

**U. S. House of Representatives**  
**Washington, D. C. 20515**

March 8, 2011

The Honorable Mary Schapiro, Chairwoman  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Dear Chairwoman Schapiro,

As Members of Congress who represent the San Francisco Bay Area, we'd like to call your attention to a particularly effective and fiscally prudent regulatory action which, if undertaken by the SEC, will bolster American job growth and enhance small business access to public financing.

As you know, SEC Regulation A originated during the Great Depression as a way to facilitate the flow of capital into small businesses. The maximum dollar limit for public offerings which qualify for simplified registration under SEC Regulation A currently stands at \$5 million. As then-House Financial Services Committee Chairman Barney Frank noted in his December 16, 2010 letter to you, this amount falls well short of the amount many companies require to develop the cutting-edge technologies needed in today's 21<sup>st</sup> century global economy. This is especially true in the high-tech, sustainable energy, and life sciences fields, where research and development startup costs alone often eclipse \$5 million.

On December 8, 2010, the House Financial Services Committee conducted a hearing on the merits of raising the Regulation A offering limit. As was noted by numerous witnesses and bipartisan Committee members, no practical alternative mechanism currently exists to provide firms with middle-tier public capital at reduced regulatory cost – often leading firms to abandon pursuit of such capital in favor of other options.

As our nation's credit markets regain full strength, it is especially important that federal regulatory policies reflect the needs of cutting edge firms as they seek to grow and create jobs. We therefore strongly urge the SEC to exercise its authority under Section 28 of the Securities Act to raise the Regulation A offering limit, consistent with any and all enhancements of public investor protection which you determine to be necessary.

Thank you in advance for your consideration of our request, and we look forward to your timely response.

Sincerely,

  
Anna G. Eshoo  
Member of Congress

  
George Miller  
Member of Congress



Zoe Lofgren  
Member of Congress



Michael M. Honda  
Member of Congress



Jackie Speier  
Member of Congress



Jerry McNerney  
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Fortney Pete Stark  
Member of Congress



John Garamendi  
Member of Congress