 16A," after "thereunder,"; and*

*(3) in section 21C(f), by inserting "or section 16A," after "section 10(b)".*

The CHAIR. No further amendment to the bill, as amended, shall be in order except those printed in House Report 116-320. Each such further amend-

ment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered 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.

AMENDMENT NO. 1 OFFERED BY MR. MCHENRY

The CHAIR. It is now in order to consider amendment No. 1 printed in House Report 116-320.

Mr. MCHENRY. Madam Chair, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 1, beginning on line 17, strike "relating to the market for" and insert "any nonpublic information, from whatever source, that has, or would reasonably be expected to have, a material effect on the market price of any".

Page 2, beginning on line 11, strike "relating to the market for" and insert "any nonpublic information, from whatever source, that has, or would reasonably be expected to have, a material effect on the market price of any".

Page 3, line 21, insert before the period the following: "for a direct or indirect personal benefit (including pecuniary gain, reputational benefit, or a gift of confidential information to a trading relative or friend)".

Page 5, strike lines 12 through 17 and insert a closing quotation mark and a period.

The CHAIR. Pursuant to House Resolution 739, the gentleman from North Carolina (Mr. MCHENRY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. MCHENRY. Madam Chair, as I just mentioned a few minutes ago, I have concerns with H.R. 2534, the Insider Trading Prohibition Act in its current form. And, Madam Chair, my amendment addresses several of these concerns and improves this bill to better demonstrate congressional intent of codifying current insider trading law and not expanding it.

I thank the bill's sponsor, the gentleman from Connecticut (Mr. HIMES) and his staff for their diligence and patience in working with us over the last few months and over the recent Thanksgiving holiday. I also want to thank both of our staffs, as well as the Waters' staff. And I want to thank Mr. HIMES for agreeing to support this amendment in order to make this underlying bill a bipartisan approach to codify insider trading law and punish bad actors.

My amendment reflects Republican priorities discussed at our May markup, such as the inclusion of an explicit personal benefit test consistent with Supreme Court precedent, the removal of the novel rule of construction section from the Rules print of this bill, and a clarification of ambiguous words to ensure judges and prosecutors know that this bill is not intended to expand or create new insider trading liability.

The bill as drafted does not explicitly include the so-called personal benefit test, a significant element of insider trading law that prosecutors must currently satisfy in certain insider trading cases. In the 2016 *Salman* case, the Supreme Court noted that in order for a violation to have occurred, the insider or “tipper” providing the material, nonpublic information must have received a direct or indirect personal benefit, including but not limited to, pecuniary gain, reputational benefit, or a gift of confidential information to a trading relative or friend.

Including an explicit personal benefit test, as set forth by the Supreme Court, ensures that this important test cannot be read more broadly by judges than the Supreme Court has allowed, and also, this prevents activist judges and overzealous prosecutors from reading the test out of law entirely.

My amendment also clarifies the ambiguities within the “relating to the market” phrasing in the underlying bill. This phrase “relating to the market” is not a legal term of art defined within the existing body of insider trading law, nor is it defined in this bill. It is entirely plausible for an activist judge or a rogue prosecutor to interpret this phrase far more broadly than the drafters of the bill intended.

This amendment provides a limiting principle by applying only to nonpublic information that has or is reasonably expected to have a material effect on the market price of a security. This ensures that the statute will still capture cases where the receipt of material, nonpublic information was not from the company itself, but from another source. This is referenced in the Supreme Court’s 1987 *Carpenter* decision.

Finally, my amendment strikes the rule of construction section in the underlying bill that was not reviewed or debated in the House Financial Services Committee. I believe this provision is, at best, unnecessary and at worst, could have been read as giving a congressional stamp of approval for a poorly reasoned judicial set of decisions.

□ 1400

As such, my amendment would ensure that Congress’ intent is to simply codify existing law, not expand liability or create additional defenses for those accused of insider trading. This is about codifying what is already existent, period, end of statement.

That being said, my amendment does not achieve all the Republican goals that we have previously outlined in our committee markup and committee hearing. Unfortunately, the bill, even if it is amended by this amendment, still will not contain an exclusivity provision to make this the exclusive law of the land for insider trading.

While my amendment does not make this bill perfect, it does allow for Congress to exercise its Article I authority to produce a comprehensive insider trading law for the first time and does

so in a bipartisan manner that simply intends, we believe, to codify current insider trading law without expanding liability to good-faith people innocent under the law.

Mr. Chair, I urge its adoption, and I thank the bill’s sponsor for working with us on it.

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

Ms. WATERS. Mr. Chair, I claim the time in opposition to the amendment, even though I am not opposed to it.

The Acting CHAIR (Mr. KENNEDY). Without objection, the gentlewoman from California is recognized for 5 minutes.

There was no objection.

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

First, I thank Ranking Member MCHENRY for offering this amendment to H.R. 2534 to help further ensure that this commonsense bill codifies the law against insider trading in a fair manner.

When we marked up the bill in committee in May, I understood that my Republican colleagues had several concerns with the bill but nevertheless voiced their support in hopes of having those concerns addressed before the bill made its way to the House floor.

At the end of the day, those concerns amounted to wanting additional clarity that H.R. 2534 reflected the current judge-made law against insider trading, aside from the controversial 2014 appeals court decision that has been subject to criticism from many sides.

After months of discussion with the bill’s sponsor, Representative HIMES, Ranking Member MCHENRY has crafted this amendment to do just that. In particular, the amendment would clarify that the existing law that requires the SEC to establish some personal benefit to a tipper in cases involving tipper and tippee liability; clarify that the material, nonpublic information that forms the basis of liability may be related to either a specific security or to any security if that information would have or reasonably be expected to have a material effect on the market price of that security; and remove the rule of construction to avoid confusion and ambiguity and to ensure that this act is not the exclusive means by which the SEC, the Department of Justice, or private litigants may pursue insider trading.

If the amendment is accepted, I believe that the bill would provide the SEC with clear additional authority to bring to justice corporate insiders and others who take unfair advantage of confidential information. In addition, because the bill uses the same terms identified in the current case law against insider trading, the SEC and market participants can easily understand what those terms mean.

Again, Mr. Chair, I thank Ranking Member MCHENRY for strengthening the bill, and I urge my colleagues to join me in supporting this amendment.

Mr. Chair, I yield the balance of my time to the gentleman from Con-

necticut (Mr. HIMES), the sponsor of this important legislation.

Mr. HIMES. Mr. Chairman, what is the balance of time available?

The Acting CHAIR. The gentlewoman from California has 2½ minutes remaining.

Mr. HIMES. Mr. Chairman, I thank Ranking Member WATERS for yielding me time.

I rise very briefly to welcome the amendment by Mr. MCHENRY. Mr. MCHENRY raised four substantive points. Three of those points are incorporated in this amendment, which we are very happy to accept.

I think it is, again, not a compromise, but an improvement of the bill.

In my very little remaining time, we did have discussions about exclusivity. As the ranking member knows, the idea here is to create a law under which insider trading is prosecuted. That is the objective.

As the ranking member knows, it is a fairly complicated situation when including specific exclusivity language. Ultimately, that was not included in the ranking member’s proposed amendment here, but we should continue to work together to make sure that this is about clarifying and simplifying and making more efficient rather than making more complex.

Ms. WATERS. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. HUIZENGA

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in House Report 116-320.

Mr. HUIZENGA. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 1, line 10, strike “AWARE OF” and insert “USING”.

Page 1, line 14, strike “aware of” and insert “using”.

Page 2, line 22, strike “aware of” and insert “using”.

Page 2, beginning on line 24, strike “aware of” and insert “using”.

Page 3, line 3, strike “aware of” and insert “using”.

Page 3, line 23, strike “aware of” and insert “using”.

The Acting CHAIR. Pursuant to House Resolution 739, the gentleman from Michigan (Mr. HUIZENGA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

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

Mr. Chair, I will be brief. I am concerned that the bill before us today focuses specifically on awareness of information rather than the use of wrongful information in connection with security trading.

Specifically, this bill defines trading while “aware” of material and nonpublic information or communicating material and nonpublic information as wrongful only if the information was obtained by way of, or its communication or use would constitute: theft, bribery, misrepresentation, espionage; a violation of Federal computer data and intellectual property protection and privacy laws; conversion, misappropriation, or other deceptive means; and any breach of a fiduciary duty, a contractual relationship, a code of conduct, or a personal confidence or trust.

A person violates the bill’s prohibitions on trading with and communicating material on nonpublic information so long as this person “knew” the information was wrongfully obtained, actively avoided gaining such knowledge, or recklessly disregarded the wrongful use, communication, or obtainment of this information.

It does not matter, under the bill, whether they know the method by which the information was obtained or communicated or if any benefit actually came from communication of the information.

In short, Mr. Chair, I believe that this would, in turn, allow activist judges and prosecutors to go after individuals regardless of their intention or actual profit from wrongful actions.

That is why my amendment is very simple. It would strike all occurrences of the phrase “aware of” and insert the word “using.” In other words, you can be aware of something, but if you are not going to actually use that information, why would you be held to a criminal standard?

My amendment would have the effect of limiting who can be prosecuted under this bill to people who actually use wrongful information to gain a profit.

As we all know, in our lives, there are all kinds of rumors around us all the time, whether it is about our work life or our family or whatever might be going on, somebody in the neighborhood. It is hard to know what information is actually true or actually accurate.

What we have currently is this assumption that being aware of something makes you criminally liable versus actually using that information.

The current bill could allow prosecution of people who traded and are simply aware of information but perhaps would have traded regardless of their awareness of that information.

I am prepared to support this underlying bill with the adoption of my amendment.

I was pleased to see the adoption of the amendment from the gentleman from North Carolina (Mr. MCHENRY). I believe these are perfecting amendments. I believe that these are issues that need to be further addressed.

While I, too, have some concerns about exclusivity and some of the other things that the gentleman from

North Carolina (Mr. MCHENRY) discussed, I believe that this particular issue is of significance, and it is sufficient enough and significant enough to pull my support across the finish line as we move forward on this.

Mr. Chair, I urge all of my colleagues to accept this perfecting amendment, and I yield back the balance of my time.

Ms. WATERS. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentlewoman from California is recognized for 5 minutes.

Ms. WATERS. Mr. Chair, I strongly oppose Representative HUIZENGA’s amendment that replaces the bill’s standard of illegal insider trading while “aware of” material, nonpublic information with trading while “using” material, nonpublic information.

This narrower standard is inconsistent with current law, would severely weaken the bill, and would create substantial enforcement hurdles to the benefit of bad actors and to the detriment of the SEC.

If the amendment is adopted, the SEC would have to prove that the reason the defendant traded was because of a specific piece of information. That means that the SEC would have a hard time proving its case in court unless it had an email from a defendant explaining his motive for trading. Not many bad actors engaging in illegal insider trading are that dumb.

Moreover, such a change would benefit insider traders at hedge funds or other market intelligence firms because they would merely have to tell the judge that they had other reasons or data to support their trade.

The SEC’s existing rule 10b-5 clearly states that the appropriate standard is awareness. Changing it to “use,” as Representative HUIZENGA’s amendment would do, dramatically and substantially weakens the SEC’s authority to prosecute insider trading.

Mr. Chair, I urge my colleagues to reject the amendment offered by Mr. HUIZENGA.

Mr. Chair, I yield the balance of my time to the gentleman from Connecticut (Mr. HIMES), the sponsor of this important legislation.

Mr. HIMES. Mr. Chairman, I thank Chairwoman WATERS for yielding me the time.

I rise in reluctant opposition to this amendment because it has been a hallmark of this process that I very much enjoyed working with Mr. MCHENRY and Mr. HUIZENGA. The reason I rise in opposition is really twofold or threefold.

Number one, as Mr. HUIZENGA may recall, the original draft of the bill would make it prosecutable to prosecute somebody who is in possession of material, nonpublic information. My Republican friends correctly pointed out that we are often in possession of information that we may not be aware of. Certainly, if you were to take a

look at my email inbox, you would know that to be true. So at the suggestion of the Republicans, we changed the standard from “in possession” to “aware of.”

While I know that Mr. HUIZENGA is acting in good faith, Chairwoman WATERS got it exactly right. If we go to a use standard, it would require prosecutors to actually get inside the motivation of why somebody made a trade. They would have to prove that you made this trade because you had inside information.

In support of Mr. HUIZENGA’s good faith, I understand where he is coming from, but let’s also face that the confluence of circumstances where you have material, nonpublic information and you were going to do that trade at precisely that moment is a very, very rare event.

While I understand where Mr. HUIZENGA is coming from, what I would suggest is, instead of creating probably an impossible prosecutorial burden, let’s acknowledge that if in that very rare event where you want to make a trade and you happen to be in possession of material, nonpublic information, let that trade go by. That is rare enough that it shouldn’t in any way, I think, speaking as somebody who has spent time in this industry, compromise the effectiveness or the efficiency of our capital markets.

Again, reluctantly, I stand in opposition to Mr. HUIZENGA’s amendment. I hope he will nonetheless support the underlying bill.

Ms. WATERS. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. HUIZENGA).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

## RECORDED VOTE

Mr. HUIZENGA. Mr. Chair, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 231, not voting 9, as follows:

[Roll No. 648]

AYES—196

Abraham	Burchett	Estes
Aderholt	Burgess	Ferguson
Allen	Byrne	Fitzpatrick
Amash	Calvert	Fleischmann
Amodei	Carter (GA)	Flores
Armstrong	Carter (TX)	Fortenberry
Arrington	Chabot	Foxx (NC)
Babin	Cheney	Fulcher
Bacon	Cline	Gaetz
Baird	Cloud	Gallagher
Balderson	Cole	Gianforte
Banks	Collins (GA)	Gibbs
Barr	Comer	Gohmert
Bergman	Conaway	Gonzalez (OH)
Bilirakis	Cook	González-Colón
Bishop (NC)	Crawford	(PR)
Bishop (UT)	Crenshaw	Gooden
Bost	Curtis	Granger
Brady	Davidson (OH)	Graves (GA)
Brooks (AL)	Davis, Rodney	Graves (LA)
Brooks (IN)	DesJarlais	Graves (MO)
Buchanan	Diaz-Balart	Green (TN)
Buck	Duncan	Griffith
Bucshon	Dunn	Grothman
Budd	Emmer	Guest

Guthrie  
Hagedorn  
Harris  
Hartzler  
Hern, Kevin  
Herrera Beutler  
Hice (GA)  
Higgins (LA)  
Hill (AR)  
Holding  
Hollingsworth  
Hudson  
Huizenga  
Hurd (TX)  
Johnson (LA)  
Johnson (OH)  
Johnson (SD)  
Jordan  
Joyce (OH)  
Joyce (PA)  
Katko  
Keller  
Kelly (MS)  
Kelly (PA)  
King (IA)  
King (NY)  
Kinzinger  
Kustoff (TN)  
LaHood  
LaMalfa  
Lamborn  
Latta  
Lesko  
Long  
Loudermilk  
Lucas  
Luetkemeyer  
Marchant  
Marshall  
Massie  
Mast

McCarthy  
McCaul  
McClintock  
McHenry  
McKinley  
Meadows  
Meuser  
Miller  
Mitchell  
Moolenaar  
Mooney (WV)  
Mullin  
Murphy (NC)  
Newhouse  
Norman  
Nunes  
Olson  
Palazzo  
Palmer  
Pence  
Perry  
Posey  
Ratcliffe  
Reed  
Reschenthaler  
Rice (SC)  
Riggleman  
Roby  
Rodgers (WA)  
Roe, David P.  
Rogers (AL)  
Rogers (KY)  
Rooney (FL)  
Rose, John W.  
Rouzer  
Roy  
Rutherford  
Scalise  
Schweikert  
Scott, Austin  
Sensenbrenner

Shimkus  
Simpson  
Smith (MO)  
Smith (NE)  
Smith (NJ)  
Smucker  
Spano  
Stauber  
Stefanik  
Steil  
Steube  
Stewart  
Stivers  
Taylor  
Thompson (PA)  
Thornberry  
Timmons  
Tipton  
Turner  
Upton  
Wagner  
Walberg  
Walden  
Walker  
Walorski  
Waltz  
Watkins  
Weber (TX)  
Webster (FL)  
Wenstrup  
Westerman  
Williams  
Wilson (SC)  
Wittman  
Womack  
Woodall  
Wright  
Yoho  
Young  
Zeldin

## NOES—231

Adams  
Aguilar  
Allred  
Axne  
Barragán  
Bass  
Beatty  
Bera  
Beyer  
Bishop (GA)  
Blumenauer  
Blunt Rochester  
Bonamici  
Boyle, Brendan F.  
Brindisi  
Brown (MD)  
Brownley (CA)  
Bustos  
Butterfield  
Carbajal  
Cárdenas  
Carson (IN)  
Case  
Casten (IL)  
Castor (FL)  
Castro (TX)  
Chu, Judy  
Cicilline  
Cisneros  
Clark (MA)  
Clarke (NY)  
Clay  
Cleaver  
Clyburn  
Cohen  
Connolly  
Cooper  
Correa  
Costa  
Courtney  
Cox (CA)  
Craig  
Crist  
Crow  
Cuellar  
Cunningham  
Davids (KS)  
Davis (CA)  
Davis, Danny K.  
Dean  
DeFazio  
DeGette  
DeLauro  
DelBene  
Delgado

Demings  
DeSaulnier  
Deutch  
Dingell  
Doggett  
Doyle, Michael F.  
Engel  
Escobar  
Eshoo  
Español  
Evans  
Finkenauer  
Fletcher  
Foster  
Frankel  
Fudge  
Gallego  
Garamendi  
García (IL)  
García (TX)  
Golden  
Gomez  
Gonzalez (TX)  
Green, Al (TX)  
Grijalva  
Haaland  
Harder (CA)  
Hastings  
Hayes  
Heck  
Higgins (NY)  
Himes  
Horn, Kendra S.  
Horsford  
Houllahan  
Hoyer  
Huffman  
Jackson Lee  
Jayapal  
Jeffries  
Johnson (GA)  
Johnson (TX)  
Kaptur  
Keating  
Kelly (IL)  
Kennedy  
Khanina  
Kildee  
Kilmer  
Kim  
Kind  
Kirkpatrick  
Krishnamoorthi  
Kuster (NH)

Lamb  
Langevin  
Larsen (WA)  
Larson (CT)  
Lawrence  
Lawson (FL)  
Lee (CA)  
Lee (NV)  
Levin (CA)  
Levin (MI)  
Lewis  
Lieu, Ted  
Lipinski  
Loebsack  
Lofgren  
Lowenthal  
Lowe  
Luján  
Luria  
Lynch  
Malinowski  
Maloney  
Carolyn B.  
Maloney, Sean  
Matsui  
McAdams  
McBath  
McCollum  
McEachin  
McGovern  
McNerney  
Meeks  
Meng  
Moore  
Morelle  
Moulton  
Mucarsel-Powell  
Murphy (FL)  
Nadler  
Napolitano  
Neal  
Neguse  
Norcross  
Norton  
O'Halleran  
Ocasio-Cortez  
Omar  
Pallone  
Panetta  
Pappas  
Pascrell  
Payne  
Perlmutter  
Peters  
Peterson  
Phillips

Pingree  
Plaskett  
Pocan  
Porter  
Pressley  
Price (NC)  
Quigley  
Raskin  
Rice (NY)  
Richmond  
Rose (NY)  
Rouda  
Roybal-Allard  
Ruiz  
Ruppersberger  
Rush  
Ryan  
Sablan  
Sánchez  
Sarbanes  
Scanlon  
Schakowsky  
Schiff

Schneider  
Schrader  
Schrier  
Scott (VA)  
Scott, David  
Sewell (AL)  
Shalala  
Sherman  
Sherrill  
Sires  
Slotkin  
Smith (WA)  
Soto  
Spanberger  
Speier  
Stanton  
Stevens  
Suzoi  
Swalwell (CA)  
Takano  
Thompson (CA)  
Thompson (MS)  
Titus

Tlaib  
Tonko  
Torres (CA)  
Torres Small (NM)  
Trahan  
Trone  
Underwood  
Van Drew  
Vargas  
Veasey  
Vela  
Velázquez  
Visclosky  
Wasserman  
Schultz  
Waters  
Watson Coleman  
Welch  
Wexton  
Wild  
Yarmuth

## NOT VOTING—9

Biggs  
Cartwright  
Gabbard

Gosar  
Hunter  
Radewagen

San Nicolas  
Serrano  
Wilson (FL)

## □ 1442

Mses. McCOLLUM, FUDGE, Messrs. LOEBSACK, PETERS, SEAN PATRICK MALONEY of New York, PHILLIPS, DANNY K. DAVIS of Illinois, Mrs. LURIA, Mses. WASSERMAN SCHULTZ, MUCARSEL-POWELL, Messrs. MALINOWSKI, NADLER, ROSE of New York, CICILLINE, CLYBURN, PAYNE, Ms. BASS, and Mrs. HAYES changed their vote from “aye” to “no.”

Messrs. BUCHANAN, LAMBORN and JOHNSON of Louisiana changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIR (Mr. PAYNE). There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KENNEDY) having assumed the chair, Mr. PAYNE, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2534) to amend the Securities Exchange Act of 1934 to prohibit certain securities trading and related communications by those who possess material, nonpublic information, and, pursuant to House Resolution 739, he reported the bill, as amended by that resolution, back to the House with a further amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. 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.

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.

Ms. WATERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, this 5-minute vote on passage of the bill will be followed by 5-minute votes on ordering the previous question on House Resolution 741; and adoption of House Resolution 741, if ordered.

The vote was taken by electronic device, and there were—yeas 410, nays 13, not voting 7, as follows:

[Roll No. 649]

## YEAS—410

Abraham  
Adams  
Aderholt  
Aguilar  
Allen  
Allred  
Amodei  
Arrington  
Axne  
Babin  
Bacon  
Baird  
Balderson  
Banks  
Barr  
Barragán  
Bass  
Beatty  
Bera  
Bergman  
Beyer  
Bilirakis  
Bishop (GA)  
Bishop (UT)  
Blumenauer  
Blunt Rochester  
Bonamici  
Bost  
Boyle, Brendan F.  
Brady  
Brindisi  
Brooks (AL)  
Brooks (IN)  
Brown (MD)  
Brownley (CA)  
Buchanan  
Buck  
Bucshon  
Budd  
Burchett  
Burgess  
Bustos  
Butterfield  
Byrne  
Calvert  
Carbajal  
Cárdenas  
Carson (IN)  
Carter (GA)  
Carter (TX)  
Case  
Casten (IL)  
Castor (FL)  
Castro (TX)  
Chabot  
Cheney  
Chu, Judy  
Cicilline  
Cisneros  
Clark (MA)  
Clarke (NY)  
Clay  
Cleaver  
Cline  
Cloud  
Clyburn  
Cohen  
Cole  
Collins (GA)  
Comer  
Conaway  
Connolly  
Cook  
Cooper  
Correa  
Costa  
Courtney  
Cox (CA)  
Craig  
Crawford  
Crenshaw

Crist  
Crow  
Cuellar  
Cunningham  
Curtis  
Davids (KS)  
Davis (CA)  
Davis, Danny K.  
Davis, Rodney  
Dean  
DeFazio  
DeGette  
DeLauro  
DelBene  
Delgado  
Demings  
DesJarlais  
Deutch  
Diaz-Balart  
Dingell  
Doggett  
Doyle, Michael F.  
Duncan  
Dunn  
Emmer  
Engel  
Escobar  
Español  
Estes  
Evans  
Ferguson  
Finkenauer  
Fitpatrick  
Fleischmann  
Fletcher  
Flores  
Fortenberry  
Foster  
Foxy (NC)  
Frankel  
Fudge  
Fulcher  
Gaetz  
Gallagher  
Gallego  
Garamendi  
García (IL)  
García (TX)  
Gianforte  
Gibbs  
Gohmert  
Golden  
Gomez  
Gonzalez (OH)  
Gonzalez (TX)  
Gooden  
Gottheimer  
Granger  
Graves (GA)  
Graves (LA)  
Graves (MO)  
Green (TN)  
Green, Al (TX)  
Grijalva  
Grothman  
Guest  
Guthrie  
Haaland  
Hagedorn  
Harder (CA)  
Hartzler  
Hastings  
Hayes  
Heck  
Hern, Kevin  
Herrera Beutler  
Hice (GA)  
Higgins (LA)  
Higgins (NY)  
Himes

Holding  
Hollingsworth  
Horn, Kendra S.  
Horsford  
Houllahan  
Hoyer  
Hudson  
Huffman  
Hurd (TX)  
Jackson Lee  
Jayapal  
Jeffries  
Johnson (GA)  
Johnson (LA)  
Johnson (OH)  
Johnson (SD)  
Johnson (TX)  
Jordan  
Joyce (OH)  
Joyce (PA)  
Kaptur  
Katko  
Keating  
Keller  
Kelly (IL)  
Kelly (MS)  
Kelly (PA)  
Kennedy  
Khanna  
Kildee  
Kilmer  
Kim  
Kind  
King (NY)  
Kinzinger  
Kirkpatrick  
Krishnamoorthi  
Kuster (NH)  
Kustoff (TN)  
LaHood  
LaMalfa  
Lamb  
Lamborn  
Langevin  
Larsen (WA)  
Larson (CT)  
Latta  
Lawrence  
Lawson (FL)  
Lee (CA)  
Lee (NV)  
Lesko  
Levin (CA)  
Levin (MI)  
Lewis  
Lieu, Ted  
Lipinski  
Loebsack  
Lofgren  
Long  
Loudermilk  
Lowenthal  
Lowe  
Lucas  
Luetkemeyer  
Lujan  
Luria  
Lynch  
Malinowski  
Maloney,  
Carolyn B.  
Maloney, Sean  
Marchant  
Marshall  
Mast  
Matsui  
McAdams  
McBath  
McCarthy  
McCaul  
McClintock  
McCollum

McEachin Richmond  
 McGovern Rigglesman  
 McHenry Roby  
 McKinley Rodgers (WA)  
 McNeermy Roe, David P.  
 Meadows Rogers (AL)  
 Meeks Rogers (KY)  
 Meng Rooney (FL)  
 Meuser Rose (NY)  
 Miller Rose, John W.  
 Mitchell Rouda  
 Moolenaar Rouzer  
 Mooney (WV) Roybal-Allard  
 Moore Ruiz  
 Morelle Ruppertsberger  
 Moulton Rush  
 Mucarsel-Powell Rutherford  
 Mullin Ryan  
 Murphy (FL) Sánchez  
 Murphy (NC) Sarbanes  
 Nadler Scalise  
 Napolitano Scanlon  
 Neal Schakowsky  
 Neguse Schiff  
 Newhouse Schneider  
 Norcross Schrader  
 Norman Schrier  
 Nunes Schweikert  
 O'Halleran Scott (VA)  
 Ocasio-Cortez Scott, Austin  
 Olson Scott, David  
 Omar Sensenbrenner  
 Palazzo Sewell (AL)  
 Pallone Shalala  
 Palmer Sherman  
 Panetta Sherrill  
 Pappas Shimkus  
 Pascrell Simpson  
 Payne Sires  
 Pence Slotkin  
 Perlmutter Smith (MO)  
 Perry Smith (NE)  
 Peters Smith (NJ)  
 Peterson Smith (WA)  
 Phillips Smucker  
 Pingree Soto  
 Pocan Spanberger  
 Porter Spano  
 Posey Speier  
 Pressley Stanton  
 Price (NC) Stauber  
 Quigley Stefanik  
 Raskin Steil  
 Ratcliffe Steube  
 Reschenthaler Stevens  
 Rice (NY) Stewart  
 Rice (SC) Stivers

NAYS—13

Amash Griffith  
 Armstrong Harris  
 Biggs Hill (AR)  
 Bishop (NC) Huizenga  
 Davidson (OH) King (IA)

NOT VOTING—7

Cartwright Gosar  
 Eshoo Hunter  
 Gabbard Reed

□ 1453

Mr. CRAWFORD changed his vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. ESHOO. Mr. Speaker, I was unable to be present during roll call vote number 649. Had I been present, I would have voted: on roll call vote number 649, YES.

PROVIDING FOR CONSIDERATION OF H.R. 4, VOTING RIGHTS ADVANCEMENT ACT OF 2019, AND PROVIDING FOR CONSIDERATION OF H. RES. 326, EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING UNITED STATES EFFORTS TO RESOLVE THE ISRAELI-PALESTINIAN CONFLICT THROUGH A NEGOTIATED TWO-STATE SOLUTION

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the vote on ordering the previous question on the resolution (H. Res. 741) providing for consideration of the bill (H.R. 4) to amend the Voting Rights Act of 1965 to revise the criteria for determining which States and political subdivisions are subject to section 4 of the Act, and for other purposes, and providing for consideration of the resolution (H. Res. 326) expressing the sense of the House of Representatives regarding United States efforts to resolve the Israeli-Palestinian conflict through a negotiated two-state solution, 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.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 228, nays 196, not voting 6, as follows:

[Roll No. 650]

YEAS—228

Adams Cuellar  
 Aguilar Cunningham  
 Allred Davids (KS)  
 Axne Davis (CA)  
 Barragán Davis, Danny K.  
 Bass Dean  
 Beatty DeFazio  
 Bera DeGette  
 Beyer DeLauro  
 Bishop (GA) DeBene  
 Blumenauer Delgado  
 Blunt Rochester Demings  
 Bonamici DeSaunier  
 Boyle, Brendan Deuch  
 F. Dingell  
 Brindisi Doggett  
 Brown (MD) Doyle, Michael  
 Brownley (CA) F.  
 Bustos Engel  
 Butterfield Escobar  
 Carbajal Eshoo  
 Cárdenas Espailat  
 Carson (IN) Evans  
 Case Finkenauer  
 Casten (IL) Fletcher  
 Castor (FL) Foster  
 Castro (TX) Frankel  
 Chu, Judy Fudge  
 Cicilline Gallego  
 Cisneros Garamendi  
 Clark (MA) Garcia (IL)  
 Clarke (NY) Garcia (TX)  
 Clay Golden  
 Cleaver Gomez  
 Clyburn Gonzalez (TX)  
 Cohen Gottheimer  
 Connolly Green, Al (TX)  
 Cooper Grijalva  
 Correa Haaland  
 Costa Harder (CA)  
 Courtney Hastings  
 Cox (CA) Hayes  
 Craig Heck  
 Crist Higgins (NY)  
 Crow Himes

Matsui  
 McAdams  
 McBeth  
 McCollum  
 McEachin  
 McGovern  
 McNeermy  
 Meeks  
 Meng  
 Moore  
 Morelle  
 Moulton  
 Mucarsel-Powell  
 Murphy (FL)  
 Nadler  
 Napolitano  
 Neal  
 Neguse  
 Norcross  
 O'Halleran  
 Ocasio-Cortez  
 Omar  
 Pallone  
 Panetta  
 Pappas  
 Pascrell  
 Payne  
 Perlmutter  
 Peters  
 Peterson  
 Phillips  
 Pingree  
 Pocan

NAYS—196

Abraham  
 Aderholt  
 Allen  
 Amash  
 Amodei  
 Armstrong  
 Arrington  
 Babin  
 Bacon  
 Baird  
 Balderson  
 Banks  
 Barr  
 Bergman  
 Biggs  
 Bilirakis  
 Bishop (NC)  
 Bishop (UT)  
 Bost  
 Brady  
 Brooks (AL)  
 Brooks (IN)  
 Buchanan  
 Buck  
 Bucshon  
 Budd  
 Burchett  
 Burgess  
 Byrne  
 Calvert  
 Carter (GA)  
 Carter (TX)  
 Chabot  
 Cheney  
 Cline  
 Cloud  
 Cole  
 Collins (GA)  
 Comer  
 Conaway  
 Cook  
 Crawford  
 Crenshaw  
 Curtis  
 Davidson (OH)  
 Davis, Rodney  
 DesJarlais  
 Diaz-Balart  
 Duncan  
 Dunn  
 Emmer  
 Estes  
 Ferguson  
 Fitzpatrick  
 Fleischmann  
 Flores  
 Fortenberry  
 Foxx (NC)  
 Fulcher  
 Gaetz  
 Gallagher  
 Gianforte  
 Gibbs  
 Gohmert

Porter  
 Pressley  
 Price (NC)  
 Quigley  
 Raskin  
 Rice (NY)  
 Richmond  
 Rose (NY)  
 Rouda  
 Roybal-Allard  
 Ruiz  
 Ruppertsberger  
 Rush  
 Ryan  
 Sánchez  
 Sarbanes  
 Scanlon  
 Schakowsky  
 Schiff  
 Schneider  
 Schrader  
 Schrier  
 Scott (VA)  
 Scott, David  
 Sewell (AL)  
 Shalala  
 Sherman  
 Sherrill  
 Sires  
 Slotkin  
 Smith (WA)  
 Soto  
 Spanberger

Speier  
 Stanton  
 Stevens  
 Suozzi  
 Swalwell (CA)  
 Takano  
 Thompson (CA)  
 Thompson (MS)  
 Thompson (PA)  
 Titus  
 Tlaib  
 Tonko  
 Torres (CA)  
 Torres Small  
 (NM)  
 Trahan  
 Trone  
 Underwood  
 Van Drew  
 Vargas  
 Veasey  
 Vela  
 Velázquez  
 Vislosky  
 Wasserman  
 Schultz  
 Waters  
 Watson Coleman  
 Welch  
 Wexton  
 Wild  
 Wilson (FL)  
 Yarmuth