

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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May 7, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The U.S. Chamber of Commerce writes regarding two of the bills the Committee is scheduled to mark up on May 8.

The Chamber supports **H.R. 2409, the Expanding Access to Capital for Rural Job Creators Act**. This legislation would expand the focus of the Office of the Advocate for Small Business Capital Formation at the SEC to include ways to increase capital access for rural small businesses. We believe this would help ensure that rural areas receive due consideration during any future SEC rulemaking process.

A 2016 report from the Economic Innovation Group found that half of all post-recession business creation in the United States occurred across only 20 counties, and that many rural areas have not seen expected economic growth since the financial crisis.¹ This bill is an incremental but important step that would focus the SEC on the needs of businesses in rural communities.

The Chamber opposes **H.R. 2515, to amend the Securities and Exchange Act of 1934 to amend the definition of whistleblower**. This legislation would reverse the U.S. Supreme Court's *Digital Realty Trust, Inc. v. Somers* decision and would provide Dodd-Frank mandated whistleblower protections to those who only report wrongdoing internally, but do not also report directly to the SEC. The *Digital Realty Trust, Inc.* decision held that whistleblower protections in Dodd-Frank apply only to disclosure of potential securities law violations to the SEC, and that those who disclosed violations to an internal corporate ethics or compliance program but did not also report to the SEC were not protected.

The Chamber believes that employees should be able to first report wrongdoing internally, with the goal of securing quicker resolutions and preventing continued misconduct. We believe reporting to the SEC should later be done for egregious cases or for continued misconduct. However, we have concerns regarding the scope of protections under Dodd-Frank

¹ <https://eig.org/wp-content/uploads/2016/05/recoverygrowthreport.pdf>

and whether they would contribute to frivolous employment litigation as well as excessive internal reporting. In addition, whistleblowers who report internally already receive anti-retaliatory protections under Sarbanes-Oxley, and the Sarbanes-Oxley whistleblower provisions allow for a speedy review process of claims that does not exist under Dodd-Frank.

Sincerely,



Neil L. Bradley

cc: Members of the Committee on Financial Services