such additional arrangements as may be required to carry out the event.

**SEC. 5. ENFORCEMENT OF RESTRICTIONS.**

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 5104(c) of title 40, United States Code, concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, with respect to the event.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. EDWARDS) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material into the RECORD on H. Con. Res. 43.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. EDWARDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H. Con. Res. 43 authorizes the use of the Capitol Grounds for the Greater Washington Soap Box Derby later this month.

Every year, we authorize the use of the Capitol Grounds for this event.

The national All-American Soap Box Derby has been running since 1934 and provides opportunities for young people to demonstrate their innovation and ingenuity through a family-friendly competition—something we need much more of this day and age.

The Greater Washington Soap Box Derby is one of many local races that will qualify winning competitors for participation in the national Soap Box Derby .

Mr. Speaker, I urge support for this resolution, and I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H. Con. Res. 43, to authorize the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

Mr. Speaker, I thank Representative HOYER for introducing this resolution. The Greater Washington Soap Box Derby is an annual competitive event that encourages children, ages 9 through 16, to construct and race their own soapbox vehicles on the Capitol Grounds.

This event has become a great tradition in the District of Columbia metropolitan area over the last few decades. It provides a terrific opportunity for children to appreciate the work necessary to build the vehicles and enjoy the thrill of competition.

The Greater Washington Soap Box Derby organizers will work with the Architect of the Capitol and the Capitol Police to ensure the appropriate rules and regulations are in place and that the event remains free to the public.

Mr. Speaker, I urge my colleagues to support this resolution, and I reserve the balance of my time.

Mr. EDWARDS. Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentlewoman from the District of Columbia for her steadfast support of this event and her extraordinary representation of the District of Columbia. I thank the gentleman from North Carolina for his consideration in bringing this forward.

Mr. Speaker, I strongly support this resolution. It authorizes an event that I am proud to support every year: the Greater Washington Soap Box Derby.

The soapbox derby brings people together from across the Greater Washington metro area, encouraging kids, families, and communities to compete in a fun and educational race.

Mr. Speaker, this is my 30th year introducing this resolution. I am pleased to say that every year it has passed unanimously.

This is the Greater Washington Soap Box Derby's 80th year. The race will be held on June 17 and will see soapbox racers, ages 8 to 17, compete in three divisions: Stock, Super Stock, and Masters. The winner from each division will have a chance to compete at the national All-American Soap Box Derby in Akron, Ohio.

Soapbox derbies have been called the greatest amateur racing event in the world. Whether that is absolute fact, it is very close. They have become a staple of the American experience all over our country. They teach sportsmanship, engineering, manufacturing, leadership skills, and so many other skills, as well.

Oftentimes, racers are sponsored by local civic groups, service organizations, and police or fire departments with members coming out to cheer their local hometown participants.

Mr. Speaker, I am proud to sponsor this resolution today that will authorize the use of the Capitol Grounds, which is essential for this soapbox derby to proceed.

Mr. Speaker, I am proud that several Greater Washington Soap Box Derby champions have come from Maryland's Fifth District, including the winners from 2007, 2008, 2009, 2012, 2013, 2014, and 2018. I am sure all of you are saying, well, it is no surprise that HOYER supports this resolution on an annual basis. His guys do pretty well. Our racers even won a national championship in 2007 and 2008.

I am excited to see how the Fifth District racers do this year, and to see their colorful and creative soapbox designs.

Mr. Speaker, I hope every Member will join me in supporting this worthy event. I invite them to join me in cheering on the Greater Washington soapbox racers on June 17.

Mr. EDWARDS. Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I urge my colleagues to support H. Con. Res. 43, and I yield back the balance of my time.

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Mr. EDWARDS. Mr. Speaker, the Greater Washington Soap Box Derby is a time-honored tradition that provides an opportunity to promote fair and honest competition amongst the children in the Greater Washington area.

Mr. Speaker, I urge support of this resolution, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise today in support of H. Con. Res. 43, Authorizing the Use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The Greater Washington Soap Box Derby Association shall be permitted to sponsor a public event, soap box derby races, on the Capitol Grounds.

The event shall be held on June 17, 2023, or on another designated date, whereby the sponsor shall assume full responsibility for all expenses and liabilities associated with the event.

The event shall be free of admission charge and open to the public; and arranged not to interfere with the needs of Congress.

The Soap Box Derby is a youth soapbox car racing program which has been run in the United States since 1933.

It is also an event we support in my district by way of the Greater Houston Soap Box Derby (GHSBD) which is an all-volunteer, 501(c)(3) non-profit, Texas corporation organized for charitable and educational purposes.

I support the expansion of this event and all those who are dedicated to having a race program that is safe, fun, fair, professionally run, and that reaches out to all youth.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. EDWARDS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 43.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## ENCOURAGING PUBLIC OFFERINGS ACT OF 2023

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2793) to amend the Securities Act of 1933 to expand the ability to use testing the waters and confidential draft registration submissions, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H. R. 2793

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Encouraging Public Offerings Act of 2023''.

**SEC. 2. EXPANDING TESTING THE WATERS.**

Section 5(d) of the Securities Act of 1933 (15 U.S.C. 77e(d)) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(1) IN GENERAL.—Notwithstanding'';

(2) by striking ''an emerging growth company or any person authorized to act on behalf of an emerging growth company'' and inserting ''an issuer or any person authorized to act on behalf of an issuer''; and

(3) by adding at the end the following:

''(2) ADDITIONAL REQUIREMENTS.—

''(A) IN GENERAL.—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the engaging in oral or written communications described under paragraph (1) by an issuer other than an emerging growth company as the Commission determines appropriate.

''(B) REPORT TO CONGRESS.—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.''.

**SEC. 3. CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS.**

Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is amended—

(1) in the heading, by striking ''EMERGING GROWTH COMPANIES'' and inserting ''CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS'';

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Any issuer may, with respect to an initial public offering, initial registration of a security of the issuer under section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)), or follow-on offering, confidentially submit to the Commission a draft registration statement, for confidential nonpublic review by the staff of the Commission prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed with the Commission not later than—

''(A) in the case of an initial public offering, 10 days before the effective date of such registration statement;

''(B) in the case of an initial registration of a security of the issuer under such section 12(b), 10 days before listing on an exchange; or

''(C) in the case of a follow-on offering, 48 hours before the effective date of such registration statement.

''(2) FOLLOW-ON OFFERING DEFINED.—In this subsection, the term 'follow-on offering' means an offering by an issuer during the 12-month period beginning on the effective date of the initial public offering of the issuer or the initial registration of a security of the issuer under section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)).

''(3) ADDITIONAL REQUIREMENTS.—

''(A) IN GENERAL.—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the submission of draft registration statements described under this subsection by an issuer other than an emerging growth company as the Commission determines appropriate.

''(B) REPORT TO CONGRESS.—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

Mrs. WAGNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. WAGNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am proud to rise today in support of my bill, H.R. 2793, the Encouraging Public Offerings Act.

This bipartisan piece of legislation would encourage more companies to go public and expand provisions of the JOBS Act by codifying an existing SEC rule.

The SEC rule that this bill codifies allows for all companies to test the waters by communicating directly with certain potential investors before filing for an IPO.

Although small companies are known to drive technological innovation and job creation, they frequently face obstacles in obtaining funding in the capital markets.

These obstacles often are the result of the disproportionately larger burden that securities regulations—written for large public companies—place on small companies when they seek to go public.

Title I of the JOBS Act established a new category of issuers known as emerging growth companies or EGCs. To qualify as an EGC, a company must maintain a certain threshold of annual revenue.

The law provides that EGCs with a 5-year on-ramp to comply with certain regulatory requirements related to disclosure and reporting.

Additionally, title I allows for EGCs to test the waters by meeting with investors to explain their business structure before issuing an IPO.

Biotech companies, especially in the Second District of Missouri in particular, have been vocal about the benefits that testing the waters provides.

These meetings allow for additional time to explain to investors the complicated technologies and regulatory pathways and complex product offerings of the company to encourage greater participation in the IPO.

While the JOBS Act has made it easier for small companies to go public, the JOBS Act alone has not been enough to entirely overcome the capital formation obstacles that many companies face as they attempt to go public.

The Encouraging Public Offerings Act ensures that all companies, rather than just emerging growth companies, are allowed to test the waters.

This bill will make listing on exchanges more attractive, strengthening our financial markets and providing Main Street investors with more opportunities to grow their nest eggs.

Mr. Speaker, this process may sound complicated, but it is actually quite simple. Start-up companies are oftentimes doing innovative and complex activities.

They should be encouraged to sit down with potential investors and given the opportunity to explain why their business model is the right one for an investment plan without additional regulatory burdens.

The best analogy that I can give here, Mr. Speaker, is when you are trying to teach your children the value of a dollar and how to make a good, sound argument.

I remember telling my sons, who were trying to get my husband and I to pay for a new stereo, that they needed to present a plan to us for this potential investment.

They went back to their rooms, did their preparation, and then sat down with us and explained their argument for why they needed a stereo and why we should make that investment.

Mr. Speaker, start-up companies need that same opportunity to pitch their product to potential investors.

We need to incentivize start-ups to grow and expand, creating jobs for American workers and strengthening our economy. While we don't always fund the stereo purchases, we need to give them that chance.

I thank my good friend from New York (Mr. MEEKS) for his longstanding support of this legislation, and I urge all my colleagues to support this bill.

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

Mr. SHERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2793, the Encouraging Public Offerings Act of 2023, sponsored by the gentlewoman from Missouri.

I think the gentlewoman has laid it out clearly. We are talking here about the process by which a company goes public, and this allows the company to do two things before they go public.

One of those is to confer with prospective investors, and the other is to get a nonpublic review by the SEC staff of their registration statement.

This process of allowing these things to happen has been tried with ESG companies. The SEC has now adopted it as a policy for other companies, and now this bill would codify that decision.

I should point out this bill came before our committee, and the vote was 39–1. This bill codifies the recent SEC rule that allows any issuer, not just an ESG, to submit a confidential draft of their registration statement for nonpublic review.

This bill also allows the issuers to confer with prospective investors; in effect, testing the waters about whether a public offering makes sense.

By freeing all issuers to use these two methods and codifying the SEC's administrative action, we can provide all companies with the assurance that these tools will be available to them.

This bill codifies, as I have said, the 2019 SEC rulemaking that allows

issuers to test the waters before going public.

This allows the issuer to gauge interest in their public offering by talking to certain institutional investors without first needing to file a registration statement.

Given the cost of going through the entire process, it only makes sense to allow companies to talk to institutional investors before they decide to go public and commit themselves to that large cost.

Overall, this makes it easier for companies to access our capital markets to get the capital they need to grow their businesses.

Mr. Speaker, this bill is one that should be adopted. The vote in committee was 39–1. I urge my colleagues to support it.

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

Mrs. WAGNER. Mr. Speaker, I strongly urge my colleagues to support H.R. 2793, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise today in support of H.R. 2793, the Encouraging Public Offerings Act of 2023.

This bill provides statutory authority for all issuers of securities to use certain offering procedures that are available to emerging growth companies.

Specifically, the bill allows under statute issuers of securities to communicate with potential investors to ascertain interest in a contemplated securities offering, either before or after the filing of a registration statement (i.e., test the waters).

Additionally, issuers are allowed under statute to submit a confidential draft registration statement to the Securities and Exchange Commission for review prior to public filing or within one year after the initial public offering or registration.

This bill strikes ''an emerging growth company or any person authorized to act on behalf of an emerging growth company'' and inserts ''an issuer or any person authorized to act on behalf of an issuer.''

This bill further adds the following additional requirements:

(A) In general—the Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the engaging in oral or written communications described under paragraph (1) by an issuer other than an emerging growth company as the Commission determines appropriate.

(B) Report to Congress—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.

The Congressional Budget Office estimates that it would cost an insignificant amount for the agency to justify any further rulemakings to the Congress because the SEC already allows such practices under current policy.

The Congressional Budget Office expects that the net effect on discretionary spending over the 2023–2028 period would be negligible, assuming appropriation actions consistent with that authority, because the SEC is authorized to collect fees each year to offset its annual appropriation.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 2793, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mrs. WAGNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

## MIDDLE MARKET IPO COST ACT

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2812) to require the Securities and Exchange Commission to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2812

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Middle Market IPO Cost Act''.

**SEC. 2. STUDY ON IPO FEES.**

(a) STUDY.—The Comptroller General of the United States, in consultation with the Securities and Exchange Commission, in consultation with the Financial Industry Regulatory Authority, shall carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings (''IPOs''). In carrying out such study, the Comptroller General shall—

(1) consider the direct and indirect costs of an IPO, including—

(A) fees of accountants, underwriters, and any other outside advisors with respect to the IPO;

(B) compliance with Federal and State securities laws at the time of the IPO; and

(C) such other IPO-related costs as the Comptroller General may consider;

(2) compare and analyze the costs of an IPO with the costs of obtaining alternative sources of financing and of liquidity;

(3) consider the impact of such costs on capital formation;

(4) analyze the impact of these costs on the availability of public securities of small- and medium-sized companies to retail investors; and

(5) analyze trends in IPOs over a time period the Comptroller General determines is appropriate to analyze IPO pricing practices, considering—

(A) the number of IPOs;

(B) how costs for IPOs have evolved over time for underwriters, investment advisory firms, and other professions for services in connection with an IPO;

(C) the number of brokers and dealers active in underwriting IPOs;

(D) the different types of services that underwriters and related persons provide before and after a small- or medium-sized company IPO and the factors impacting IPOs costs;

(E) changes in the costs and availability of investment research for small- and medium-sized companies; and

(F) the impacts of litigation and its costs on being a public company.

(b) REPORT.—Not later than the end of the 360-day period beginning on the date of the enactment of this Act, the Comptroller General shall issue a report to the Congress containing all findings and determinations made in carrying out the study required under subsection (a) and any administrative or legislative recommendations the Comptroller General may have.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

Mrs. WAGNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. WAGNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2812, the Middle Market IPO Underwriting Cost Act. I thank my colleagues from both sides of the aisle, Representatives Himes and Lawler, for working on this important piece of bipartisan legislation that will help ensure that our IPO market remains competitive and attractive, especially for small- and medium-sized companies.

I thank Mr. HIMES for his willingness to work with the majority, and specifically Congressman FRENCH HILL of Arkansas, to reach an agreement on this legislation.

Staff have been working on this since the bill was marked up in April, and I am happy to see that the study will now be carried out by the GAO in consultation with the SEC and FINRA.

Companies have two ways of accessing capital in the securities markets to fund their operations: an initial public offering, IPO, where they sell securities publicly through a registered offering with the SEC, or a private offering under an exemption from registration.

Accessing capital through an IPO is a significant step for a company because there are considerable up-front costs, as well as ongoing, increased costs associated with the company's reporting requirements as a public company.

Before an IPO, companies often spend tens of millions of dollars gathering and compiling mandatory information to submit to the SEC and make available to the public for the sale of its securities.

The SEC itself has estimated that the average cost of just achieving regulatory compliance for going public is $2.5 million, which may not include additional costs of hiring professionals to help undertake the IPO.

However, additional data is required to achieve a better understanding of the costs of the added regulatory and