



March 7, 2012

Dear Member of Congress:

The Securities Industry and Financial Markets Association (SIFMA) strongly support the passage of H.R. 3606, the *Jumpstart Our Business Startups Act* (JOBS Act).

The JOBS Act would promote job creation and economic growth by making it easier for companies to access capital while at the same time promoting transparency for investors. As you know, a vibrant “initial public offering” (IPO) market is critical for job creation and economic growth in the United States. This legislation will smooth the IPO process for America’s most talented emerging growth companies. The U.S. IPO market has suffered a sharp decline over the last 15 years. The pre-1999 average for IPOs was 547 per year. After 1999 the United States averaged only 192 IPOs per year. On average, 92 percent of a company’s job growth is post-IPO.

Many of these challenges have come from increased regulation making IPOs more costly. The average cost to go public is \$2.5 million and the annual cost to stay public is \$1.5 million. This legislation will help facilitate smaller, emerging companies to access the IPO market.

The JOBS Act will increase the level of exemption from Regulation A so that small businesses can be traded on public exchanges without complying with burdensome requirements. Under current regulations, the exemption level is set at \$5 million and has not been raised since 1992. This legislation would increase the current \$5 million level to \$50 million. This legislation would also direct the Securities and Exchange Commission (SEC) to review this exemption every two years to ensure that this ceiling is periodically updated to reflect current market conditions.

Small businesses are an important part of our economy and have created many new jobs. By raising this ceiling, we will provide additional opportunities for small businesses to access our capital markets.

We strongly support H.R. 3606 and urge the House of Representatives to vote in favor of this important legislation.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Ken Bentsen", is centered on a light-colored rectangular background.

Kenneth E. Bentsen, Jr.  
EVP, Public Policy and Advocacy