

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

TOM QUAADMAN
EXECUTIVE VICE PRESIDENT

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May 27, 2021

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

Dear Representative Steil:

The U.S. Chamber of Commerce supports H.R. 3448, the “Helping Startups Continue to Grow Act.” This legislation would build on the success of the “Jumpstart Our Business Startups (JOBS) Act,” enacted in the 112th Congress, by providing further regulatory relief for small and newly public companies.

Public companies have historically proven to be a key driver of growth and job creation. The U.S. is now home to roughly half the number of public companies than existed 20 years ago. 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. This tailored calibration of regulatory requirements for EGCs has demonstrated that rules can be modernized, and businesses can be relieved of regulatory burdens without undermining important investor protection.

To allow EGCs to further their success in creating jobs and growing, your legislation would allow EGCs to continue to operate under certain exemptions for an additional five years so long as a company continues to meet other eligibility requirements. The vast majority of EGCs have taken advantage of the options to 1) Streamline financial disclosure; 2) Receive confidential reviews of registration statements by SEC staff; 3) Utilize an exemption from certain executive compensation requirements. Extending the EGC exemption falls in line with

recommendations the Chamber presented this year in an update to the “Expanding the On-Ramp” report.¹

Thank you for reintroducing the Helping Startups Continue to Grow Act. The Chamber looks forward to working with you as the bill advances through the legislative process.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK' followed by a long horizontal flourish.

Tom Quadman

¹ Center for Capital Markets Competitiveness, [“The Unfinished Agenda: Improving the Regulatory Environment for Public Companies.”](#) April 2021.