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Congress of the United States

House of Representatives

100th Congress

Committee on Small Business

1361 Rayburn House Office Building

Washington, DC 20515

June 3, 1988

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AREA CODE 202

Honorable John D. Dingell
Chairman
Committee on Energy and Commerce
Room 2125
Washington, DC 20515

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Dear Mr. Chairman:

Yesterday the Small Business Committee marked-up H.R. 3392, the Corporation for Small Business Investment Charter Act (COSBI). As introduced, the bill provided that the stock and obligations of COSBI would be exempt securities within the meaning of laws administered by the Securities and Exchange Commission.

Based upon discussions which you have had with the trade association of small business investment companies and based upon conversations between your staff and the staff of this Committee, I understand that you are opposed to this exemption which is a matter under the jurisdiction of your Committee.

Although I believe that it would be appropriate to provide an SEC exemption to COSBI as is provided to most other government sponsored enterprises, I do not believe that the exemption is absolutely necessary in order for COSBI to succeed. In order to expedite House consideration of this measure and to not intrude upon the jurisdiction of your Committee, at yesterday's mark-up I offered an amendment which was unanimously adopted by the Committee to strike this language. Thus the bill will not provide an exemption from SEC registration for COSBI. I trust this satisfies your concerns.

Thank you for your interest and I look forward to your support of this legislation as it reaches the House Floor.

With best wishes,


JOHN J. LaFALCE
Chairman

JLL:tpj