

**Calendar No. 462**103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 1830**

To authorize funding for the small business defense conversion program of the Small Business Administration, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 25), 1994

Mrs. FEINSTEIN (for herself, Mr. INOUE, Mr. BUMPERS, Mrs. BOXER, Mr. MOYNIHAN, Mr. PELL, Mr. KERRY, Mr. LEVIN, Mr. CAMPBELL, Mr. STEVENS, Mr. COHEN, Mr. LIEBERMAN, Mr. WOFFORD, and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Small Business

JUNE 14 (legislative day, JUNE 7), 1994

Reported by Mr. BUMPERS, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To authorize funding for the small business defense conversion program of the Small Business Administration, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Business  
3 Defense Conversion Guaranteed Loan Act of 1994”.

4 **SEC. 2. AUTHORIZATIONS.**

5 Section 20 of the Small Business Act (15 U.S.C. 631  
6 note) is amended—

7 (1) in subsection (l), as added by section 405(3)  
8 of the Small Business Credit and Business Oppor-  
9 tunity Enhancement Act of 1992—

10 (A) by striking “(l) There” and inserting  
11 “(3) There” and indenting appropriately; and

12 (B) by striking “subsection (k)”, and in-  
13 serting “paragraphs (1) and (2)”;

14 (2) by redesignating subsection (k), as added by  
15 section 405(3) of the Small Business Credit and  
16 Business Opportunity Act of 1992, as subsection (l);

17 (3) in subsection (l), as so redesignated, by in-  
18 serting after paragraph (1), the following new para-  
19 graph:

20 “(2) The Administration is authorized to make  
21 not more than \$4,000,000,000 in loans on a guaran-  
22 teed basis, in accordance with section 7(a)(21), such  
23 amount to remain available until expended.”;

24 (4) in subsection (n)—

25 (A) by striking “(n) There” and inserting  
26 “(3) There” and indenting appropriately; and

1           (B) by striking “subsection (m)” and in-  
2           serting “paragraphs (1) and (2)”;

3           (5) in subsection (m), by inserting after para-  
4           graph (1), the following new paragraph:

5           “(2) The Administration is authorized to make  
6           not more than \$4,000,000,000 in loans on a guaran-  
7           teed basis, in accordance with section 7(a)(21), such  
8           amount to remain available until expended.”;

9           (6) by redesignating subsection (o) as sub-  
10          section (n); and

11          (7) in subsection (p)—

12               (A) by striking “(p) There” and inserting  
13               “(2) There”, and indenting appropriately; and

14               (B) by striking “subsection (o)” and in-  
15               serting “paragraph (1)”.

16 **SEC. 3. TECHNICAL CLARIFICATION.**

17          Section 7(a)(21)(A) of the Small Business Act (15  
18 U.S.C. 636(a)(21)(A)) is amended by striking “under the”  
19 and inserting “on a guaranteed basis under the”.

20 **SEC. 4. REACHING ADDITIONAL SMALL BUSINESS CON-**  
21 **CERNS.**

22          Section 7(a)(21)(A)(i) of the Small Business Act (15  
23 U.S.C. 636(a)(21)(A)(i)) is amended—

24               (1) in subclause (I), by striking “or” at the  
25               end; and

1           (2) by adding after subclause (II), the following  
2           new subclause:

3                   “(III) a substantial reduction in the reve-  
4                   nues of the small business concern due to an  
5                   overall reduction in economic activity within the  
6                   community from which such small business con-  
7                   cern derives revenues, if such reduction in eco-  
8                   nomic activity is a direct result of the factors  
9                   described in subclause (I) or (II); or”.

10   **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

11           (a) *SHORT TITLE.*—This Act may be cited as the  
12           “Small Business Defense Conversion Assistance Act of  
13           1994”.

14           (b) *TABLE OF CONTENTS.*—The table of contents for  
15           this Act is as follows:

*Sec. 1. Short title and table of contents.*

*TITLE I—SMALL BUSINESS DEFENSE CONVERSION LOAN  
GUARANTEE PROGRAM*

*Sec. 101. Defense conversion loan guarantee authorizations.*

*Sec. 102. Technical clarification.*

*Sec. 103. Reaching additional small business concerns.*

*Sec. 104. Separate appropriations requirement.*

*TITLE II—MISCELLANEOUS SMALL BUSINESS ADMINISTRATION  
AUTHORITIES*

*Sec. 201. Small business development center defense conversion assistance pro-  
gram.*

*Sec. 202. Job creation and community benefit.*

*Sec. 203. Development company loan program reauthorization.*

*Sec. 204. Disaster loan temporary personnel.*

1 **TITLE I—SMALL BUSINESS DE-**  
2 **FENSE CONVERSION LOAN**  
3 **GUARANTEE PROGRAM**

4 **SEC. 101. DEFENSE CONVERSION LOAN GUARANTEE AU-**  
5 **THORIZATIONS.**

6 *Section 20 of the Small Business Act (15 U.S.C. 631*  
7 *note) is amended—*

8 *(1) in subsection (l), as added by section 405(3)*  
9 *of the Small Business Credit and Business Oppor-*  
10 *tunity Enhancement Act of 1992—*

11 *(A) by striking “(l) There” and inserting*  
12 *the following:*

13 *“(3) There”; and*

14 *(B) by striking “subsection (k)”, and insert-*  
15 *ing “paragraphs (1) and (2)”;*

16 *(2) by redesignating subsection (k), as added by*  
17 *section 405(3) of the Small Business Credit and Busi-*  
18 *ness Opportunity Act of 1992, as subsection (l);*

19 *(3) in subsection (l), as redesignated, by insert-*  
20 *ing after paragraph (1) the following new paragraph:*

21 *“(2) The Administration is authorized to make*  
22 *not more than \$4,000,000,000 in loans on a guaran-*  
23 *teed basis, in accordance with section 7(a)(21), such*  
24 *amount to remain available without fiscal year limi-*  
25 *tation.”;*

1           (4) in subsection (n)—

2                   (A) by striking “(n) There” and inserting  
3           the following:

4           “(3) There”; and

5                   (B) by striking “subsection (m)” and insert-  
6           ing “paragraphs (1) and (2)”;

7           (5) in subsection (m), by inserting after para-  
8           graph (1) the following new paragraph:

9           “(2) The Administration is authorized to make  
10           not more than \$4,000,000,000 in loans on a guaran-  
11           teed basis, in accordance with section 7(a)(21), such  
12           amount to remain available without fiscal year limi-  
13           tation.”;

14           (6) by redesignating subsection (o) as subsection  
15           (n);

16           (7) in subsection (n), as redesignated, by insert-  
17           ing after paragraph (1) the following new paragraph:

18           “(2) The Administration is authorized to make  
19           not more than \$4,000,000,000 in loans on a guaran-  
20           teed basis, in accordance with section 7(a)(21), such  
21           amount to remain available without fiscal year limi-  
22           tation.”; and

23           (8) in subsection (p)—

24                   (A) by striking “(p) There” and inserting  
25           the following:

1           “(3) There”; and

2                   (B) by striking “subsection (o)” and insert-  
3           ing “paragraphs (1) and (2)”.

4   **SEC. 102. TECHNICAL CLARIFICATION.**

5           Section 7(a)(21)(A) of the Small Business Act (15  
6 U.S.C. 636(a)(21)(A)) is amended by striking “under the”  
7 and inserting “on a guaranteed basis under the”.

8   **SEC. 103. REACHING ADDITIONAL SMALL BUSINESS CON-**  
9                   **CERNS.**

10          Section 7(a)(21)(A)(i) of the Small Business Act (15  
11 U.S.C. 636(a)(21)(A)(i)) is amended—

12               (1) in subclause (I), by striking “or” at the end;  
13           and

14               (2) by adding at the end the following new  
15           subclause:

16                   “(III) a substantial reduction in the reve-  
17                   nues of the small business concern due to an  
18                   overall reduction in economic activity within the  
19                   community from which such small business con-  
20                   cern derives revenues, if such reduction in eco-  
21                   nomic activity is a direct result of the factors de-  
22                   scribed in subclause (I) or (II); or”.

23   **SEC. 104. SEPARATE APPROPRIATIONS REQUIREMENT.**

24          Section 7(a)(21)(C) of the Small Business Act (15  
25 U.S.C. 636(a)(21)(C)) is amended by adding at the end the

1 following: “Loans authorized under this paragraph shall be  
 2 funded through appropriations that are separate and dis-  
 3 tinct from the appropriations account that funds general  
 4 guaranteed business loans authorized under this section.”.

5 **TITLE II—MISCELLANEOUS**

6 **SMALL BUSINESS**

7 **ADMINISTRATION AUTHORITIES**

8 **SEC. 201. SMALL BUSINESS DEVELOPMENT CENTER DE-**  
 9 **FENSE CONVERSION ASSISTANCE PROGRAM.**

10 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
 11 21(a) of the Small Business Act (15 U.S.C. 648(a)) is  
 12 amended by adding at the end the following new paragraph:

13 “(7) AUTHORIZATION OF APPROPRIATIONS FOR  
 14 DEFENSE CONVERSION ASSISTANCE PROGRAM.—

15 “(A) IN GENERAL.—

16 “(i) AUTHORIZATION.—There are au-  
 17 thorized to be appropriated, either directly  
 18 or through transfer from another Federal  
 19 department or agency, \$15,000,000 for each  
 20 of fiscal years 1995, 1996, and 1997 to  
 21 carry out subsection (c)(3)(G).

22 “(ii) SEPARATE FUNDING.—Activities  
 23 carried out under subsection (c)(3)(G) shall  
 24 be funded through appropriations that are  
 25 separate and distinct from the appropria-



1            *tions account that funds Small Business*  
2            *Development Centers authorized under this*  
3            *section.*

4            “(B) *MATCHING REQUIREMENT.*—Notwith-  
5            *standing paragraph (5), the Administration*  
6            *shall require, as a condition of any grant (or*  
7            *amendment or modification thereof) made under*  
8            *subsection (c)(3)(G), that an additional amount*  
9            *equal to 50 percent of such grant be provided*  
10           *from sources other than the Federal Government.*  
11           *Such amount may be provided in cash or by in-*  
12           *direct or in-kind contribution.”.*

13           (b) *FUNDS TO SMALL BUSINESS DEVELOPMENT CEN-*  
14           *TERS.*—*Section 21(a) of the Small Business Act (15 U.S.C.*  
15           *648(a)), as amended by subsection (a), is amended by add-*  
16           *ing at the end the following new paragraph:*

17           “(8) *FUNDS TO SMALL BUSINESS DEVELOPMENT*  
18           *CENTERS.*—*Notwithstanding any other provision of*  
19           *law, amounts made available to a Small Business De-*  
20           *velopment Center to carry out this section, either di-*  
21           *rectly or through transfer from another Federal de-*  
22           *partment or agency, shall not be included in the cal-*  
23           *culatation of the amount of Administration assistance*  
24           *made available to the Small Business Development*  
25           *Center for purposes of paragraph (4) or (5).”.*

1           (c) *TECHNICAL AND CONFORMING AMENDMENTS.*—  
2 *Section 21(a) of the Small Business Act (15 U.S.C. 648(a))*  
3 *is amended—*

4           (1) *in paragraph (4), by striking “Except as*  
5 *provided in paragraph (4)” and inserting “Except as*  
6 *provided in paragraphs (5) and (7)”;* and

7           (2) *in paragraph (5), by striking “required in*  
8 *paragraph (3)” and inserting “required by paragraph*  
9 *(4)”.*

10 ***SEC. 202. JOB CREATION AND COMMUNITY BENEFIT.***

11           *Section 7(a)(21) of the Small Business Act (15 U.S.C.*  
12 *636(a)(21)) is amended by adding at the end the following*  
13 *new subparagraph:*

14                           “(E) *JOB CREATION AND COMMUNITY BENE-*  
15 *FIT.—In providing assistance under this para-*  
16 *graph, the Administration shall develop proce-*  
17 *dures to ensure, to the maximum extent prac-*  
18 *ticable, that such assistance is used for projects*  
19 *that—*

20   “(i) *have the greatest potential for—*

21   “(I) *creating new jobs for individ-*  
22 *uals whose employment is involuntar-*  
23 *ily terminated due to reductions in*  
24 *Federal defense expenditures; or*

1                   “(II) preventing the loss of jobs by  
2                   employees of small business concerns  
3                   described in subparagraph (A)(i); and  
4                   “(ii) have substantial potential for  
5                   stimulating new economic activity in com-  
6                   munities most impacted by reductions in  
7                   Federal defense expenditures.”.

8   **SEC. 203. DEVELOPMENT COMPANY LOAN PROGRAM REAU-**  
9                   **THORIZATION.**

10           Section 20(i)(2)(C) of the Small Business Act (15  
11 U.S.C. 631 note) is amended by striking “\$1,200,000,000”  
12 and inserting “\$1,500,000,000”.

13   **SEC. 204. DISASTER LOAN TEMPORARY PERSONNEL.**

14           Section 5(b)(8) of the Small Business Act (15 U.S.C.  
15 634(b)(8)) is amended by striking “six months” and insert-  
16 ing “12 months”.

Amend the title so as to read: “A bill to authorize funding for the small business defense conversion programs and the Development Company Loan Program of the Small Business Administration, and for other purposes.”.



**Calendar No. 462**

103D CONGRESS  
2D SESSION

**S. 1830**

---

**A BILL**

To authorize funding for the small business defense conversion program of the Small Business Administration, and for other purposes.

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JUNE 14 (legislative day, JUNE 7), 1994  
Reported with an amendment and an amendment to the title