

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

JACK HOWARD
SENIOR VICE PRESIDENT
CONGRESSIONAL AND PUBLIC AFFAIRS

1615 H STREET, NW
WASHINGTON, DC 20062
JHOWARD@USCHAMBER.COM

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce supports H.R. 78, the “SEC Regulatory Accountability Act,” and H.R. 79, the “Helping Angels Lead Our Startups Act.” Taken together, these bills would hold the Securities and Exchange Commission (SEC) and its rulemaking process more accountable to the American public, and allow angel investors to continue to play an important role in the economy.

H.R. 78 would improve the SEC’s rulemaking by requiring more rigorous cost-benefit analysis and faithful adherence by the SEC to Executive Orders Nos. 12866 and 13563 issued by Presidents Clinton and Obama, respectively. In 2013, the Chamber published a report entitled [*The Importance of Cost-Benefit Analysis in Financial Regulation*](#), which outlined the legal requirements and historic use of economic analysis by financial services regulators. H.R. 78 would implement the themes highlighted in that report by requiring a pre-adoption cost-benefit analysis as well as a data-driven post-adoption review of how well a regulation is working to solve the concern the rule was designed to address. These provisions would ensure that the SEC does not place onerous burdens on market participants to the detriment of the economy.

H.R. 79 would help startup businesses attract investors by clarifying the definition of “general solicitation” under Title II of the Jumpstart our Business Startups (JOBS) Act of 2012. When finalizing rules under Title II of the JOBS Act, the SEC regrettably put in place provisions that would effectively bar certain types of communication between startups and angel investors, who are a critical source of capital in the economy. H.R. 79 would simply clarify that startups and angel investors are permitted to participate in “demo days” or other events in which no specific investment solicitation is made. This is consistent with the original intent of the JOBS Act and would help innovative companies expand and hire new employees.

The Chamber commends the House of Representatives for prioritizing regulatory reform in the 115th Congress, and urges the House to approve these measures as expeditiously as possible.

Sincerely,



Jack Howard