

**CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA**

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
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July 14, 2020

The Honorable Nita M. Lowey
Chair
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chair Lowey and Ranking Member Granger:

As the Committee prepares to mark up the Fiscal Year 2021 Financial Services and General Government Appropriations bill, the U.S. Chamber of Commerce supports full funding for the Office of the Intellectual Property Enforcement Coordinator, the Small Business Administration (SBA) and its affiliated programs, and for the Office of State Trade and Export Promotion. The Chamber and its members support the efforts that agencies have undertaken to combat COVID-19 and to provide critical lifelines to businesses. Additionally, we urge you to consider the following recommendations.

The Chamber supports the following provisions:

- Funding of no less than \$500,000 for the Office of the Intellectual Property Enforcement Coordinator (IPEC) within the Office of Management and Budget for additional permanent positions within IPEC to include one full time equivalent for a Deputy Director. Funding a dedicated, full-time staff will assist the IPEC in fulfilling its mission of improving government agency efficiencies and coordination and supporting private sector initiatives to combat intellectual property theft and counterfeiting of domestic products.
- Lending authority in the amount of \$30 billion for the SBA 7(a) lending program. Regulation meant to greatly reduce risk within the banking system has had the unintended consequence of reducing traditional avenues for lending for small business. As a result, financial institutions have sought other means to mitigate the risk of lending to small businesses. The SBA has been faced with daunting challenges due to administering new programs and loans as a result of the battle against COVID-19.
- An appropriation of \$30 million for State Trade and Export Promotion (STEP) grants under section 1207 of the Small Business Jobs Act of 2010 (P.L. 111-240). These grants have been instrumental in helping states provide assistance for small businesses to export.

- Funding for section 1, Cybersecurity of Federal Networks, of the Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure (EO 13800).
- Full funding for the Technology Modernization Fund (TMF), which was authorized as part of the Modernizing Government Technology Act, or MGT Act. Federal agencies spend nearly 80% of their total information technology (IT) budgets on maintaining aging, insecure, and expensive legacy systems. Among other things, the TMF will help the federal government improve the cybersecurity posture of its networks and information systems.
- Bringing both the Consumer Financial Protection Bureau (CFPB) and Office of Financial Research under the normal appropriations process to ensure accountability.
- Restricting the Securities and Exchange Commission (SEC) from considering a rulemaking petition on political spending disclosures. Electioneering activities that are the subject of such a rulemaking petition are already disclosed under election law, and such a petition is outside the jurisdiction of the SEC. Furthermore, shareholders have routinely rejected these disclosures when they have been proposed by shareholder resolution.¹ Also, support maintaining the funding restriction that prohibits political spending or campaign activity reporting requirements or regulations as a condition of submitting any federal contract offers.
- Prohibiting the SEC from developing, implementing, finalizing, or enforcing universal proxy ballot proposals, and prohibiting any SEC rulemaking to allow or explore universal proxy ballots.
- Reporting to Congress by financial regulators on their interactions and negotiations with international bodies, Financial Stability Board, Basel Committee on Banking Supervision, International Association of Insurance Supervisors, and the International Organization of Securities Commissions. While global coordination can be beneficial, transparency will help ensure that policy aims are consistent with Congressional intent.

The Chamber opposes the following provisions:

- Sec. 540 – This section would prevent the Securities and Exchange Commission (SEC) from advancing updates to rules related to crowdfunding offerings (“Reg A+”) that would make it easier for private companies to verify that certain individuals are accredited investors. Many of the concepts in this rulemaking have bipartisan support in Congress. The rulemaking would remove red tape, making it easier for companies to raise capital, which is critical to restoring the strength of businesses and promoting a strong economic recovery.

¹ A study by the Manhattan Institute has found that shareholder proposals for political spending disclosures at Fortune 250 companies only garner, on average, 18% support.

- Sec. 541 – This section would prevent the SEC from advancing updates to resubmission thresholds for shareholder proposals under Exchange Act Rule 14a-8. Most shareholders reject proposals of a political or social nature, yet the SEC rules, which have not been updated since the Eisenhower Administration, allow proposals to be resubmitted year after year even if they receive very low support. The SEC’s updated approach would significantly decrease compliance costs borne by investors while also ensuring they maintain a strong voice.

We thank the Committee for providing the agencies with the resources needed to assist consumers, ensure the integrity of our markets, and support small businesses. The SBA has been on the front line for months assisting small businesses with new loan products to help employers meet payroll and to provide guidance during these uncertain times. The Chamber appreciates your consideration of these recommendations as you prepare to mark up the Fiscal Year 2021 Financial Services and General Government Appropriations bill.

Sincerely,



Neil L. Bradley

cc: Members of the House Committee on Appropriations