

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

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November 6, 2019

The Honorable Bryan Steil  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Steil:

The U.S. Chamber of Commerce supports H.R. 4918, the “Helping Startups Continue to Grow Act of 2019,” which would help build on the success of the Jumpstart Our Business Startups (JOBS) Act, enacted in the 112<sup>th</sup> Congress, by providing further regulatory relief for small and newly public companies.

The U.S. is now home to roughly half the number of public companies than existed 20 years ago. Public companies have historically proven a key driver of growth and job creation. The declining number of public companies also leaves fewer options for Main Street investors and retirees to build and sustain wealth. The passage of the JOBS Act sought to address issues with the ability of companies to go public by creating a new category of registrant known as an Emerging Growth Company (EGC). EGCs were provided a five-year on-ramp to ease into compliance with operating as a public company with reduced registration, disclosure, and compliance costs.

However, many EGCs have had to bear the full costs of a public company even though they are still under EGC thresholds of annual revenue and public float, merely because they have hit an arbitrary five-year time limit. Earlier this year, the SEC acknowledged the burdens these costs bear for newly public companies by recently proposing to extend certain relief available to EGCs for low-revenue companies. The Chamber also published a report titled “Expanding the On-Ramp” with recommendations on helping companies go public, including allowing companies to continue to be an EGC for an additional five years as long as they met other eligibility criteria through annual revenues and public float.<sup>1</sup>

H.R. 4918 advocates for this commonsense legislative solution to expand on the success of the JOBS Act and would provide regulatory relief for small and newly public companies looking to continue to grow and expand. Thank you for introducing the Helping Startups Continue to Grow Act of 2019 and the Chamber looks forward to working with you to secure passage of your legislation.

Sincerely,



Neil L. Bradley

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<sup>1</sup> <https://www.uschamber.com/report/expanding-the-ramp-recommendations-help-more-companies-go-and-stay-public>