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Legislative Alert: "Jumpstart Our Business Startups (JOBS) Act" (HR 3606)

Abstract

[Excerpt] On behalf of the AFL-CIO, I am writing to express our continued strong opposition to the 'Jumpstart Our Business Startups Act' (H.R. 3606), and to urge you to vote no when it is considered by the House later this afternoon. Although the House passed the bill by a wide margin on March 19th, the ensuing Senate debate brought into starker relief the very serious risks the bill poses to our financial regulatory sector. Over the past couple of weeks, every major investor organization, the editorial boards of many major newspapers and even the Chair of the Securities and Exchange Commission have warned that H.R. 3606 could reopen the door to the kind of market manipulations and stock bubbles that caused our current economic crisis.

Keywords

AFL-CIO, Legislative Alert, "Jumpstart Our Business Startups (JOBS) Act", HR 3606

Comments

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RICHARD L. TRUMKA
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EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057

March 27, 2012

Dear Representative:

On behalf of the AFL-CIO, I am writing to express our continued strong opposition to the “Jumpstart Our Business Startups Act” (H.R. 3606), and to urge you to vote no when it is considered by the House later this afternoon. Although the House passed the bill by a wide margin on March 19th, the ensuing Senate debate brought into starker relief the very serious risks the bill poses to our financial regulatory sector. Over the past couple of weeks, every major investor organization, the editorial boards of many major newspapers and even the Chair of the Securities and Exchange Commission have warned that H.R. 3606 could reopen the door to the kind of market manipulations and stock bubbles that caused our current economic crisis.

Joined by other consumer advocates and investor organizations, we pressed the Senate to amend the bill to correct its most egregious flaws. Though every Democratic Senator and one Republican voted for a comprehensive amendment to the bill offered by Senators Reed, Levin and Landrieu, the amendment failed to clear the 60-vote threshold that had been agreed upon by the two leaders. In the end only one amendment, dealing with “crowd –funding,” was adopted.

H.R. 3606 would inevitably weaken investor confidence in our capital markets by creating new and expanded loopholes in our securities laws. Americans are still trying to dig out of the rubble of our most recent crisis, which was a direct result of decades of financial deregulation. Yet Congress again is on the brink of passing legislation that would further deregulate Wall Street.

In a recent statement on the Jumpstart Our Business Startups Act, the AFL-CIO Executive Council called on Congress to set aside the politics of the 1%, the old game of special favors for Wall Street, and turn to the business of real job creation. It expressed labor’s strong opposition to H.R. 3606 and any other effort to weaken the Dodd-Frank Act.

H.R. 3606 would weaken protections designed to safeguard investors. The U.S. capital markets are among the safest and most liquid in the world because they afford vigorous investor protections. H.R. 3606 would create additional risks for investors and drive up capital costs, thereby offsetting any reduction in compliance costs for smaller companies. Ultimately, this will cost jobs – not create them.

For these reasons, we urge you to vote no on H.R. 3606.

Sincerely,

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT