

strongly that we cannot go back to the way things were. While we can never stop working to make improvements, we owe it to the women of America to make progress and not allow the clock to be rolled back on their health care needs.

I know some of my Republican colleagues are furiously working to undo all of the gains we have made in the health care reform law for women and for their families. I am disappointed but I am hardly surprised. Republicans have been waging war on women's health since the moment they came into power. After they campaigned across the country on a platform of jobs and the economy, the first three bills they introduced in the House were each direct attacks on women's health care in America. The very first bill they introduced, H.R. 1, would have totally eliminated Title X funding for family planning and teenage pregnancy prevention, and it included an amendment that would have completely defunded Planned Parenthood and cut off support for the millions of women in this country who count on it. Another opening round of their bills would have permanently codified the Hyde amendment and the DC abortion ban, and the original version of their bill didn't even include an exception for the health of the mother. Finally, they introduced a bill right away that would have rolled back every single one of the gains I just talked about in the Affordable Care Act.

This law is a winner for women, it is a winner for men and for children and for our health care system overall. So I am proud to stand here today with so many of my colleagues who are committed to making sure the benefits of this law do not get taken away from the women of America. We will keep fighting attempts to take them away, and I am confident we will win.

#### EXPORT-IMPORT BANK

Mr. President, while I am on the floor today, I also would like to rise to express my strong support for an amendment that will be considered today which will grow American jobs, help small businesses, generate revenue for taxpayers, and which has strong bipartisan backing.

It is no secret that foreign countries are aggressively trying to seize the global market, and America needs to keep fighting back with a program that works for businesses and taxpayers and does create thousands of jobs. The Export-Import Bank is one of the most important resources America has to keep up this fight. For over 75 years the Ex-Im Bank has supported job-creating U.S. exports by helping American businesses sell to the world. No one knows this better than businesses in my home State of Washington—the largest exporter in the Nation per capita—where one in three jobs in my State is tied to international trade. Reauthorizing the Ex-Im Bank means more than 150 Washington State businesses that rely on this financing to

sell their products overseas can keep their jobs here at home.

At a time when our competitors in the global marketplace provide far more aggressive export credit financing to companies within their borders, the Ex-Im Bank simply levels the playing field for U.S. companies that sell goods overseas. And the Ex-Im Bank helps create U.S. jobs and does not add to our deficit.

U.S. exports have been a bright spot in America's road to recovery, increasing by about 20 percent over the last 2 years and driving about half of all of our economic growth. Given the obvious need for exports to power economic growth, it would be negligent to pull the plug on the Ex-Im Bank. If we do not pass this bill by the end of this month, thousands of jobs will be at risk, not just from our exporters but from businesses large and small across the country.

Reauthorizing the Export-Import Bank would not only be a short-term victory for our exporters, it would also tell our trading partners that the United States is a stable place to do business and that we stand behind our products and our companies. So I urge a "yes" vote on that amendment when it comes to the floor later.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANCHIN). Without objection, it is so ordered.

#### JOBS ACT

Mr. REED. Mr. President, I rise again today to discuss H.R. 3606, the so-called JOBS Act. As chair of the Subcommittee on Securities, Insurance, and Investment, I want all of my colleagues to know that this legislation, as it is currently drafted, is fundamentally flawed. We need to stop, slow down, carefully amend this legislation, and send something to the President that will not only encourage capital formation, but also protect investors.

I am not alone in my analysis. Some of the most sophisticated security analysts, experts, and commentators in the country are telling the Senate to slow down and work to improve it. We have received letters or testimony or comments from SEC Chairman Mary Schapiro; SEC Commissioner Luis Aguilar; the North American Securities Administrators Association; former SEC Chairman Arthur Levitt; former SEC Chief Accountant Lynn Turner; AARP; Americans for Financial Reform; the Consumer Federation of America; the Council of Institutional Investors; the National Association of Consumer Advocates; Public Citizen; U.S. PIRG; the AFL-CIO;

AFSCME; the National Education Association; the American Institute of CPAs; the CFA Institute; and the Main Street Alliance, just to name a few of the broad spectrum of experts who feel this bill is, as they say, not ready for prime time.

In an op-ed in the Washington Post on March 14, two Harvard securities professors, John Coates and Robert Pozen, stated:

[T]his bill does more than trim regulatory fat; parts of it cut into muscle. Small businesses will have a harder time raising capital if investors do not receive sufficient disclosures or other legal protections.

In his "Motley Fool" column on March 19, Ilan Moscovitz states that there are four really problematic things about the JOBS Act. And, as we all recognize, "Motley Fool" is one of the most perceptive in its columns about the securities markets, analyzing the securities markets from many different perspectives. They point out some of the fairly significant faults in the House bill. In sum, they say the legislation as currently written would exempt 90 percent of current IPOs from important corporate governance and accounting requirements because it defines "small companies" as anything valued below \$700 million and earning less than \$1 billion in annual revenues.

Those aren't exactly small companies, and those companies can in fact and should in fact be following the procedures we have laid out in order for a company to go public.

Our amendment recognizes the need to provide more streamlined processes for smaller IPOs, but we restrict these streamlined procedures to companies with less than \$350 million in annual revenues, much closer to the notion of a small company beginning the process of becoming a publicly held entity.

There is also a problem in this legislation with accounting. When investors lose faith in accounting standards, they are less willing to buy stocks. In fact, one of the great strengths of our security markets is the feeling that your money is well protected. It is scrutinized; there are accountants; there are audits. If we lose that, then the investing public worldwide will say the United States is not the place to put their money. Our amendment does not interfere with independent accounting standards, and limits the number of companies that get exempted from accounting rules.

There is another big issue in the House bill. It contains a provision that would increase the number of investors who could own shares in private companies, and excludes employees from the count. That has some merit. But by counting shareholders of record instead of the beneficial shareholders—there is a legal owner on the books of the company, but that legal owner may represent thousands of actual owners. The beneficial owners are the ones who get the dividends, the ones who get the right to vote on the shares—if we preserve this loophole going forward, this

could potentially create a situation where an unlimited number of investors could be involved in a company and that company would still be able to remain private and not have to provide periodic reports under the Exchange Act.

Last year, for example, Goldman Sachs planned to create a special-purpose vehicle, basically a fund that could pool money from its clients, that would count as only one holder of record in Facebook. You can see how this could clearly circumvent the notion of how necessary it is to provide the reporting requirements for large companies, companies with a large shareholder basis. Our bill eliminates this loophole by clarifying that recordholders must be beneficial owners, while at the same time raising the shareholder cap from 500 to 750, to make it more contemporaneous. But we exempt employees from this recordholder trigger for public registration, and that will allow private companies that want to remain private, but want to reward their employees with shares to stock, the ability to do so without triggering the public reporting requirements.

Finally, the House bill sets up a new mechanism for crowdfunding. This is a very interesting concept. My colleagues Senator MERKLEY, Senator BENNET, and Senator BROWN of Massachusetts have worked very hard in developing a crowdfunding bill much superior to what is included in the House version. In fact, the House version has been described by a noted securities expert as “the boiler room legalization act” for its very lax approach to crowdfunding.

Our amendment requires crowdfunding to be conducted through regulated intermediaries, and provides for basic disclosure requirements, aggregate caps, and other protections to ensure market integrity, and prevent abuse.

The House bill also removes important prohibitions against general solicitation and advertising in regard to private placements that have been on the books for decades. Recognizing that in a world of Internet and Twitter, even private communications with accredited investors about private offerings can be inadvertently broadly disseminated, our bill takes a much more targeted approach to this issue. In our amendment, we allow for limited public solicitation and advertising through ways and means approved by the SEC, so they have a chance to update mechanisms for communicating with investors in this age of Twitter, Internet, and other new media. We believe this amendment gives the SEC the tools it needs to formulate limited exemptions to the general solicitation and advertising rules, allowing private offerings to still remain private.

There is another section of the House bill that deals with the reg A exemption. Reg A has been on the books of the Securities Exchange Commission, again, for decades. It currently allows

an exemption for certain registration requirements for mini-offerings of \$5 million or less. The House bill proposes to raise the ceiling for this exemption to \$50 million, but they do so in a way that could open it up to abuse, allowing companies to avoid rules and reporting requirements for public companies. We limit companies to raising no more than this \$50 million amount every 3 years, truly aiming our provisions at the small companies that are trying to raise capital without triggering all of the requirements of a publicly held company. We also require that a basic set of audited financial statements be filed with the offering statement and require periodic disclosures of material information to investors.

Let me stress what the House bill is proposing. They are proposing to legalize the solicitation of \$50 million a year from retail investors—in fact, it could be \$50 million every year—without requiring audited financial statements be provided to potential investors. If you go to a bank to get a loan for your business, they are going to require audited financials. I think, at a minimum, you need to provide audited financial statements if you are soliciting \$50 million a year from the public and, in fact, that \$50 million could be for successive years.

Finally, this whole discussion about the House bill has been cast in terms of jobs. There is not a lot in the House bill that talks about jobs, particularly jobs in America. There is no requirement that any of these relaxations of the securities laws be correlated with job increases. There is no requirement in the House bill that these jobs be in the United States.

We have just come through a series of enforcement actions in which the SEC had to crack down on reverse mergers by Chinese companies that were taking over American shell companies, putting their money in, and then going ahead and using the benefits of access to our stock markets. Most of those companies' jobs were not here, nor was the intention to create those jobs here. Those are the types of risks we run in the House bill.

Our bill includes reauthorization of the Export-Import Bank, which is something that has already demonstrated its ability to support American jobs. We have also included provisions that Senator SNOWE and Senator LANDRIEU have included from the Small Business Committee that will increase the SBA's ability to assist American companies—small American businesses. They have done this successfully. With these provisions, they can do more. Our bill actually does help with jobs—jobs here in the United States.

One of the premises behind this House legislation is if we deregulate, the jobs will come right back. Where have we heard that before? All through the 2000s: Just deregulate. Those investment banks such as Lehman don't

need regulations. Just give them a lot of leverage and let them run. And they ran—right off the cliff. We don't want to repeat that again. We don't want to repeat the mistakes of the 1990s and 2000s, where we allowed analysts of securities to recommend securities sold by their own investment banking firm. Those provisions are included in the House bill. That is going to undermine the markets.

We should learn from the facts. I urge all of my colleagues to support the Reed-Landrieu-Levin amendment as a base text. We can make improvements on that. We can send a bill—we hope very quickly in collaboration with the House—to the President that not only stimulates capital formation but also protects investors. We can send a bill that learns from the lessons of the last 20 years where, in the guise of deregulation, in the hope for job creation, we saw the greatest financial crisis since the Great Depression. We don't want to see this happen again.

Mr. President, I yield the floor.

#### ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. Would the President let me know when 10 minutes has passed?

The PRESIDING OFFICER. The Republican time has expired.

Mr. GRAHAM. I ask unanimous consent to be recognized for 10 minutes.

Mr. PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Reserving the right to object, was there a consent entered into on speaking order earlier?

Mr. GRAHAM. They told me to come at 11:10 is all I know.

Mr. HARKIN. I was told to come at 11:00. I think it is fair to go back and forth. I ask unanimous consent that the Senator from Iowa be recognized to speak after the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized for 5 minutes.

#### EXPORT-IMPORT BANK

Mr. GRAHAM. Mr. President, this is a defining moment for the Senate in a couple of ways. The Democratic Senators have an alternative to the House-passed JOBS bill that will get a vote on their alternative. That is good. I believe the House-passed JOBS bill had overwhelming bipartisan support. It is a good document. I will support that version over my Senate Democratic colleagues. But let me tell you what our Senate Democratic colleagues have done that I think is very constructive.

Ex-Im Bank is trying to be made part of the JOBS bill in the Senate. This Export-Import Bank, what does this mean? This is a financing ability by American companies that are selling overseas in volatile or emerging markets. It is a financing system that has