

Mr. AL GREEN of Texas. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

The Acting CHAIR. The Committee will rise informally.

The Speaker pro tempore (Mrs. WALORSKI) assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 84. An act to provide for an exception to a limitation against appointment of persons as Secretary of Defense within seven years of relief from active duty as a regular commissioned officer of the Armed Forces.

The SPEAKER pro tempore. The Committee will resume its sitting.

SEC REGULATORY ACCOUNTABILITY ACT

The Committee resumed its sitting.

AMENDMENT NO. 4 OFFERED BY MR. DESAULNIER

The Acting CHAIR (Mr. PALMER). It is now in order to consider amendment No. 4 printed in part A of House Report 115-3.

Mr. DESAULNIER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill, add the following new section:

SEC. 5. DIVESTITURE REQUIREMENT.

The amendment made by section 2 shall not take effect until the Chairman of the Securities and Exchange Commission, and all immediate family members of the Chairman, divests all securities owned by the Chairman and such immediate family members of the Chairman from any financial institution regulated by the Securities and Exchange Commission to ensure that proper and fair rule-making is administered in accordance with this Act.

The Acting CHAIR. Pursuant to House Resolution 40, the gentleman from California (Mr. DESAULNIER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. DESAULNIER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this amendment to the SEC Regulatory Accountability Act in a spirit of cooperation. It is most important for the integrity of the SEC, for the investor community, for the entire U.S. population, and indeed for the economic benefit of the United States that integrity and transparency are paramount. So this amendment strengthens the bill, I believe, on behalf of the American investor as well as industry by re-

affirming transparency as a core principle of efficient markets and places public service ahead of personal gain.

By requiring the head of the SEC and his immediate family members to divest themselves of all securities connected to the financial institutions regulated by the agency, we reinforce investor confidence that agency decisions are driven by market forces, not the portfolio of the Chair.

Mr. Chairman, the power and stability of U.S. markets rely on the fundamental belief that the system is transparent and fair. Anything that causes investors to question the integrity of the U.S. markets, including lack of information or opaqueness of information, will necessarily hurt our markets and make capital formation more difficult.

The SEC plays a critical role in promoting adequate transparency. Requiring the SEC Chairperson to cut financial ties with institutions that the SEC oversees is a commonsense protection of the agency's credibility and improvement to the underlying bill in my belief.

I hope my Republican colleagues agree and will support this amendment that puts public service ahead of potential personal gain.

Mr. Chairman, I reserve the balance of my time.

Mr. HUIZENGA. Mr. Chairman, I rise in opposition to this amendment.

The Acting CHAIR. The gentleman from Michigan is recognized for 5 minutes.

Mr. HUIZENGA. Mr. Chairman, again, I think we are stumbling over the fact that my colleagues on the other side of the aisle believe that we are somehow paid by the words put into the Federal Registry here.

The SEC is already covered by both governmentwide ethics laws and regulations as well as SEC supplemental ethics regulations which apply to all SEC employees, including the Chair.

Perhaps the sponsor of the amendment is not aware that under existing Federal law, the SEC Chairman cannot participate personally in any matter that would have a direct and predictable effect on her financial interests or imputed financial interest, and I would invite the sponsor to review the code at this point.

Additionally, SEC supplemental regulations prohibit SEC employees, including the Chair, from holding any security in a directly regulated entity, and they must also preclear all purchases and sales of securities.

Further, the Chairman or Commissioner must not engage in any other business, employment, or vocation while in office, nor may she ever use the power of her office or the influence of her name to promote the business interests of others.

Finally, the amendment does not seem to address what I believe Congressman DESAULNIER's description is intending to address as it is the Federal Reserve, not the Securities and

Exchange Commission, that regulates the too-big-to-fail banks or, as the amendment states, financial institutions.

The SEC does not regulate financial institutions. The code defines the term "financial institution," and the definition includes "a bank, a foreign bank, and a savings association."

Since the SEC does not regulate any of these entities, the amendment would require the SEC Chair to divest of exactly zero entities. So notwithstanding that important discrepancy here, I ask my colleagues to join me in opposing the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. DESAULNIER. Mr. Chairman, I honestly respect the tutorial, but, with all due respect, I do think that this amendment complements the existing rules and protects the investors.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Wisconsin (Ms. MOORE).

Ms. MOORE. I thank the chairman. I really appreciate the gentleman, Mr. DESAULNIER, for bringing forth this amendment.

Disclosures of and divestment in conflicts are becoming increasingly important in this administration coming up. The conflicts that we know about and the conflicts that we suspect exist with President-elect Trump and his nominees have become a tremendous source of concern as not only do they undermine the faith and fairness of U.S. financial markets, as has been pointed out, but, quite frankly, they have become a matter of national security concern.

The amendments that were rejected by Ranking Member WATERS and this amendment by Representative DESAULNIER together restore confidence that the U.S. financial system is not being manipulated for the gain of a few government officials.

Mr. Chairman, I urge all of my colleagues to support this amendment.

Mr. HUIZENGA. Mr. Chairman, at this time I am prepared to close, and I reserve the balance of my time.

Mr. DESAULNIER. Mr. Chairman, with all due respect, I really think this is, as intended, a commonsense amendment. I do think it complements rather than adds on to the existing requirements to protect investors. And I really think this House, with all due respect, would want to see the markets work efficiently. We also want to ensure that the integrity of those markets and the investors are also strengthened. So I think transparency in this case with the acknowledgment that there are other already existing regulations and the belief that this amendment complements those, I would ask for the House's support.

Mr. Chairman, I yield back the balance of my time.

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Mr. HUIZENGA. Mr. Chairman, I would just point out again that this