

a small company public over the last two decades.

In this day and age, a small to medium company simply cannot afford to go public at a cost of \$5 million. For the last 19 years we have had substantially fewer companies that have chosen to go public. The \$5 million threshold has resulted in a chilling effect. In the last year, only 3 companies have utilized this process. Going public allows a growing company to have access to capital, equity, and additional financial resources. They need to raise capital in order to grow their business. Currently, there are 5,100 public traded companies. In 1997, there were 8,873 publicly traded companies. This legislation is intended to reverse a downward trend.

Due to the low offering threshold, and without a corresponding state "Blue Sky" exemption for Regulation A offerings, Regulation A has not provided a viable capital-raising vehicle for smaller companies in recent years. Amplified by increased difficulties for smaller companies resulting from the recent financial crisis, these shortcomings of Regulation A have invited renewed focus on this regulation.

The legislation before us today is designed to encourage small companies to attract additional capital which will allow them to invest and hire additional employees. As part of a broader effort to tie the financial regulatory environment to U.S. job creation and economic competitiveness.

Small and medium companies would be able to offer securities up to \$50 million publicly without the full cost of a registered offering, potentially expanding their access to capital beyond the private offerings many now use. Additional protections for investors were added to this bill. Companies utilizing Regulation D are required to provide investors with audited financial statements annually.

We must implement policies that achieve the right balance between the competing objectives of promoting valid investment business opportunities and protecting citizens from inappropriate risk and fraudulent schemes. This bill allows States to retain their ability to review these generally high risk offers as a means for protecting investors. Additional protections include giving investors legal recourse for misstatements made by companies in the prospectus documents. Regardless of an investor's sophistication level, when a company is dishonest, the investor must be protected.

Small businesses need access to loans and other lines of credit in order to build their businesses and create jobs. Before us is a measure that would allow small businesses to get the support they need. This bill will provide small businesses with increased access to capital.

According to the U.S. Small Business Administration, small businesses account for 52 percent of all U.S. workers. They are the life blood of our economy. Small businesses in the U.S. produced three-fourths of the economy's new jobs between 1990 and 1995, and represent an entry point into the economy for new groups. Women, for instance, participate heavily in small businesses.

The number of female-owned businesses climbed by 89 percent, to an estimated 8.1 million, between 1987 and 1997, and women-owned sole proprietorships were expected to reach 35 percent of all such ventures by the year 2000. They were hindered in large part because of lack of access to traditional forms

of credit. Before us today, is a measure that would help businesses grow. Small firms also tend to hire a greater number of older workers and people who prefer to work part-time.

We must always remember that American small businesses are the heart beat of our nation. I believe that small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country.

Although I support the bill before us today, it is important to highlight that having an opportunity to invest in small businesses is important. However, given the risky nature of such investments, these opportunities should be made available to investors who understand the risk and have the financial wherewithal to handle any losses that may come as a result of the investment. Small business needs access to capital in order to grow and flourish. Individuals who invest in these companies and startup should understand the unique risk associated with such investments.

The success of small business is America's success. This success can be achieved by encouraging small business growth and entrepreneurship. Especially, as our nation is facing a prolonged period of high unemployment and slow economic growth. Many of us have seen businesses disappear since the financial crisis. These businesses did not fail because of their inability to compete, or due to shortcomings in their business plan or because of the goods and services they produced. They failed because they could not get loans from banks.

Without access to capital, Houston native Michael Dell would not have been able to start one of the most successful computer retail businesses in the world. His \$1,000 dollar initial investment in the 1980s allowed Dell Computers to become a household name. Without this capital, America would not have had one of its premier innovators.

The economic impact of this legislation is encouraging because businesses require capital in order to expand and flourish. When businesses are presented with this opportunity, jobs are created that in turn, will stimulate economic growth. Dell's headquarters alone employs roughly 16,000 people.

I urge my colleagues to join me in supporting H.R. 1965, "To amend the securities laws to establish certain thresholds for shareholder registration, and for other purposes."

#### TRIBUTE TO ADMIRAL MULLEN

### HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 3, 2011

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to Admiral Mike Mullen, who retired last month as the 17th Chairman of the Joint Chiefs of Staff after more than 43 years of distinguished service to his country.

Admiral Mullen grew up in San Fernando Valley portion of Los Angeles, in the district I have the privilege to represent.

Last year, he graciously agreed to serve as Grand Marshall of the San Fernando Valley Veterans Day Parade, for which I will always be grateful.

A 1968 graduate of the United States Naval Academy, Admiral Mullen assumed his duties as chairman in 2007, the culmination of an extraordinary military career.

Admiral Mullen's many accomplishments in the military are well known. I would like to focus on two initiatives he pursued as Chairman, which made direct contributions to our national security and demonstrated the strength of his character.

First, Admiral Mullen recognized early on in his service as Chairman the critical and difficult relationship the United States has with Pakistan's military leaders, and he dedicated himself to serving as a conduit for that critical relationship.

In many cases, effective diplomacy boils down to having someone with the tenacity and intellectual muscle to work a difficult issue, and Admiral Mullen more than proved his mettle in his dealings with Pakistan. I commend him for his efforts to keep the U.S.-Pakistan relationship on track.

I also believe our nation owes Admiral Mullen a debt of gratitude for his stance in re-pealing Don't Ask Don't Tell. Admiral Mullen called it like he saw it, an immeasurably critical quality, and our military is the better for it.

Admiral Mullen was driven by the desire to advance the interests of America's fighting men and women. He accomplished this goal, many times over.

I salute Admiral Mullen for his service, I pay tribute to his contribution, and I wish him all the best as he leaves the Navy.

#### INTRODUCTION OF THE GIVE FANS A CHANCE ACT NOVEMBER 3, 2011

### HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 3, 2011

Mr. BLUMENAUER. Mr. Speaker, today I am proud to introduce the Give Fans a Chance Act. Professional sports teams are a focal point and an important part of the identity of a community. Many of these communities have taxed themselves and provided financial incentives for stadiums, infrastructure improvements, and other enticements to team owners.

Too often the owners of sports franchises play cities off of one another to leverage even more money. In certain disdainful cases, owners have moved sports teams from cities who would and could provide the support for them to remain.

Public ownership of teams can help prevent these franchise moves and closures that occur against the wishes of a region. Unfortunately, many league rules and practices either prohibit or discourage public ownership. The "Give Fans a Chance Act" eliminates such rules.

The bill ties the leagues' broadcast antitrust exemption to the requirements in this bill, which eliminates league rules against public ownership and gives communities a voice in team relocation decisions.

An example of how this has worked is the story of the Green Bay Packers. The Packers were founded in 1919. In 1950, the fans saved the team from bankruptcy through a public stock offering. Since then, this team from the NFL's smallest city has seen stadium sell-outs for over 50 years and 13 NFL championships, including four Super Bowls.