

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

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June 21, 2018

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

The U.S. Chamber of Commerce supports three bills the Committee is scheduled to markup on June 21, 2018, which would improve U.S. capital markets and implement policies that would help more business go and stay public.

H.R. 5970, the “Modernizing Disclosures for Investors Act,” would require the Securities and Exchange Commission (SEC) to produce a report to Congress determining whether filing a form 10-Q should be optional for emerging growth companies (EGCs), which could lead to reduced burdens upon small public companies while still ensuring investors receive material information on a company’s operations.

H.R. 6130, the “Helping Startups Continue to Grow Act,” would extend many of the on-ramp provisions of Title I of the 2012 Jumpstart our Business Startups (JOBS) Act from five years to ten years. The JOBS Act included important and useful provisions designed to ease certain disclosure and other requirements for EGCs. No evidence exists to show that these scaled disclosure requirements have compromised investor protection. We believe that as companies continue to mature five years after going public, extending the exemption would be a further incentive for businesses to go public.

H.R. 6139, the “Improving Investment Research for Small and Emerging Issuers Act,” would require the SEC to examine why many small and pre-IPO companies lack research coverage, and to produce recommendations that would help increase coverage for these companies. Recent studies have shown that approximately 2/3 of companies with less than a \$100 million market cap have no research coverage at all, which provides a disincentive for market makers to trade in these stocks and deprives the market of useful information.

We look forward to working with the Committee and Congress as these bills advance through the legislative process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a stylized flourish at the end.

Neil L. Bradley

cc: Members of the House Committee on Financial Services