

105TH CONGRESS
1ST SESSION

S. 1139

AN ACT

To reauthorize the programs 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Reauthorization Act of 1997”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Effective date.

TITLE I—AUTHORIZATIONS

- Sec. 101. Authorizations.

TITLE II—FINANCIAL ASSISTANCE

Subtitle A—Microloan Program

- Sec. 201. Microloan program.
- Sec. 202. Welfare-to-work microloan pilot program.

Subtitle B—Small Business Investment Company Program

- Sec. 211. 5-year commitments for SBICs at option of Administrator.
- Sec. 212. Fees.
- Sec. 213. Small business investment company program reform.
- Sec. 214. Examination fees.

Subtitle C—Certified Development Company Program

- Sec. 221. Loans for plant acquisition, construction, conversion, and expansion.
- Sec. 222. Development company debentures.
- Sec. 223. Premier certified lenders program.

TITLE III—WOMEN'S BUSINESS ENTERPRISES

- Sec. 301. Interagency committee participation.
- Sec. 302. Reports.
- Sec. 303. Council duties.
- Sec. 304. Council membership.
- Sec. 305. Authorization of appropriations.
- Sec. 306. Women's business centers.
- Sec. 307. Office of women's business ownership.
- Sec. 308. National Women's Business Council procurement project.

TITLE IV—COMPETITIVENESS PROGRAM AND PROCUREMENT
OPPORTUNITIES

Subtitle A—Small Business Competitiveness Program

- Sec. 401. Program term.
- Sec. 402. Monitoring agency performance.
- Sec. 403. Reports to Congress.
- Sec. 404. Small business participation in dredging.

Subtitle B—Small Business Procurement Opportunities Program

- Sec. 411. Contract bundling.
- Sec. 412. Definition of contract bundling.
- Sec. 413. Assessing proposed contract bundling.
- Sec. 414. Reporting of bundled contract opportunities.

- Sec. 415. Evaluating subcontract participation in awarding contracts.
- Sec. 416. Improved notice of subcontracting opportunities.
- Sec. 417. Deadlines for issuance of regulations.

TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Small business technology transfer program.
- Sec. 502. Small business development centers.
- Sec. 503. Pilot preferred surety bond guarantee program extension.
- Sec. 504. Extension of cosponsorship authority.
- Sec. 505. Asset sales.
- Sec. 506. Small business export promotion.
- Sec. 507. Defense Loan and Technical Assistance program.

TITLE VI—HUBZONE PROGRAM

- Sec. 601. Short title.
- Sec. 602. Historically underutilized business zones.
- Sec. 603. Technical and conforming amendments to the Small Business Act.
- Sec. 604. Other technical and conforming amendments.
- Sec. 605. Regulations.
- Sec. 606. Report.
- Sec. 607. Authorization of appropriations.

1 **SEC. 2. EFFECTIVE DATE.**

2 This Act and the amendments made by this Act shall
3 take effect on October 1, 1997.

4 **TITLE I—AUTHORIZATIONS**

5 **SEC. 101. AUTHORIZATIONS.**

6 Section 20 of the Small Business Act (15 U.S.C. 631
7 note) is amended by striking subsections (c) through (q)
8 and inserting the following:

9 “(c) FISCAL YEAR 1998.—

10 “(1) PROGRAM LEVELS.—The following pro-
11 gram levels are authorized for fiscal year 1998:

12 “(A) For the programs authorized by this
13 Act, the Administration is authorized to
14 make—

1 “(i) \$28,000,000 in technical assist-
2 ance grants, as provided in section 7(m);
3 and

4 “(ii) \$60,000,000 in loans, as pro-
5 vided in section 7(m).

6 “(B) For the programs authorized by this
7 Act, the Administration is authorized to make
8 \$17,040,000,000 in deferred participation loans
9 and other financings. Of such sum, the Admin-
10 istration is authorized to make—

11 “(i) \$13,000,000,000 in general busi-
12 ness loans as provided in section 7(a);

13 “(ii) \$3,000,000,000 in financings as
14 provided in section 7(a)(13) of this Act
15 and section 504 of the Small Business In-
16 vestment Act of 1958;

17 “(iii) \$1,000,000,000 in loans as pro-
18 vided in section 7(a)(21); and

19 “(iv) \$40,000,000 in loans as pro-
20 vided in section 7(m).

21 “(C) For the programs authorized by title
22 III of the Small Business Investment Act of
23 1958, the Administration is authorized to
24 make—

1 “(i) \$600,000,000 in purchases of
2 participating securities; and

3 “(ii) \$500,000,000 in guarantees of
4 debentures.

5 “(D) For the programs authorized by part
6 B of title IV of the Small Business Investment
7 Act of 1958, the Administration is authorized
8 to enter into guarantees not to exceed
9 \$2,000,000,000, of which not more than
10 \$650,000,000 may be in bonds approved pursu-
11 ant to section 411(a)(3) of that Act.

12 “(E) The Administration is authorized to
13 make grants or enter into cooperative agree-
14 ments—

15 “(i) for the Service Corps of Retired
16 Executives program authorized by section
17 8(b)(1), \$4,000,000; and

18 “(ii) for activities of small business
19 development centers pursuant to section
20 21(c)(3)(G), \$15,000,000, to remain avail-
21 able until expended.

22 “(2) ADDITIONAL AUTHORIZATIONS.—

23 “(A) There are authorized to be appro-
24 priated to the Administration for fiscal year
25 1998 such sums as may be necessary to carry

1 out this Act, including administrative expenses
2 and necessary loan capital for disaster loans
3 pursuant to section 7(b), and to carry out the
4 Small Business Investment Act of 1958, includ-
5 ing salaries and expenses of the Administration.

6 “(B) Notwithstanding subparagraph (A),
7 for fiscal year 1998—

8 “(i) no funds are authorized to be
9 provided to carry out the loan program au-
10 thorized by section 7(a)(21) except by
11 transfer from another Federal department
12 or agency to the Administration, unless the
13 program level authorized for general busi-
14 ness loans under subsection (l)(2)(A) is
15 fully funded; and

16 “(ii) the Administration may not ap-
17 prove loans on behalf of the Administra-
18 tion or on behalf of any other department
19 or agency, by contract or otherwise, under
20 terms and conditions other than those spe-
21 cifically authorized under this Act or the
22 Small Business Investment Act of 1958,
23 except that it may approve loans under
24 section 7(a)(21) of this Act in gross
25 amounts of not more than \$1,250,000.

1 “(d) FISCAL YEAR 1999.—

2 “(1) PROGRAM LEVELS.—The following pro-
3 gram levels are authorized for fiscal year 1999:

4 “(A) For the programs authorized by this
5 Act, the Administration is authorized to
6 make—

7 “(i) \$28,000,000 in technical assist-
8 ance grants as provided in section 7(m);
9 and

10 “(ii) \$60,000,000 in loans, as pro-
11 vided in section 7(m).

12 “(B) For the programs authorized by this
13 Act, the Administration is authorized to make
14 \$18,540,000,000 in deferred participation loans
15 and other financings. Of such sum, the Admin-
16 istration is authorized to make—

17 “(i) \$14,000,000,000 in general busi-
18 ness loans as provided in section 7(a);

19 “(ii) \$3,500,000,000 in financings as
20 provided in section 7(a)(13) of this Act
21 and section 504 of the Small Business In-
22 vestment Act of 1958;

23 “(iii) \$1,000,000,000 in loans as pro-
24 vided in section 7(a)(21); and

1 “(iv) \$40,000,000 in loans as pro-
2 vided in section 7(m).

3 “(C) For the programs authorized by title
4 III of the Small Business Investment Act of
5 1958, the Administration is authorized to
6 make—

7 “(i) \$700,000,000 in purchases of
8 participating securities; and

9 “(ii) \$650,000,000 in guarantees of
10 debentures.

11 “(D) For the programs authorized by part
12 B of title IV of the Small Business Investment
13 Act of 1958, the Administration is authorized
14 to enter into guarantees not to exceed
15 \$2,000,000,000, of which not more than
16 \$650,000,000 may be in bonds approved pursu-
17 ant to section 411(a)(3) of that Act.

18 “(E) The Administration is authorized to
19 make grants or enter cooperative agreements—

20 “(i) for the Service Corps of Retired
21 Executives program authorized by section
22 8(b)(1), \$4,500,000; and

23 “(ii) for activities of small business
24 development centers pursuant to section

1 21(c)(3)(G), not to exceed \$15,000,000, to
2 remain available until expended.

3 “(2) ADDITIONAL AUTHORIZATIONS.—

4 “(A) There are authorized to be appro-
5 priated to the Administration for fiscal year
6 1999 such sums as may be necessary to carry
7 out this Act, including administrative expenses
8 and necessary loan capital for disaster loans
9 pursuant to section 7(b), and to carry out the
10 Small Business Investment Act of 1958, includ-
11 ing salaries and expenses of the Administration.

12 “(B) Notwithstanding subparagraph (A),
13 for fiscal year 1999—

14 “(i) no funds are authorized to be
15 provided to carry out the loan program au-
16 thorized by section 7(a)(21) except by
17 transfer from another Federal department
18 or agency to the Administration, unless the
19 program level authorized for general busi-
20 ness loans under subsection (n)(2)(A) is
21 fully funded; and

22 “(ii) the Administration may not ap-
23 prove loans on behalf of the Administra-
24 tion or on behalf of any other department
25 or agency, by contract or otherwise, under

1 terms and conditions other than those spe-
2 cifically authorized under this Act or the
3 Small Business Investment Act of 1958,
4 except that it may approve loans under
5 section 7(a)(21) of this Act in gross
6 amounts of not more than \$1,250,000.

7 “(e) FISCAL YEAR 2000.—

8 “(1) PROGRAM LEVELS.—The following pro-
9 gram levels are authorized for fiscal year 2000:

10 “(A) For the programs authorized by this
11 Act, the Administration is authorized to
12 make—

13 “(i) \$28,000,000 in technical assist-
14 ance grants as provided in section 7(m);
15 and

16 “(ii) \$60,000,000 in direct loans, as
17 provided in section 7(m).

18 “(B) For the programs authorized by this
19 Act, the Administration is authorized to make
20 \$21,040,000,000 in deferred participation loans
21 and other financings. Of such sum, the Admin-
22 istration is authorized to make—

23 “(i) \$15,500,000,000 in general busi-
24 ness loans as provided in section 7(a);

1 “(ii) \$4,500,000,000 in financings as
2 provided in section 7(a)(13) of this Act
3 and section 504 of the Small Business In-
4 vestment Act of 1958;

5 “(iii) \$1,000,000,000 in loans as pro-
6 vided in section 7(a)(21); and

7 “(iv) \$40,000,000 in loans as pro-
8 vided in section 7(m).

9 “(C) For the programs authorized by title
10 III of the Small Business Investment Act of
11 1958, the Administration is authorized to
12 make—

13 “(i) \$850,000,000 in purchases of
14 participating securities; and

15 “(ii) \$700,000,000 in guarantees of
16 debentures.

17 “(D) For the programs authorized by part
18 B of title IV of the Small Business Investment
19 Act of 1958, the Administration is authorized
20 to enter into guarantees not to exceed
21 \$2,000,000,000, of which not more than
22 \$650,000,000 may be in bonds approved pursu-
23 ant to section 411(a)(3) of that Act.

24 “(E) The Administration is authorized to
25 make grants or enter cooperative agreements—

1 “(i) for the Service Corps of Retired
2 Executives program authorized by section
3 8(b)(1), \$5,000,000; and

4 “(ii) for activities of small business
5 development centers pursuant to section
6 21(c)(3)(G), not to exceed \$15,000,000, to
7 remain available until expended.

8 “(2) ADDITIONAL AUTHORIZATIONS.—

9 “(A) There are authorized to be appro-
10 priated to the Administration for fiscal year
11 2000 such sums as may be necessary to carry
12 out this Act, including administrative expenses
13 and necessary loan capital for disaster loans
14 pursuant to section 7(b), and to carry out the
15 Small Business Investment Act of 1958, includ-
16 ing salaries and expenses of the Administration.

17 “(B) Notwithstanding subparagraph (A),
18 for fiscal year 2000—

19 “(i) no funds are authorized to be
20 provided to carry out the loan program au-
21 thorized by section 7(a)(21) except by
22 transfer from another Federal department
23 or agency to the Administration, unless the
24 program level authorized for general busi-

1 ness loans under subsection (p)(2)(A) is
2 fully funded; and

3 “(ii) the Administration may not ap-
4 prove loans on behalf of the Administra-
5 tion or on behalf of any other department
6 or agency, by contract or otherwise, under
7 terms and conditions other than those spe-
8 cifically authorized under this Act or the
9 Small Business Investment Act of 1958,
10 except that it may approve loans under
11 section 7(a)(21) of this Act in gross
12 amounts of not more than \$1,250,000.”.

13 **TITLE II—FINANCIAL** 14 **ASSISTANCE**

15 **Subtitle A—Microloan Program**

16 **SEC. 201. MICROLOAN PROGRAM.**

17 (a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small
18 Business Act (15 U.S.C. 636(m)(3)(C)) is amended by
19 striking “\$2,500,000” and inserting “\$3,500,000”.

20 (b) LOAN LOSS RESERVE FUND.—Section
21 7(m)(3)(D) of the Small Business Act (15 U.S.C.
22 636(m)(3)(D)) is amended by striking clauses (i) and (ii),
23 and inserting the following:

24 “(i) during the initial 5 years of the
25 intermediary’s participation in the program

1 under this subsection, at a level equal to
2 not more than 15 percent of the outstand-
3 ing balance of the notes receivable owed to
4 the intermediary; and

5 “(ii) in each year of participation
6 thereafter, at a level equal to not more
7 than the greater of—

8 “(I) 2 times an amount reflecting
9 the total losses of the intermediary as
10 a result of participation in the pro-
11 gram under this subsection, as deter-
12 mined by the Administrator on a case-
13 by-case basis; or

14 “(II) 10 percent of the outstand-
15 ing balance of the notes receivable
16 owed to the intermediary.”.

17 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
18 7(m) of the Small Business Act (15 U.S.C. 636(m)) is
19 amended—

20 (1) in the subsection heading, by striking
21 “DEMONSTRATION”;

22 (2) by striking “Demonstration” each place
23 that term appears;

24 (3) by striking “demonstration” each place that
25 term appears; and

1 (4) in paragraph (12), by striking “during fis-
2 cal years 1995 through 1997” and inserting “during
3 fiscal years 1998 through 2000”.

4 (d) TECHNICAL ASSISTANCE GRANTS.—Section
5 7(m)(4)(E) of the Small Business Act (15 U.S.C.
6 636(m)(4)(E)) is amended—

7 (1) by inserting “(i)” before “Each
8 intermediary”;

9 (2) by striking “15” and inserting “25”;

10 (3) by adding at the end of the paragraph “(ii)
11 The intermediary may expend up to 25 percent of
12 the funds received under paragraph (1)(B)(ii) to
13 enter into third party contracts for the provision of
14 technical assistance”.

15 **SEC. 202. WELFARE-TO-WORK MICROLOAN PILOT PRO-**
16 **GRAM.**

17 (a) PROGRAM ESTABLISHMENT.—Section 7(m) of
18 the Small Business Act (15 U.S.C. 636(m)) is amended—

19 (1) in paragraph (1)(A)—

20 (A) in clause (ii), by striking “and” at the
21 end;

22 (B) in clause (iii), by striking the period at
23 the end and inserting “; and”; and

24 (C) by adding at the end the following:

1 “(iv) to establish a welfare-to-work
2 microloan pilot program, which shall be ad-
3 ministered by the Administration, in order
4 to—

5 “(I) test the feasibility of
6 supplementing the technical assistance
7 grants provided under clauses (ii) and
8 (iii) of subparagraph (B) to individ-
9 uals who are receiving assistance
10 under the State program funded
11 under part A of title IV of the Social
12 Security Act (42 U.S.C. 601 et seq.),
13 or under any comparable State-funded
14 means-tested program of assistance
15 for low-income individuals, in order to
16 adequately assist those individuals
17 in—

18 “(aa) establishing small
19 businesses; and

20 “(bb) eliminating their de-
21 pendence on that assistance;

22 “(II) permit the grants described
23 in subclause (I) to be used to provide
24 intensive management, marketing and
25 technical assistance as well as to pay

1 or reimburse a portion of child care
2 and transportation costs of individuals
3 described in subclause (I) who become
4 microborrowers;

5 “(III) eliminate barriers to
6 microborrowers in establishing child
7 care businesses; and

8 “(IV) evaluate the effectiveness
9 of assistance provided under this
10 clause in helping individuals described
11 in subclause (I) to eliminate their de-
12 pendence on assistance described in
13 that subclause and become employed
14 in their own business;”;

15 (2) in paragraph (4), by adding at the end the
16 following:

17 “(F) SUPPLEMENTAL GRANTS.—

18 “(i) IN GENERAL.—In addition to
19 grants under subparagraphs (A) and (C)
20 and paragraph (5), the Administration
21 may select from participating
22 intermediaries and recipients of grants
23 under paragraph (5), not more than 20 en-
24 tities in fiscal year 1998, 25 entities in fis-
25 cal year 1999, and 30 entities in fiscal

1 year 2000, each of whom may receive an-
2 nually a supplemental grant in an amount
3 not to exceed \$200,000 for the purpose of
4 providing additional technical assistance
5 and related services to borrowers who are
6 receiving assistance described in paragraph
7 (1)(A)(iv)(I) at the time they initially
8 apply for assistance under the program.

9 “(ii) INAPPLICABILITY OF CONTRIBU-
10 TION REQUIREMENTS.—The contribution
11 requirements of subparagraphs (B) and
12 (C)(i)(II) do not apply to any grant made
13 under this subparagraph.

14 “(iii) CHILD CARE AND TRANSPOR-
15 TATION COSTS.—Any grant made under
16 this subparagraph may be used to pay or
17 reimburse a portion of the costs of child
18 care and transportation incurred by a bor-
19 rower under the welfare-to-work microloan
20 pilot program under paragraph
21 (1)(A)(iv).”;

22 (3) in paragraph (6), by adding at the end the
23 following:

24 “(E) ESTABLISHMENT OF CHILD CARE ES-
25 TABLISHMENTS.—In addition to other eligible

1 small business concerns, borrowers under any
2 program under this subsection may include in-
3 dividuals who will use the loan proceeds to es-
4 tablish for-profit or nonprofit child care estab-
5 lishments.”;

6 (4) in paragraph (9)—

7 (A) by striking the paragraph designation
8 and paragraph heading and inserting the fol-
9 lowing:

10 “(9) GRANTS FOR MANAGEMENT, MARKETING,
11 TECHNICAL ASSISTANCE, AND RELATED SERV-
12 ICES.—”; and

13 (B) by adding at the end the following:

14 “(C) WELFARE-TO-WORK MICROLOAN
15 PILOT PROGRAM.—Of amounts made available
16 to carry out the welfare-to-work microloan pilot
17 program under paragraph (1)(A)(iv) in any fis-
18 cal year, the Administration may use not more
19 than 5 percent to provide technical assistance,
20 either directly or through contractors, to wel-
21 fare-to-work microloan pilot program grantees,
22 to ensure that, as grantees, they have the
23 knowledge, skills, and understanding of micro-
24 lending and welfare-to-work transition, and

1 other related issues, to operate a successful wel-
2 fare-to-work microloan pilot program.”; and

3 (5) by adding at the end the following:

4 “(13) EVALUATION OF WELFARE-TO-WORK
5 MICROLOAN PILOT PROGRAM.—On January 31,
6 1999, and annually thereafter, the Administration
7 shall submit to the Committees on Small Business
8 of the House of Representatives and the Senate a
9 report on the welfare-to-work microloan pilot pro-
10 gram authorized under paragraph (1)(A)(iv), which
11 report shall include, with respect to the preceding
12 fiscal year, an analysis of the progress and effective-
13 ness of the program during that fiscal year, and
14 data relating to—

15 “(A) the number and location of each
16 grantee under the program;

17 “(B) the amount of each grant;

18 “(C) the number of individuals who re-
19 ceived assistance under each grant, including
20 separate data relating to—

21 “(i) the number of individuals who re-
22 ceived training;

23 “(ii) the number of individuals who
24 received transportation assistance; and

1 “(iii) the number of individuals who
2 received child care assistance (including
3 the number of children assisted);

4 “(D) the type and amount of loan and
5 grant assistance received by borrowers under
6 the program;

7 “(E) the number of businesses that were
8 started with assistance provided under the pro-
9 gram that are operational and the number of
10 jobs created by each business;

11 “(F) the number of individuals receiving
12 training under the program who, after receiving
13 assistance under the program—

14 “(i) are employed in their own busi-
15 nesses; and

16 “(ii) are not receiving public assist-
17 ance for themselves or their children;

18 “(G) whether and to what extent each
19 grant was used to defray the transportation and
20 child care costs of borrowers; and

21 “(H) any recommendations for legislative
22 changes to improve program operations.”.

23 (c) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to carry out the welfare-
25 to-work microloan pilot program under section

1 7(m)(1)(A)(iv) of the Small Business Act (as added by
2 this section)—

3 (1) \$3,000,000 for fiscal year 1998;

4 (2) \$4,000,000 for fiscal year 1999; and

5 (3) \$5,000,000 for fiscal year 2000.

6 **Subtitle B—Small Business**
7 **Investment Company Program**

8 **SEC. 211. 5-YEAR COMMITMENTS FOR SBICs AT OPTION OF**
9 **ADMINISTRATOR.**

10 Section 20(a)(2) of the Small Business Act (15
11 U.S.C. 631 note) is amended in the last sentence by strik-
12 ing “the following fiscal year” and inserting “any 1 or
13 more of the 4 subsequent fiscal years”.

14 **SEC. 212. FEES.**

15 Section 301 of the Small Business Investment Act
16 of 1958 (15 U.S.C. 681) is amended by adding the follow-
17 ing:

18 “(e) FEES.—

19 “(1) IN GENERAL.—The Administration may
20 prescribe fees to be paid by each applicant for a li-
21 cense to operate as a small business investment com-
22 pany under this Act.

23 “(2) USE OF AMOUNTS.—Amounts collected
24 pursuant to this subsection shall be—

1 “(A) deposited in the account for salaries
2 and expenses of the Administration; and

3 “(B) available without further appropria-
4 tion solely to cover contracting and other ad-
5 ministrative costs related to licensing.”.

6 **SEC. 213. SMALL BUSINESS INVESTMENT COMPANY PRO-**
7 **GRAM REFORM.**

8 (a) **BANK INVESTMENTS.**—Section 302(b) of the
9 Small Business Investment Act of 1958 (15 U.S.C.
10 682(b)) is amended by striking “1956,” and all that fol-
11 lows before the period and inserting the following: “1956,
12 any national bank, or any member bank of the Federal
13 Reserve System or nonmember insured bank to the extent
14 permitted under applicable State law, may invest in any
15 1 or more small business investment companies, or in any
16 entity established to invest solely in small business invest-
17 ment companies, except that in no event shall the total
18 amount of such investments of any such bank exceed 5
19 percent of the capital and surplus of the bank”.

20 (b) **INDEXING FOR LEVERAGE.**—Section 303 of the
21 Small Business Investment Act of 1958 (15 U.S.C. 683)
22 is amended—

23 (1) in subsection (b)—

24 (A) in paragraph (2), by adding at the end
25 the following:

1 “(D)(i) The dollar amounts in subpara-
2 graphs (A), (B), and (C) shall be adjusted an-
3 nually to reflect increases in the Consumer
4 Price Index established by the Bureau of Labor
5 Statistics of the Department of Labor.

6 “(ii) The initial adjustments made under
7 this subparagraph after the date of enactment
8 of the Small Business Reauthorization Act of
9 1997 shall reflect only increases from March
10 31, 1993.”; and

11 (B) by striking paragraph (4) and insert-
12 ing the following:

13 “(4) MAXIMUM AGGREGATE AMOUNT OF LE-
14 VERAGE.—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), the aggregate amount of
17 outstanding leverage issued to any company or
18 companies that are commonly controlled (as de-
19 termined by the Administrator) may not exceed
20 \$90,000,000, as adjusted annually for increases
21 in the Consumer Price Index.

22 “(B) EXCEPTIONS.—The Administrator
23 may, on a case-by-case basis—

24 “(i) approve an amount of leverage
25 that exceeds the amount described in sub-

1 paragraph (A) for companies under com-
2 mon control; and

3 “(ii) impose such additional terms and
4 conditions as the Administrator determines
5 to be appropriate to minimize the risk of
6 loss to the Administration in the event of
7 default.

8 “(C) APPLICABILITY OF OTHER PROVI-
9 SIONS.—Any leverage that is issued to a com-
10 pany or companies commonly controlled in an
11 amount that exceeds \$90,000,000, whether as a
12 result of an increase in the Consumer Price
13 Index or a decision of the Administrator, is sub-
14 ject to subsection (d).”; and

15 (2) by striking subsection (d) and inserting the
16 following:

17 “(d) REQUIRED CERTIFICATIONS.—

18 “(1) IN GENERAL.—The Administrator shall re-
19 quire each licensee, as a condition of approval of an
20 application for leverage, to certify in writing—

21 “(A) for licensees with leverage less than
22 or equal to \$90,000,000, that not less than 20
23 percent of the licensee’s aggregate dollar
24 amount of financings will be provided to smaller
25 enterprises; and

1 “(B) for licensees with leverage in excess
2 of \$90,000,000, that, in addition to satisfying
3 the requirements of subparagraph (A), 100 per-
4 cent of the licensee’s aggregate dollar amount
5 of financings made in whole or in part with le-
6 verage in excess of \$90,000,000 will be provided
7 to smaller enterprises as defined in section
8 103(12).

9 “(2) MULTIPLE LICENSEES.—Multiple licensees
10 under common control (as determined by the Admin-
11 istrator) shall be considered to be a single licensee
12 for purposes of determining both the applicability of
13 and compliance with the investment percentage re-
14 quirements of this subsection.”.

15 (c) TAX DISTRIBUTIONS.—Section 303(g)(8) of the
16 Small Business Investment Act of 1958 (15 U.S.C.
17 683(g)(8)) is amended by adding at the end the following:
18 “A company may also elect to make a distribution under
19 this paragraph at the end of any calendar quarter based
20 on a quarterly estimate of the maximum tax liability. If
21 a company makes 1 or more quarterly distributions for
22 a calendar year, and the aggregate amount of those dis-
23 tributions exceeds the maximum amount that the company
24 could have distributed based on a single annual computa-
25 tion, any subsequent distribution by the company under

1 this paragraph shall be reduced by an amount equal to
2 the excess amount distributed.”.

3 (d) **LEVERAGE FEE.**—Section 303(i) of the Small
4 Business Investment Act of 1958 (15 U.S.C. 683(i)) is
5 amended by striking “, payable upon” and all that follows
6 before the period and inserting the following: “in the fol-
7 lowing manner: 1 percent upon the date on which the Ad-
8 ministration enters into any commitment for such leverage
9 with the licensee, and the balance of 2 percent (or 3 per-
10 cent if no commitment has been entered into by the Ad-
11 ministration) on the date on which the leverage is drawn
12 by the licensee”.

13 (e) **PERIODIC ISSUANCE OF GUARANTEES AND**
14 **TRUST CERTIFICATES.**—Section 320 of the Small Busi-
15 ness Investment Act of 1958 (15 U.S.C. 687m) is amend-
16 ed by striking “three months” and inserting “6 months”.

17 **SEC. 214. EXAMINATION FEES.**

18 Section 310(b) of the Small Business Investment Act
19 of 1958 (15 U.S.C. 687b(b)) is amended by inserting after
20 the first sentence the following: “Fees collected under this
21 subsection shall be deposited in the account for salaries
22 and expenses of the Administration, and shall be available
23 without further appropriation solely to cover the costs of
24 examinations and other program oversight activities.”.

1 **Subtitle C—Certified Development**
2 **Company Program**

3 **SEC. 221. LOANS FOR PLANT ACQUISITION, CONSTRUCTION,**
4 **CONVERSION, AND EXPANSION.**

5 Section 502 of the Small Business Investment Act
6 of 1958 (15 U.S.C. 696) is amended—

7 (1) by striking paragraph (1) and inserting the
8 following:

9 “(1) The proceeds of any such loan shall be
10 used solely by the borrower to assist 1 or more identifiable
11 small business concerns and for a sound
12 business purpose approved by the Administration.”;

13 (2) in paragraph (3), by adding at the end the
14 following:

15 “(D) SELLER FINANCING.—Seller-provided
16 financing may be used to meet the requirements
17 of subparagraph (B), if the seller subordinates
18 the interest of the seller in the property to the
19 debenture guaranteed by the Administration.

20 “(E) COLLATERAL REQUIREMENTS.—Ade-
21 quacy of collateral provided by the small busi-
22 ness shall be one factor evaluated in the credit
23 determination. Collateral provided by the small
24 business concern generally will include a subor-
25 dinate lien position on the property being fi-

1 nanced, and additional collateral may be re-
2 quired in a case-by-case basis, as determined by
3 the Administration.”; and

4 (3) by adding at the end the following:

5 “(5) Except as provided in paragraph (4), not
6 to exceed 25 percent of the project may be leased by
7 the assisted small business, if—

8 “(A) the assisted small business is required
9 to occupy permanently and use not less than 75
10 percent of the space in the project after the
11 execution of any leases authorized in this para-
12 graph; and

13 “(B) each tenant is engaged a business
14 that enhances the operations of the assisted
15 small business.”.

16 **SEC. 222. DEVELOPMENT COMPANY DEBENTURES.**

17 Section 503 of the Small Business Investment Act
18 of 1958 (15 U.S.C. 697) is amended—

19 (1) in subsection (b)(7), by striking subpara-
20 graph (A) and inserting the following:

21 “(A) assesses and collects a fee, which
22 shall be payable by the borrower, in an amount
23 established annually by the Administration,
24 which amount shall not exceed the lesser of—

1 “(i) 0.9375 percent per year of the
2 outstanding balance of the loan; and

3 “(ii) the minimum amount necessary
4 to reduce the cost (as that term is defined
5 in section 502 of the Federal Credit Re-
6 form Act of 1990) to the Administration of
7 purchasing and guaranteeing debentures
8 under this Act to zero; and”;

9 (2) in subsection (f), by striking “1997” and
10 inserting “2000”.

11 **SEC. 223. PREMIER CERTIFIED LENDERS PROGRAM.**

12 (a) IN GENERAL.—Section 508 of the Small Business
13 Investment Act of 1958 (15 U.S.C. 697e) is amended—

14 (1) in subsection (a), by striking “not more
15 than 15”;

16 (2) in subsection (b)(2), by striking subpara-
17 graphs (A) and (B) and inserting the following:

18 “(A) is an active certified development
19 company in good standing and has been an ac-
20 tive participant in the accredited lenders pro-
21 gram during the entire 12-month period preced-
22 ing the date on which the company submits an
23 application under paragraph (1), except that
24 the Administration may waive this requirement

1 if the company is qualified to participate in the
2 accredited lenders program;

3 “(B) has a history of—

4 “(i) submitting to the Administration
5 adequately analyzed debenture guarantee
6 application packages; and

7 “(ii) of properly closing section 504
8 loans and servicing its loan portfolio; and”;

9 (3) by striking subsection (c) and inserting the
10 following:

11 “(c) LOSS RESERVE.—

12 “(1) ESTABLISHMENT.—A company designated
13 as a premier certified lender shall establish a loss re-
14 serve for financing approved pursuant to this sec-
15 tion.

16 “(2) AMOUNT.—The amount of the loss reserve
17 shall be based upon the greater of—

18 “(A) the historic loss rate on debentures
19 issued by such company; or

20 “(B) 10 percent of the amount of the com-
21 pany’s exposure as determined under subsection
22 (b)(2)(C).

23 “(3) ASSETS.—The loss reserve shall be com-
24 prised of any combination of the following types of
25 assets:

1 “(A) segregated funds on deposit in an ac-
2 count or accounts with a federally insured de-
3 pository institution or institutions selected by
4 the company, subject to a collateral assignment
5 in favor of, and in a format acceptable to, the
6 Administration; or

7 “(B) irrevocable letter or letters of credit,
8 with a collateral assignment in favor of, and a
9 commercially reasonable format acceptable to,
10 the Administration.

11 “(4) CONTRIBUTIONS.—The company shall
12 make contributions to the loss reserve, either cash or
13 letters of credit as provided above, in the following
14 amounts and at the following intervals:

15 “(A) 50 percent when a debenture is
16 closed;

17 “(B) 25 percent additional not later than
18 1 year after a debenture is closed; and

19 “(C) 25 percent additional not later than
20 2 years after a debenture is closed.

21 “(5) REPLENISHMENT.—If a loss has been sus-
22 tained by the Administration, any portion of the loss
23 reserve, and other funds provided by the premier
24 company as necessary, may be used to reimburse the
25 Administration for the company’s 10 percent share

1 of the loss as provided in subsection (b)(2)(C). If the
2 company utilizes the reserve, within 30 days it shall
3 replace an equivalent amount of funds.

4 “(6) DISBURSEMENTS.—The Administration
5 shall allow the certified development company to
6 withdraw from the loss reserve amounts attributable
7 to any debenture which has been repaid.”;

8 (4) in subsection (f), by striking “State or
9 local” and inserting “certified”;

10 (5) in subsection (g), by striking the subsection
11 heading and inserting the following:

12 “(g) EFFECT OF SUSPENSION OR REVOCATION.—”;

13 (6) by striking subsection (h) and inserting the
14 following:

15 “(h) PROGRAM GOALS.—Each certified development
16 company participating in the program under this section
17 shall establish a goal of processing a minimum of not less
18 than 50 percent of the loan applications for assistance
19 under section 504 pursuant to the program authorized
20 under this section.”; and

21 (7) in subsection (i), by striking “other lenders”
22 and inserting “other lenders, specifically comparing
23 default rates and recovery rates on liquidations”.

24 (b) REGULATIONS.—The Administrator of the Small
25 Business Administration shall—

1 “(O) The National Aeronautics and Space
2 Administration.”;

3 (2) in subsection (a)(2)(A)—

4 (A) by striking “and Amendments Act of
5 1994” and inserting “Act of 1997”; and

6 (B) by inserting before the final period “,
7 and who shall report directly to the head of the
8 agency on the status of the activities of the
9 Interagency Committee”;

10 (3) in subsection (a)(2)(B), by inserting before
11 the final period the following: “and shall report di-
12 rectly to the Administrator on the status of the ac-
13 tivities on the Interagency Committee and shall
14 serve as the Interagency Committee Liaison to the
15 National Women’s Business Council established
16 under section 405”; and

17 (4) in subsection (b), by striking “and Amend-
18 ments Act of 1994” and inserting “Act of 1997”.

19 **SEC. 302. REPORTS.**

20 Section 404 of the Women’s Business Ownership Act
21 of 1988 (15 U.S.C. 631 note) is amended—

22 (1) by inserting “, through the Small Business
23 Administration,” after “transmit”;

1 (2) by striking paragraph (1) and redesignating
2 paragraphs (2) through (4) as paragraphs (1)
3 through (3), respectively; and

4 (3) in paragraph (1), as redesignated, by insert-
5 ing before the semicolon the following: “, including
6 a status report on the progress of the Interagency
7 Committee in meeting its responsibilities and duties
8 under section 402(a)”.

9 **SEC. 303. COUNCIL DUTIES.**

10 Section 406 of the Women’s Business Ownership Act
11 of 1988 (15 U.S.C. 631 note) is amended—

12 (1) in subsection (c), by inserting after “Ad-
13 ministrators” the following: “(through the Assistant
14 Administrator for the Office of Women’s Business
15 Ownership)”; and

16 (2) in subsection (d)—

17 (A) in paragraph (4), by striking “and” at
18 the end;

19 (B) in paragraph (5), by striking the pe-
20 riod at the end and inserting a semicolon; and

21 (C) by adding at the end the following:

22 “(6) submit to the President and to the Com-
23 mittee on Small Business of the Senate and the
24 Committee on Small Business of the House of Rep-
25 resentatives, an annual report containing—

1 “(A) a detailed description of the activities
2 of the council, including a status report on the
3 Council’s progress toward meeting its duties
4 outlined in subsections (a) and (d) of section
5 406;

6 “(B) the findings, conclusions, and rec-
7 ommendations of the Council; and

8 “(C) the Council’s recommendations for
9 such legislation and administrative actions as
10 the Council considers appropriate to promote
11 the development of small business concerns
12 owned and controlled by women.

13 “(e) SUBMISSION OF REPORTS.—The annual report
14 required by subsection (d) shall be submitted not later
15 than 90 days after the end of each fiscal year.”.

16 **SEC. 304. COUNCIL MEMBERSHIP.**

17 Section 407 of the Women’s Business Ownership Act
18 of 1988 (15 U.S.C. 631 note) is amended—

19 (1) in subsection (a), by striking “and Amend-
20 ments Act of 1994” and inserting “Act of 1997”;

21 (2) in subsection (b)—

22 (A) by striking “and Amendments Act of
23 1994” and inserting “Act of 1997”;

24 (B) by inserting after “the Administrator
25 shall” the following: “, after receiving the rec-

1 ommendations of the Chair and the Ranking
2 Member of the Minority of the Committees on
3 Small Business of the House of Representatives
4 and the Senate, ”;

5 (C) by striking “9” and inserting “14”;

6 (D) in paragraph (1), by striking “2” and
7 inserting “3”;

8 (E) in paragraph (2)—

9 (i) by striking “2” and inserting “3”;

10 and

11 (ii) by striking “and” at the end;

12 (F) in paragraph (3)—

13 (i) by striking “5” and inserting “6”;

14 (ii) by striking “national”; and

15 (iii) by striking the period at the end

16 and inserting the following: “, including

17 representatives of Women’s Business Cen-

18 ter sites; and”;

19 (G) by adding at the end the following:

20 “(4) 2 shall be representatives of businesses or

21 educational institutions having an interest in wom-

22 en’s entrepreneurship.”; and

23 (3) in subsection (c), by inserting “(including

24 both urban and rural areas)” after “geographic”.

1 **SEC. 305. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 409 of the Women’s Business Ownership Act
3 of 1988 (15 U.S.C. 631 note) is amended—

4 (1) by striking “1995 through 1997” and in-
5 serting “1998 through 2000”; and

6 (2) by striking “\$350,000” and inserting
7 “\$400,000”.

8 **SEC. 306. WOMEN’S BUSINESS CENTERS.**

9 (a) IN GENERAL.—Section 29 of the Small Business
10 Act (15 U.S.C. 656) is amended to read as follows:

11 **“SEC. 29. WOMEN’S BUSINESS CENTERS.**

12 “(a) DEFINITIONS.—In this section—

13 “(1) the term ‘small business concern owned
14 and controlled by women’, either startup or existing,
15 includes any small business concern—

16 “(A) that is not less than 51 percent
17 owned by 1 or more women; and

18 “(B) the management and daily business
19 operations of which are controlled by 1 or more
20 women; and

21 “(2) the term ‘women’s business center site’
22 means the location of—

23 “(A) a women’s business center; or

24 “(B) 1 or more women’s business centers,
25 established in conjunction with another wom-

1 en’s business center in another location within
2 a State or region—

3 “(i) that reach a distinct population
4 that would otherwise not be served;

5 “(ii) whose services are targeted to
6 women; and

7 “(iii) whose scope, function, and ac-
8 tivities are similar to those of the primary
9 women’s business center or centers in con-
10 junction with which it was established.

11 “(b) *AUTHORITY.*—The Administration may provide
12 financial assistance to private organizations to conduct 5-
13 year projects for the benefit of small business concerns
14 owned and controlled by women. The projects shall pro-
15 vide—

16 “(1) financial assistance, including training and
17 counseling in how to apply for and secure business
18 credit and investment capital, preparing and pre-
19 senting financial statements, and managing cash
20 flow and other financial operations of a business
21 concern;

22 “(2) management assistance, including training
23 and counseling in how to plan, organize, staff, di-
24 rect, and control each major activity and function of
25 a small business concern; and

1 “(3) marketing assistance, including training
2 and counseling in identifying and segmenting domes-
3 tic and international market opportunities, preparing
4 and executing marketing plans, developing pricing
5 strategies, locating contract opportunities, negotiat-
6 ing contracts, and utilizing varying public relations
7 and advertising techniques.

8 “(c) CONDITIONS OF PARTICIPATION.—

9 “(1) NON-FEDERAL CONTRIBUTIONS.—As a
10 condition of receiving financial assistance authorized
11 by this section, the recipient organization shall agree
12 to obtain, after its application has been approved
13 and notice of award has been issued, cash contribu-
14 tions from non-Federal sources as follows:

15 “(A) in the first, second, and third years,
16 1 non-Federal dollar for each 2 Federal dollars;

17 “(B) in the fourth year, 1 non-Federal dol-
18 lar for each Federal dollar; and

19 “(C) in the fifth year, 2 non-Federal dol-
20 lars for each Federal dollar.

21 “(2) FORM OF NON-FEDERAL CONTRIBU-
22 TIONS.—Not more than one-half of the non-Federal
23 sector matching assistance may be in the form of in-
24 kind contributions which are budget line items only,

1 including but not limited to office equipment and of-
2 fice space.

3 “(3) FORM OF FEDERAL CONTRIBUTIONS.—The
4 financial assistance authorized pursuant to this sec-
5 tion may be made by grant, contract, or cooperative
6 agreement and may contain such provision, as nec-
7 essary, to provide for payments in lump sum or in-
8 stallments, and in advance or by way of reimburse-
9 ment. The Administration may disburse up to 25
10 percent of each year’s Federal share awarded to a
11 recipient organization after notice of the award has
12 been issued and before the non-Federal sector
13 matching funds are obtained.

14 “(4) FAILURE TO OBTAIN PRIVATE FUNDING.—
15 If any recipient of assistance fails to obtain the re-
16 quired non-Federal contribution during any project,
17 it shall not be eligible thereafter for advance dis-
18 bursements pursuant to paragraph (3) during the
19 remainder of that project, or for any other project
20 for which it is or may be funded by the Administra-
21 tion, and prior to approving assistance to such orga-
22 nization for any other projects, the Administration
23 shall specifically determine whether the Administra-
24 tion believes that the recipient will be able to obtain
25 the requisite non-Federal funding and enter a writ-

1 ten finding setting forth the reasons for making
2 such determination.

3 “(d) CONTRACT AUTHORITY.—A women’s business
4 center may enter into a contract with a Federal depart-
5 ment or agency to provide specific assistance to women
6 and other underserved small business concerns. Perform-
7 ance of such contract should not hinder the women’s busi-
8 ness centers in carrying out the terms of the grant re-
9 ceived by the women’s business centers from the Adminis-
10 tration.

11 “(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant
12 organization initially shall submit a 5-year plan to the Ad-
13 ministration on proposed fundraising and training activi-
14 ties, and a recipient organization may receive financial as-
15 sistance under this program for a maximum of 5 years
16 per women’s business center site.

17 “(f) CRITERIA.—The Administration shall evaluate
18 and rank applicants in accordance with predetermined se-
19 lection criteria that shall be stated in terms of relative im-
20 portance. Such criteria and their relative importance shall
21 be made publicly available and stated in each solicitation
22 for applications made by the Administration. The criteria
23 shall include—

24 “(1) the experience of the applicant in conduct-
25 ing programs or ongoing efforts designed to impart

1 or upgrade the business skills of women business
2 owners or potential owners;

3 “(2) the present ability of the applicant to com-
4 mence a project within a minimum amount of time;

5 “(3) the ability of the applicant to provide
6 training and services to a representative number of
7 women who are both socially and economically dis-
8 advantaged; and

9 “(4) the location for the women’s business cen-
10 ter site proposed by the applicant.

11 “(g) OFFICE OF WOMEN’S BUSINESS OWNERSHIP.—

12 There is established within the Administration an Office
13 of Women’s Business Ownership, which shall be respon-
14 sible for the administration of the Administration’s pro-
15 grams for the development of women’s business enter-
16 prises (as that term is defined in section 408 of the Wom-
17 en’s Business Ownership Act of 1988). The Office of
18 Women’s Business Ownership shall be administered by an
19 Assistant Administrator, who shall be appointed by the
20 Administrator.

21 “(h) REPORT.—The Administrator shall prepare and
22 submit an annual report to the Committees on Small Busi-
23 ness of the House of Representatives and the Senate on
24 the effectiveness of all projects conducted under the au-

1 thority of this section. Such report shall provide informa-
2 tion concerning—

3 “(1) the number of individuals receiving assist-
4 ance;

5 “(2) the number of startup business concerns
6 formed;

7 “(3) the gross receipts of assisted concerns;

8 “(4) increases or decreases in profits of assisted
9 concerns; and

10 “(5) the employment increases or decreases of
11 assisted concerns.

12 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated \$8,000,000 per year to
14 carry out the projects authorized by this section. Amounts
15 appropriated pursuant to this subsection are to be used
16 exclusively for grant awards and not for costs incurred by
17 the Administration for the management and administra-
18 tion of the program. Notwithstanding any other provision
19 of law, the Administration may use such expedited acquisi-
20 tion methods as it deems appropriate, through the Assist-
21 ant Administrator of the Office of Women’s Business
22 Ownership, to achieve the purposes of this section, except
23 that the Administration shall ensure that all eligible
24 sources are provided a reasonable opportunity to submit
25 proposals.”.

1 (b) APPLICABILITY.—Any organization conducting a
2 3-year project under section 29 of the Small Business Act
3 (15 U.S.C. 656) on the day before the date of enactment
4 of this Act, may extend the term of that project to a total
5 term of 5 years and receive financial assistance in accord-
6 ance with section 29(c) of the Small Business Act (as
7 amended by this title) subject to procedures established
8 by the Administrator in coordination with the Office of
9 Women’s Business Ownership established under section
10 29 of the Small Business Act (15 U.S.C. 656) (as amend-
11 ed by this title).

12 **SEC. 307. OFFICE OF WOMEN’S BUSINESS OWNERSHIP.**

13 Section 29 of the Small Business Act (15 U.S.C. 656)
14 is amended by adding at the end the following:

15 “(i) ASSISTANT ADMINISTRATOR FOR THE OFFICE
16 OF WOMEN’S BUSINESS OWNERSHIP.—

17 “(1) QUALIFICATION.—The Assistant Adminis-
18 trator for the Office of Women’s Business Owner-
19 ship (hereafter in this section referred to as the ‘As-
20 sistant Administrator’) shall serve without regard to
21 the provisions of title 5, United States Code, govern-
22 ing appointments in the competitive service, and
23 without regard to chapter 51 and subchapter III of
24 chapter 53 of title 5, United States Code, relating
25 to classification and General Schedule pay rates, but

1 at a rate of pay not to exceed the maximum of pay
2 payable for a position at GS-17 of the General
3 Schedule.

4 “(2) RESPONSIBILITIES AND DUTIES.—

5 “(A) RESPONSIBILITIES.—The responsibil-
6 ities of the Assistant Administrator shall be to
7 administer the programs and services of the Of-
8 fice of Women’s Business Ownership estab-
9 lished to assist women entrepreneurs in the
10 areas of—

11 “(i) starting and operating a small
12 business;

13 “(ii) development of management and
14 technical skills;

15 “(iii) seeking Federal procurement op-
16 portunities; and

17 “(iv) increasing the opportunity for
18 access to capital.

19 “(B) DUTIES.—Duties of the position of
20 the Assistant Administrator shall include—

21 “(i) administering and managing the
22 Women’s Business Centers program;

23 “(ii) recommending the annual admin-
24 istrative and program budgets for the Of-
25 fice of Women’s Business Ownership (in-

1 cluding the budget for the Women’s Busi-
2 ness Centers);

3 “(iii) establishing appropriate funding
4 levels therefore;

5 “(iv) reviewing the annual budgets
6 submitted by each applicant for the Wom-
7 en’s Business Center program;

8 “(v) selecting applicants to participate
9 in this program;

10 “(vi) implementing this section;

11 “(vii) maintaining a clearinghouse to
12 provide for the dissemination and exchange
13 of information between Women’s Business
14 Centers;

15 “(viii) conducting program examina-
16 tions of recipients of grants under this sec-
17 tion;

18 “(ix) serving as the vice chairperson
19 of the Interagency Committee on Women’s
20 Business Enterprise;

21 “(x) serving as liaison for the Na-
22 tional Women’s Business Council; and

23 “(xi) advising the Administrator on
24 appointments to the Women’s Business
25 Council.

1 “(3) CONSULTATION REQUIREMENTS.—In car-
2 rying out the responsibilities and duties described in
3 this subsection, the Assistant Administrator shall
4 confer with and seek the advice of the Administra-
5 tion officials in areas served by the Women’s Busi-
6 ness Centers.

7 “(j) PROGRAM EXAMINATION.—

8 “(1) IN GENERAL.—Not later than 180 days
9 after the date of enactment of this subsection, the
10 Administration shall develop and implement an an-
11 nual programmatic and financial examination of
12 each Women’s Business Center established pursuant
13 to this section.

14 “(2) EXTENSION OF CONTRACTS.—In extending
15 or renewing a contract with a Women’s Business
16 Center, the Administration shall consider the results
17 of the examination conducted pursuant to paragraph
18 (1).

19 “(k) CONTRACT AUTHORITY.—The authority of the
20 Administration to enter into contracts shall be in effect
21 for each fiscal year only to the extent and in the amounts
22 as are provided in advance in appropriations Acts. After
23 the Administration has entered a contract, either as a
24 grant or a cooperative agreement, with any applicant
25 under this section, it shall not suspend, terminate, or fail

1 to renew or extend any such contract unless the Adminis-
 2 tration provides the applicant with written notification set-
 3 ting forth the reasons therefore and affording the appli-
 4 cant an opportunity for a hearing, appeal, or other admin-
 5 istrative proceeding under chapter 5 of title 5, United
 6 States Code.”.

7 **SEC. 308. NATIONAL WOMEN’S BUSINESS COUNCIL PRO-**
 8 **CUREMENT PROJECT.**

9 (a) IN GENERAL.—The Women’s Business Owner-
 10 ship Act of 1988 (15 U.S.C. 631 note) is amended by add-
 11 ing at the end the following:

12 **“SEC. 410. NATIONAL WOMEN’S BUSINESS COUNCIL PRO-**
 13 **CUREMENT PROJECT.**

14 “(a) PROCUREMENT PROJECT.—

15 “(1) FEDERAL PROCUREMENT STUDY.—

16 “(A) IN GENERAL.—The Council shall con-
 17 duct a study on the award of Federal prime
 18 contracts and subcontracts to women-owned
 19 businesses, which study shall include—

20 “(i) an analysis of data collected by
 21 Federal agencies on contract awards to
 22 women-owned businesses;

23 “(ii) a determination of the degree to
 24 which individual Federal agencies are in
 25 compliance with the 5 percent women-

1 owned business procurement goal estab-
2 lished by section 15(g)(1) of the Small
3 Business Act (15 U.S.C. 644(g)(1));

4 “(iii) a determination of the types and
5 amounts of Federal contracts characteris-
6 tically awarded to women-owned busi-
7 nesses; and

8 “(iv) other relevant information relat-
9 ing to participation of women-owned busi-
10 nesses in Federal procurement.

11 “(B) SUBMISSION OF RESULTS.—Not later
12 than October 1, 1999, the Council shall submit
13 to the Committees on Small Business of the
14 House of Representatives and the Senate, and
15 to the President, the results of the study con-
16 ducted under subparagraph (A).

17 “(2) BEST PRACTICES REPORT.—Not later than
18 March 1, 2000, the Council shall submit to the
19 Committees on Small Business of the House of Rep-
20 resentatives and the Senate, and to the President, a
21 report, which shall include—

22 “(A) an analysis of the most successful
23 practices in attracting women-owned businesses
24 as prime contractors and subcontractors by—

1 “(i) Federal agencies (as supported by
2 findings from the study required under
3 subsection (a)(1)) in Federal procurement
4 awards; and

5 “(ii) the private sector; and

6 “(B) recommendations for policy changes
7 in Federal procurement practices, including an
8 increase in the Federal procurement goal for
9 women-owned businesses, in order to maximize
10 the number of women-owned businesses per-
11 forming Federal contracts.

12 “(b) CONTRACTING AUTHORITY.—In carrying out
13 this section, the Council may contract with 1 or more pub-
14 lic or private entities.

15 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated to carry out this section,
17 not to exceed \$200,000, to remain available until expended
18 through fiscal year 2000.”.

1 **TITLE IV—COMPETITIVENESS**
2 **PROGRAM AND PROCUREMENT**
3 **OPPORTUNITIES**

4 **Subtitle A—Small Business**
5 **Competitiveness Program**

6 **SEC. 401. PROGRAM TERM.**

7 Section 711(c) of the Small Business Competitiveness
8 Demonstration Program Act of 1988 (15 U.S.C. 644 note)
9 is amended by striking “1997” and inserting “2000”.

10 **SEC. 402. MONITORING AGENCY PERFORMANCE.**

11 Section 712(d)(1) of the Small Business Competitive-
12 ness Demonstration Program Act of 1988 (15 U.S.C. 644
13 note) is amended to read as follows:

14 “(1) Participating agencies shall monitor the
15 attainment of their small business participation
16 goals on an annual basis. An annual review by each
17 participating agency shall be completed not later
18 than January 31 of each year, based on the data for
19 the preceding fiscal year, from October 1 through
20 September 30.”.

21 **SEC. 403. REPORTS TO CONGRESS.**

22 Section 716(a) of the Small Business Competitive-
23 ness Demonstration Program Act of 1988 (15 U.S.C. 644
24 note) is amended—

25 (1) by striking “1996” and inserting “2000”;

1 (2) by striking “for Federal Procurement Pol-
2 icy” and inserting “of the Small Business Adminis-
3 tration”; and

4 (3) by striking “Government Operations” and
5 inserting “Government Reform and Oversight”.

6 **SEC. 404. SMALL BUSINESS PARTICIPATION IN DREDGING.**

7 Section 722(a) of the Small Business Competitive-
8 ness Demonstration Program Act of 1988 (15 U.S.C. 644
9 note) is amended by striking “1996” and inserting
10 “2000”.

11 **Subtitle B—Small Business Pro-**
12 **urement Opportunities Pro-**
13 **gram**

14 **SEC. 411. CONTRACT BUNDLING.**

15 Section 2 of the Small Business Act (15 U.S.C. 631)
16 is amended by adding at the end the following:

17 “(j) In complying with the statement of congressional
18 policy expressed in subsection (a), relating to fostering the
19 participation of small business concerns in the contracting
20 opportunities of the Government, each Federal agency, to
21 the maximum extent practicable, shall—

22 “(1) comply with congressional intent to foster
23 the participation of small business concerns as prime
24 contractors, subcontractors, and suppliers;

1 “(2) structure its contracting requirements to
2 facilitate competition by and among small business
3 concerns, taking all reasonable steps to eliminate ob-
4 stacles to their participation; and

5 “(3) avoid unnecessary and unjustified bundling
6 of contract requirements that precludes small busi-
7 ness participation in procurements as prime contrac-
8 tors.”.

9 **SEC. 412. DEFINITION OF CONTRACT BUNDLING.**

10 Section 3 of the Small Business Act (15 U.S.C. 632)
11 is amended by adding at the end the following:

12 “(o) DEFINITIONS OF BUNDLING OF CONTRACT RE-
13 QUIREMENTS AND RELATED TERMS.—In this Act—

14 “(1) The term ‘bundling of contract require-
15 ments’ means consolidating two or more procure-
16 ment requirements for goods or services previously
17 provided or performed under separate smaller con-
18 tracts into a solicitation of offers for a single con-
19 tract that is likely to be unsuitable for award to a
20 small-business concern due to—

21 “(A) the diversity, size, or specialized na-
22 ture of the elements of the performance speci-
23 fied;

24 “(B) the aggregate dollar value of the an-
25 ticipated award;

1 “(C) the geographical dispersion of the
2 contract performance sites; or

3 “(D) any combination of the factors de-
4 scribed in subparagraphs (A), (B), and (C).

5 “(2) The term ‘separate smaller contract’, with
6 respect to a bundling of contract requirements,
7 means a contract that has been performed by one or
8 more small business concerns or was suitable for
9 award to one or more small business concerns.

10 “(3) The term ‘bundled contract’ means a con-
11 tract that is entered into to meet requirements that
12 are consolidated in a bundling of contract require-
13 ments.”.

14 **SEC. 413. ASSESSING PROPOSED CONTRACT BUNDLING.**

15 (a) **IN GENERAL.**—Section 15 of the Small Business
16 Act (15 U.S.C. 644) is amended by inserting after sub-
17 section (d) the following new subsection (e):

18 “(e) **PROCUREMENT STRATEGIES; CONTRACT BUN-**
19 **DLING.**—

20 “(1) **IN GENERAL.**—To the maximum extent
21 practicable, procurement strategies used by the var-
22 ious agencies having contracting authority shall fa-
23 cilitate the maximum participation of small business
24 concerns as prime contractors, subcontractors, and
25 suppliers.

1 “(2) MARKET RESEARCH.—

2 “(A) IN GENERAL.—Before proceeding
3 with an acquisition strategy that could lead to
4 a contract containing consolidated procurement
5 requirements, the head of an agency shall con-
6 duct market research to determine whether con-
7 solidation of the requirements is necessary and
8 justified.

9 “(B) FACTORS.—For purposes of subpara-
10 graph (A), consolidation of the requirements
11 may be determined as being necessary and jus-
12 tified if, as compared to the benefits that would
13 be derived from contracting to meet those re-
14 quirements if not consolidated, the Federal
15 Government would derive from the consolidation
16 measurably substantial benefits, including any
17 combination of benefits that, in combination,
18 are measurably substantial. Benefits described
19 in the preceding sentence may include the fol-
20 lowing:

21 “(i) Cost savings.

22 “(ii) Quality improvements.

23 “(iii) Reduction in acquisition cycle
24 times.

25 “(iv) Better terms and conditions.

1 “(v) Any other benefits.

2 “(C) REDUCTION OF COSTS NOT DETER-
3 MINATIVE.—The reduction of administrative or
4 personnel costs alone shall not be a justification
5 for bundling of contract requirements unless
6 the cost savings are expected to be substantial
7 in relation to the dollar value of the procure-
8 ment requirements to be consolidated.

9 “(3) STRATEGY SPECIFICATIONS.—If the head
10 of a contracting agency determines that a proposed
11 procurement strategy for a procurement involves a
12 substantial bundling of contract requirements, the
13 proposed procurement strategy shall—

14 “(A) identify specifically the benefits an-
15 ticipated to be derived from the bundling of
16 contract requirements;

17 “(B) set forth an assessment of the spe-
18 cific impediments to participation by small busi-
19 ness concerns as prime contractors that result
20 from the bundling of contract requirements and
21 specify actions designed to maximize small busi-
22 ness participation as subcontractors (including
23 suppliers) at various tiers under the contract or
24 contracts that are awarded to meet the require-
25 ments; and

1 “(C) include a specific determination that
2 the anticipated benefits of the proposed bundled
3 contract justify its use.

4 “(4) CONTRACT TEAMING.—In the case of a so-
5 licitation of offers for a bundled contract that is is-
6 sued by the head of an agency, a small-business con-
7 cern may submit an offer that provides for use of a
8 particular team of subcontractors for the perform-
9 ance of the contract. The head of the agency shall
10 evaluate the offer in the same manner as other of-
11 fers, with due consideration to the capabilities of all
12 of the proposed subcontractors. When a small busi-
13 ness concern teams under this paragraph, it shall
14 not affect its status as a small business concern for
15 any other purpose.”.

16 (b) ADMINISTRATION REVIEW.—The third sentence
17 of subsection (a) of such section is amended—

18 (1) by inserting after “discrete construction
19 projects,” the following: “or the solicitation involves
20 an unnecessary or unjustified bundling of contract
21 requirements, as determined by the Administra-
22 tion,”;

23 (2) by striking out “or (4)” and inserting in
24 lieu thereof “(4)”; and

1 (3) by inserting before the period at the end the
2 following: “, or (5) why the agency has determined
3 that the bundled contract (as defined in section
4 3(o)) is necessary and justified”.

5 (c) RESPONSIBILITIES OF AGENCY SMALL BUSINESS
6 ADVOCATES.—Subsection (k) of such section is amend-
7 ed—

8 (1) by redesignating paragraphs (5) through
9 (9) as paragraphs (6) through (10), respectively;
10 and

11 (2) by inserting after paragraph (4) the follow-
12 ing:

13 “(5) identify proposed solicitations that involve
14 significant bundling of contract requirements, and
15 work with the agency acquisition officials and the
16 Administration to revise the procurement strategies
17 for such proposed solicitations where appropriate to
18 increase the probability of participation by small
19 businesses as prime contractors, or to facilitate
20 small business participation as subcontractors and
21 suppliers, if a solicitation for a bundled contract is
22 to be issued;”.

1 **SEC. 414. REPORTING OF BUNDLED CONTRACT OPPORTU-**
2 **NITIES.**

3 (a) DATA COLLECTION REQUIRED.—The Federal
4 Procurement Data System described in section 6(d)(4)(A)
5 of the Office of Federal Procurement Policy Act (41
6 U.S.C. 405(d)(4)(A)) shall be modified to collect data re-
7 garding bundling of contract requirements when the con-
8 tracting officer anticipates that the resulting contract
9 price, including all options, is expected to exceed
10 \$5,000,000. The data shall reflect a determination made
11 by the contracting officer regarding whether a particular
12 solicitation constitutes a contract bundling.

13 (b) DEFINITIONS.—In this section, the term “bun-
14 dling of contract requirements” has the meaning given
15 that term in section 3(o) of the Small Business Act (15
16 U.S.C. 632(o)) (as added by section 412 of this title).

17 **SEC. 415. EVALUATING SUBCONTRACT PARTICIPATION IN**
18 **AWARDING CONTRACTS.**

19 Section 8(d)(4) of the Small Business Act (15 U.S.C.
20 637(d)(4)) is amended by adding at the end the following:

21 “(G) The following factors shall be designated
22 by the Federal agency as significant factors for pur-
23 poses of evaluating offers for a bundled contract
24 where the head of the agency determines that the
25 contract offers a significant opportunity for sub-
26 contracting:

1 “(i) A factor that is based on the rate pro-
 2 vided under the subcontracting plan for small
 3 business participation in the performance of the
 4 contract.

5 “(ii) For the evaluation of past perform-
 6 ance of an offeror, a factor that is based on the
 7 extent to which the offeror attained applicable
 8 goals for small business participation in the
 9 performance of contracts.”.

10 **SEC. 416. IMPROVED NOTICE OF SUBCONTRACTING OPPOR-**
 11 **TUNITIES.**

12 (a) USE OF THE COMMERCE BUSINESS DAILY AU-
 13 THORIZED.—Section 8 of the Small Business Act (15
 14 U.S.C. 637) is amended by adding at the end the follow-
 15 ing:

16 “(k) NOTICES OF SUBCONTRACTING OPPORTUNI-
 17 TIES.—

18 “(1) IN GENERAL.—Notices of subcontracting
 19 opportunities may be submitted for publication in
 20 the Commerce Business Daily by—

21 “(A) a business concern awarded a con-
 22 tract by an executive agency subject to sub-
 23 section (e)(1)(C); and

24 “(B) a business concern which is a sub-
 25 contractor or supplier (at any tier) to such con-

1 tractor having a subcontracting opportunity in
2 excess of \$10,000.

3 “(2) CONTENT OF NOTICE.—The notice of a
4 subcontracting opportunity shall include—

5 “(A) a description of the business oppor-
6 tunity that is comparable to the description
7 specified in paragraphs (1), (2), (3), and (4) of
8 subsection (f); and

9 “(B) the due date for receipt of offers.”.

10 (b) REGULATIONS REQUIRED.—The Federal Acquisi-
11 tion Regulation shall be amended to provide uniform im-
12 plementation of the amendments made by this section.

13 (c) CONFORMING AMENDMENT.—Section 8(e)(1)(C)
14 of the Small Business Act (15 U.S.C. 637(e)(1)(C)) is
15 amended by striking “\$25,000” each place that term ap-
16 pears and inserting “\$100,000”.

17 **SEC. 417. DEADLINES FOR ISSUANCE OF REGULATIONS.**

18 (a) PROPOSED REGULATIONS.—Proposed amend-
19 ments to the Federal Acquisition Regulation or proposed
20 Small Business Administration regulations under this sub-
21 title and the amendments made by this subtitle shall be
22 published not later than 120 days after the date of enact-
23 ment of this Act for the purpose of obtaining public com-
24 ment pursuant to section 22 of the Office of Federal Pro-
25 curement Policy Act (41 U.S.C. 418b), or chapter 5 of

1 title 5, United States Code, as appropriate. The public
2 shall be afforded not less than 60 days to submit com-
3 ments.

4 (b) FINAL REGULATIONS.—Final regulations shall be
5 published not later than 270 days after the date of enact-
6 ment of this Act. The effective date for such final regula-
7 tions shall be not less than 30 days after the date of publi-
8 cation.

9 **TITLE V—MISCELLANEOUS** 10 **PROVISIONS**

11 **SEC. 501. SMALL BUSINESS TECHNOLOGY TRANSFER PRO-** 12 **GRAM.**

13 (a) REQUIRED EXPENDITURES.—Section 9(n) of the
14 Small Business Act (15 U.S.C. 638(n)) is amended by
15 striking paragraph (1) and inserting the following:

16 “(1) REQUIRED EXPENDITURE AMOUNTS.—
17 With respect to fiscal years 1998, 1999, 2000, 2001,
18 2002, or 2003, each Federal agency that has an ex-
19 tramural budget for research, or research and devel-
20 opment, in excess of \$1,000,000,000 for that fiscal
21 year, is authorized to expend with small business
22 concerns not less than 0.15 percent of that extra-
23 mural budget specifically in connection with STTR
24 programs that meet the requirements of this section

1 and any policy directives and regulations issued
2 under this section.”.

3 (b) PILOT PROGRAM.—

4 (1) IN GENERAL.—Section 9 of the Small Busi-
5 ness Act (15 U.S.C. 638) is amended by adding at
6 the end the following:

7 “(s) PILOT PROGRAM.—

8 “(1) DEFINITION OF ELIGIBLE STATE.—In this
9 subsection, the term ‘eligible State’ means a State—

10 “(A) if the total value of contracts award-
11 ed to the State during fiscal year 1995 under
12 this section was less than \$5,000,000; and

13 “(B) that certifies to the Federal agency
14 described in paragraph (2) that the State will,
15 upon receipt of assistance under this sub-
16 section, provide matching funds from non-Fed-
17 eral sources in an amount that is not less than
18 50 percent of the amount provided under this
19 subsection.

20 “(2) PROGRAM AUTHORITY.—Of amounts made
21 available to carry out this section for fiscal year
22 1998, 1999, or 2000, the Administrator may expend
23 with eligible States not more than \$2,000,000 in
24 each such fiscal year in order to increase the partici-

1 pation of small business concerns located in those
2 States in the programs under this section.

3 “(3) AMOUNT OF ASSISTANCE.—The amount of
4 assistance provided to an eligible State under this
5 subsection in any fiscal year—

6 “(A) shall be equal to twice the total
7 amount of matching funds from non-Federal
8 sources provided by the State; and

9 “(B) shall not exceed \$100,000.

10 “(4) USE OF ASSISTANCE.—Assistance provided
11 to an eligible State under this subsection shall be
12 used by the State, in consultation with State and
13 local departments and agencies, for programs and
14 activities to increase the participation of small busi-
15 ness concerns located in the State in the programs
16 under this section, including—

17 “(A) the establishment of quantifiable per-
18 formance goals, including goals relating to—

19 “(i) the number of program awards
20 under this section made to small business
21 concerns in the State; and

22 “(ii) the total amount of Federal re-
23 search and development contracts awarded
24 to small business concerns in the State;

1 “(B) the provision of competition outreach
2 support to small business concerns in the State
3 that are involved in research and development;
4 and

5 “(C) the development and dissemination of
6 educational and promotional information relat-
7 ing to the programs under this section to small
8 business concerns in the State.”.

9 (2) REPEAL.—Effective October 1, 2000, sec-
10 tion 9(s) of the Small Business Act (as added by
11 paragraph (1) of this subsection) is repealed.

12 **SEC. 502. SMALL BUSINESS DEVELOPMENT CENTERS.**

13 (a) IN GENERAL.—Section 21(a) of the Small Busi-
14 ness Act (15 U.S.C. 648(a)) is amended—

15 (1) in paragraph (1)—

16 (A) by inserting “any women’s business
17 center operating pursuant to section 29,” after
18 “credit or finance corporation,”;

19 (B) by inserting “or a women’s business
20 center operating pursuant to section 29” after
21 “other than an institution of higher education”;
22 and

23 (C) by inserting “and women’s business
24 centers operating pursuant to section 29” after
25 “utilize institutions of higher education”;

1 (2) in paragraph (3)—

2 (A) by striking “, but with” and all that
3 follows through “parties.” and inserting the fol-
4 lowing: “for the delivery of programs and serv-
5 ices to the Small Business community. Such
6 programs and services shall be jointly devel-
7 oped, negotiated, and agreed upon, with full
8 participation of both parties, pursuant to an ex-
9 ecuted cooperative agreement between the Small
10 Business Development Center applicant and the
11 Administration.”; and

12 (B) by adding at the end the following:

13 “(C) On an annual basis, the Small Business
14 Development Center shall review and coordinate
15 public and private partnerships and cosponsorships
16 with the Administration for the purpose of more effi-
17 ciently leveraging available resources on a National
18 and a State basis.”;

19 (3) in paragraph (4)(C)—

20 (A) by striking clause (i) and inserting the
21 following:

22 “(i) IN GENERAL.—

23 “(I) GRANT AMOUNT.—Subject to
24 subclause (II), the amount of a grant re-
25 ceived by a State under this section shall

1 be equal to the greater of \$500,000, or the
2 sum of—

3 “(aa) the State’s pro rata share
4 of the national program, based upon
5 the population of the State as com-
6 pared to the total population of the
7 United States; and

8 “(bb) \$300,000 in fiscal year
9 1998, \$400,000 in fiscal year 1999,
10 and \$500,000 in each fiscal year
11 thereafter.

12 “(II) PRO RATA REDUCTIONS.—If the
13 amount made available to carry out this
14 section for any fiscal year is insufficient to
15 carry out subclause (I), the Administration
16 shall make pro rata reductions in the
17 amounts otherwise payable to States under
18 this clause.”; and

19 (B) in clause (iii), by striking “(iii)” and
20 all that follows through “1997.” and inserting
21 the following:

22 “(iii) AUTHORIZATION OF APPROPRIA-
23 TIONS.—There are authorized to be appro-
24 priated to carry out the national program under
25 this section—

1 “(I) \$85,000,000 for fiscal year 1998;

2 “(II) \$90,000,000 for fiscal year
3 1999; and

4 “(III) \$95,000,000 for fiscal year
5 2000 and each fiscal year thereafter.”; and

6 (4) in paragraph (6)—

7 (A) in subparagraph (A), by striking
8 “and” at the end;

9 (B) in subparagraph (B), by striking the
10 comma at the end and inserting “; and”; and

11 (C) inserting after subparagraph (B) the
12 following:

13 “(C) with outreach, development, and en-
14 hancement of minority-owned small business
15 startups or expansions, veteran-owned small
16 business startups or expansions, and women-
17 owned small business startups or expansions, in
18 communities impacted by base closings or mili-
19 tary or corporate downsizing, or in rural or un-
20 derserved communities;”.

21 (b) SBDC SERVICES.—Section 21(c) of the Small
22 Business Act (15 U.S.C. 648(c)) is amended—

23 (1) in paragraph (3)—

1 (A) in subparagraph (A), by striking
2 “businesses;” and inserting “businesses, includ-
3 ing—

4 “(i) working with individuals to increase
5 awareness of basic credit practices and credit
6 requirements;

7 “(ii) working with individuals to develop
8 business plans, financial packages, credit
9 applications, and contract proposals;

10 “(iii) working with the Administration to
11 develop and provide informational tools for use
12 in working with individuals on pre-business
13 startup planning, existing business expansion,
14 and export planning; and

15 “(iv) working with individuals referred by
16 the local offices of the Administration and Ad-
17 ministration participating lenders;”;

18 (B) in each of subparagraphs (B), (C),
19 (D), (E), (F), (G), (M), (N), (O), (Q), and (R)
20 by moving each margin two ems to the right;

21 (C) in subparagraph (C), by inserting “and
22 the Administration” after “Center”;

23 (D) by striking subparagraph (H), and in-
24 serting the following:

1 “(H) working with the technical and environ-
2 mental compliance assistance programs established
3 in each State under section 507 of the Clean Air Act
4 Amendments of 1970, or State pollution prevention
5 programs to notify small businesses through out-
6 reach programs of regulations that affect small busi-
7 nesses and making counseling, conferences, and ma-
8 terials available on methods of compliance;”;

9 (E) in subparagraph (Q), by striking
10 “and” at the end;

11 (F) in subparagraph (R), by striking the
12 period at the end and inserting “; and”; and

13 (G) by inserting after subparagraph (R)
14 the following:

15 “(S) providing counseling and technology devel-
16 opment when necessary to help small businesses find
17 solutions for complying with environmental, energy,
18 health, safety, and other Federal, State, and local
19 regulation including cooperating with the technical
20 and environmental compliance assistance programs
21 established in each State under section 507 of the
22 Clean Air Act Amendments of 1970 or State pollu-
23 tion prevention programs in the provision of counsel-
24 ing and technology development to help small busi-

1 nesses find solutions for complying with environ-
2 mental regulations.”;

3 (2) in paragraph (5)—

4 (A) by moving the margin 2 ems to the
5 right;

6 (B) by striking “paragraph (a)(1)” and in-
7 serting “subsection (a)(1)”;

8 (C) by striking “which ever” and inserting
9 “whichever”; and

10 (D) by striking “last,,” and inserting
11 “last,”;

12 (3) by redesignating paragraphs (4) through
13 (7) as paragraphs (5) through (8), respectively; and

14 (4) in paragraph (3), in the undesignated mate-
15 rial following subparagraph (S) (as added by this
16 subsection), by striking “A small” and inserting the
17 following:

18 “(4) A small”.

19 (c) COMPETITIVE AWARDS.—Section 21(l) of the
20 Small Business Act (15 U.S.C. 648(l)) is amended by add-
21 ing at the end the following: “If any contract under this
22 section with an entity that is in compliance with this sec-
23 tion is not renewed or extended, any award of a contract
24 under this section to another entity shall be made on a
25 competitive basis.”.

1 (d) PROHIBITION ON CERTAIN FEES.—Section 21 of
2 the Small Business Act (15 U.S.C. 648) is amended by
3 adding at the end the following:

4 “(m) PROHIBITION ON CERTAIN FEES.—A small
5 business development center shall not impose or otherwise
6 collect a fee or other compensation in connection with the
7 provision of counseling services under this section.”.

8 **SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE**
9 **PROGRAM EXTENSION.**

10 Section 207 of the Small Business Administration
11 Reauthorization and Amendment Act of 1988 (15 U.S.C.
12 694b note) is amended by striking “September 30, 1997”
13 and inserting “September 30, 2000”.

14 **SEC. 504. EXTENSION OF COSPONSORSHIP AUTHORITY.**

15 Section 401(a)(2) of the Small Business Administra-
16 tion Reauthorization and Amendments Act of 1994 (15
17 U.S.C. 637 note) is amended by striking “September 30,
18 1997” and inserting “September 30, 2000”.

19 **SEC. 505. ASSET SALES.**

20 In connection with the Administration’s implementa-
21 tion of a program to sell to the private sector loans and
22 other assets held by the Administration, the Administra-
23 tion shall provide to the Committees on Small Business
24 in the Senate and House of Representatives a copy of the

1 draft and final plans describing the sale and the antici-
2 pated benefits resulting from such sale.

3 **SEC. 506. SMALL BUSINESS EXPORT PROMOTION.**

4 (a) IN GENERAL.—Section 21(c)(3) of the Small
5 Business Act (15 U.S.C. 648(c)(3)) is amended—

6 (1) in subparagraph (Q), by striking “and” at
7 the end;

8 (2) in subparagraph (B), by striking the period
9 at the end and inserting “; and”; and

10 (3) by inserting after subparagraph (R) the fol-
11 lowing:

12 “(S) providing small business owners with
13 access to a wide variety of export-related infor-
14 mation by establishing on-line computer link-
15 ages between small business development cen-
16 ters and an international trade data informa-
17 tion network with ties to the Export Assistance
18 Center program.”.

19 (b) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out section
21 21(c)(3)(S) of the Small Business Act (15 U.S.C.
22 648(c)(3)(S)), as added by this section, \$1,500,000 for
23 each fiscal years 1998 and 1999.

1 **SEC. 507. DEFENSE LOAN AND TECHNICAL ASSISTANCE**
2 **PROGRAM.**

3 (a) DELTA PROGRAM AUTHORIZED.—

4 (1) IN GENERAL.—The Administrator of the
5 Small Business Administration may administer the
6 Defense Loan and Technical Assistance program in
7 accordance with the authority and requirements of
8 this section.

9 (2) EXPIRATION OF AUTHORITY.—The author-
10 ity of the Administrator to carry out the DELTA
11 program under paragraph (1) shall terminate when
12 the funds referred to in subsection (g)(1) have been
13 expended.

14 (3) DELTA PROGRAM DEFINED.—In this sec-
15 tion, the terms “Defense Loan and Technical Assist-
16 ance program” and “DELTA program” mean the
17 Defense Loan and Technical Assistance program
18 that has been established by a memorandum of un-
19 derstanding entered into by the Administrator and
20 the Secretary of Defense on June 26, 1995.

21 (b) ASSISTANCE.—

22 (1) AUTHORITY.—Under the DELTA program,
23 the Administrator may assist small business con-
24 cerns that are economically dependent on defense ex-
25 penditures to acquire dual-use capabilities.

1 (2) FORMS OF ASSISTANCE.—Forms of assist-
2 ance authorized under paragraph (1) are as follows:

3 (A) LOAN GUARANTEES.—Loan guaran-
4 tees under the terms and conditions specified
5 under this section and other applicable law.

6 (B) NONFINANCIAL ASSISTANCE.—Other
7 forms of assistance that are not financial.

8 (c) ADMINISTRATION OF PROGRAM.—In the adminis-
9 tration of the DELTA program under this section, the Ad-
10 ministrators shall—

11 (1) process applications for DELTA program
12 loan guarantees;

13 (2) guarantee repayment of the resulting loans
14 in accordance with this section; and

15 (3) take such other actions as are necessary to
16 administer the program.

17 (d) SELECTION AND ELIGIBILITY REQUIREMENTS
18 FOR DELTA LOAN GUARANTEES.—

19 (1) IN GENERAL.—The selection criteria and
20 eligibility requirements set forth in this subsection
21 shall be applied in the selection of small business
22 concerns to receive loan guarantees under the
23 DELTA program.

24 (2) SELECTION CRITERIA.—The criteria used
25 for the selection of a small business concern to re-

1 ceive a loan guarantee under this section are as fol-
2 lows:

3 (A) The selection criteria established under
4 the memorandum of understanding referred to
5 in subsection (a)(3).

6 (B) The extent to which the loans to be
7 guaranteed would support the retention of de-
8 fense workers whose employment would other-
9 wise be permanently or temporarily terminated
10 as a result of reductions in expenditures by the
11 United States for defense, the termination or
12 cancellation of a defense contract, the failure to
13 proceed with an approved major weapon sys-
14 tem, the merger or consolidation of the oper-
15 ations of a defense contractor, or the closure or
16 realignment of a military installation.

17 (C) The extent to which the loans to be
18 guaranteed would stimulate job creation and
19 new economic activities in communities most
20 adversely affected by reductions in expenditures
21 by the United States for defense, the termi-
22 nation or cancellation of a defense contract, the
23 failure to proceed with an approved major
24 weapon system, the merger or consolidation of

1 the operations of a defense contractor, or the
2 closure or realignment of a military installation.

3 (D) The extent to which the loans to be
4 guaranteed would be used to acquire (or permit
5 the use of other funds to acquire) capital equip-
6 ment to modernize or expand the facilities of
7 the borrower to enable the borrower to remain
8 in the national technology and industrial base
9 available to the Department of Defense.

10 (3) ELIGIBILITY REQUIREMENTS.—To be eligi-
11 ble for a loan guarantee under the DELTA pro-
12 gram, a borrower must demonstrate to the satisfac-
13 tion of the Administrator that, during any 1 of the
14 5 preceding operating years of the borrower, not less
15 than 25 percent of the value of the borrower's sales
16 were derived from—

17 (A) contracts with the Department of De-
18 fense or the defense-related activities of the De-
19 partment of Energy; or

20 (B) subcontracts in support of defense-re-
21 lated prime contracts.

22 (e) MAXIMUM AMOUNT OF LOAN PRINCIPAL.—The
23 maximum amount of loan principal for which the Adminis-
24 trator may provide a guarantee under this section during
25 a fiscal year may not exceed \$1,250,000.

1 (f) LOAN GUARANTY RATE.—The maximum allow-
2 able guarantee percentage for loans guaranteed under this
3 section may not exceed 80 percent.

4 (g) FUNDING.—

5 (1) IN GENERAL.—The funds that have been
6 made available for loan guarantees under the
7 DELTA program and have been transferred from
8 the Department of Defense to the Small Business
9 Administration before the date of the enactment of
10 this Act shall be used for carrying out the DELTA
11 program under this section.

12 (2) CONTINUED AVAILABILITY OF EXISTING
13 FUNDS.—The funds made available under the second
14 proviso under the heading “RESEARCH, DEVELOP-
15 MENT, TEST AND EVALUATION, DEFENSE-WIDE” in
16 Public Law 103–335 (108 Stat. 2613) shall be avail-
17 able until expended—

18 (A) to cover the costs (as defined in sec-
19 tion 502(5) of the Federal Credit Reform Act
20 of 1990 (2 U.S.C. 661a(5))) of loan guarantees
21 issued under this section; and

22 (B) to cover the reasonable costs of the ad-
23 ministration of the loan guarantees.

1 **TITLE VI—HUBZONE PROGRAM**

2 **SEC. 601. SHORT TITLE.**

3 This title may be cited as the “HUBZone Act of
4 1997”.

5 **SEC. 602. HISTORICALLY UNDERUTILIZED BUSINESS**
6 **ZONES.**

7 (a) DEFINITIONS.—Section 3 of the Small Business
8 Act (15 U.S.C. 632) (as amended by section 412 of this
9 Act) is amended by adding at the end the following:

10 “(p) DEFINITIONS RELATING TO HUBZONES.—In
11 this Act:

12 “(1) HISTORICALLY UNDERUTILIZED BUSINESS
13 ZONE.—The term ‘historically underutilized business
14 zone’ means any area located within 1 or more—

15 “(A) qualified census tracts;

16 “(B) qualified nonmetropolitan counties; or

17 “(C) lands within the external boundaries
18 of an Indian reservation.

19 “(2) HUBZONE.—The term ‘HUBZone’ means
20 a historically underutilized business zone.

21 “(3) HUBZONE SMALL BUSINESS CONCERN.—
22 The term ‘HUBZone small business concern’ means
23 a small business concern—

1 “(A) that is owned and controlled by 1 or
2 more persons, each of whom is a United States
3 citizen; and

4 “(B) the principal office of which is located
5 in a HUBZone; or

6 “(4) QUALIFIED AREAS.—

7 “(A) QUALIFIED CENSUS TRACT.—The
8 term ‘qualified census tract’ has the meaning
9 given that term in section 42(d)(5)(C)(i)(I) of
10 the Internal Revenue Code of 1986.

11 “(B) QUALIFIED NONMETROPOLITAN
12 COUNTY.—The term ‘qualified nonmetropolitan
13 county’ means any county—

14 “(i) that, based on the most recent
15 data available from the Bureau of the Cen-
16 sus of the Department of Commerce—

17 “(I) is not located in a metropoli-
18 tan statistical area (as that term is
19 defined in section 143(k)(2)(B) of the
20 Internal Revenue Code of 1986); and

21 “(II) in which the median house-
22 hold income is less than 80 percent of
23 the nonmetropolitan State median
24 household income; or

1 “(ii) that, based on the most recent
2 data available from the Secretary of Labor,
3 has an unemployment rate that is not less
4 than 140 percent of the statewide average
5 unemployment rate for the State in which
6 the county is located.

7 “(5) QUALIFIED HUBZONE SMALL BUSINESS
8 CONCERN.—

9 “(A) IN GENERAL.—A HUBZone small
10 business concern is ‘qualified’, if—

11 “(i) the small business concern has
12 certified in writing to the Administrator
13 (or the Administrator otherwise deter-
14 mines, based on information submitted to
15 the Administrator by the small business
16 concern, or based on certification proce-
17 dures, which shall be established by the
18 Administration by regulation) that—

19 “(I) it is a HUBZone small busi-
20 ness concern;

21 “(II) not less than 35 percent of
22 the employees of the small business
23 concern reside in a HUBZone, and
24 the small business concern will at-
25 tempt to maintain this employment

1 percentage during the performance of
2 any contract awarded to the small
3 business concern on the basis of a
4 preference provided under section
5 31(b); and

6 “(III) with respect to any sub-
7 contract entered into by the small
8 business concern pursuant to a con-
9 tract awarded to the small business
10 concern under section 31, the small
11 business concern will ensure that—

12 “(aa) in the case of a con-
13 tract for services (except con-
14 struction), not less than 50 per-
15 cent of the cost of contract per-
16 formance incurred for personnel
17 will be expended for its employ-
18 ees or for employees of other
19 HUBZone small business con-
20 cerns; and

21 “(bb) in the case of a con-
22 tract for procurement of supplies
23 (other than procurement from a
24 regular dealer in such supplies),
25 not less than 50 percent of the

1 cost of manufacturing the sup-
2 plies (not including the cost of
3 materials) will be incurred in
4 connection with the performance
5 of the contract in a HUBZone by
6 1 or more HUBZone small busi-
7 ness concerns; and

8 “(ii) no certification made or informa-
9 tion provided by the small business concern
10 under clause (i) has been, in accordance
11 with the procedures established under sec-
12 tion 31(c)(1)—

13 “(I) successfully challenged by an
14 interested party; or

15 “(II) otherwise determined by the
16 Administrator to be materially false.

17 “(B) CHANGE IN PERCENTAGES.—The Ad-
18 ministrator may utilize a percentage other than
19 the percentage specified in under subclause (IV)
20 or (V) of subparagraph (A)(i), if the Adminis-
21 trator determines that such action is necessary
22 to reflect conventional industry practices among
23 small business concerns that are below the nu-
24 merical size standard for businesses in that in-
25 dustry category.

1 “(C) CONSTRUCTION AND OTHER CON-
2 TRACTS.—The Administrator shall promulgate
3 final regulations imposing requirements that
4 are similar to those specified in subclauses (IV)
5 and (V) of subparagraph (A)(i) on contracts for
6 general and specialty construction, and on con-
7 tracts for any other industry category that
8 would not otherwise be subject to those require-
9 ments. The percentage applicable to any such
10 requirement shall be determined in accordance
11 with subparagraph (B).

12 “(D) LIST OF QUALIFIED SMALL BUSINESS
13 CONCERNS.—The Administrator shall establish
14 and maintain a list of qualified HUBZone small
15 business concerns, which list shall, to the extent
16 practicable—

17 “(i) include the name, address, and
18 type of business with respect to each such
19 small business concern;

20 “(ii) be updated by the Administrator
21 not less than annually; and

22 “(iii) be provided upon request to any
23 Federal agency or other entity.”.

24 (b) FEDERAL CONTRACTING.—

1 (1) IN GENERAL.—The Small Business Act (15
2 U.S.C. 631 et seq.) is amended—

3 (A) by redesignating section 31 as section
4 32; and

5 (B) by inserting after section 30 the fol-
6 lowing:

7 **“SEC. 31. HUBZONE PROGRAM.**

8 “(a) IN GENERAL.—There is established within the
9 Administration a program to be carried out by the Admin-
10 istrator to provide for Federal contracting assistance to
11 qualified HUBZone small business concerns in accordance
12 with this section.

13 “(b) ELIGIBLE CONTRACTS.—

14 “(1) DEFINITIONS.—In this subsection—

15 “(A) the term ‘contracting officer’ has the
16 meaning given that term in section 27(f)(5) of
17 the Office of Federal Procurement Policy Act
18 (41 U.S.C. 423(f)(5)); and

19 “(B) the terms ‘executive agency’ and ‘full
20 and open competition’ have the meanings given
21 such terms in section 4 of the Office of Federal
22 Procurement Policy Act (41 U.S.C. 403).

23 “(2) REQUIREMENTS.—Subject to paragraph
24 (3), a contract opportunity offered for award pursu-
25 ant to this section shall be awarded on the basis of

1 competition restricted to qualified HUBZone small
2 business concerns, if there is a reasonable expecta-
3 tion that not less than 2 qualified HUBZone small
4 business concerns will submit offers and that award
5 can be made at a fair market price.

6 “(3) ALTERNATE AUTHORITY.—Notwithstand-
7 ing any other provision of law, a contracting officer
8 may award sole source contracts under this section
9 to any qualified HUBZone small business concern,
10 if—

11 “(A) the qualified HUBZone small busi-
12 ness concern is determined to be a responsible
13 contractor with respect to performance of such
14 contract opportunity;

15 “(B) the anticipated award price of the
16 contract (including options) will not exceed—

17 “(i) \$5,000,000, in the case of a con-
18 tract opportunity assigned a standard in-
19 dustrial classification code for manufactur-
20 ing; or

21 “(ii) \$3,000,000, in the case of all
22 other contract opportunities; and

23 “(C) in the estimation of the contracting
24 officer, the contract award can be made at a
25 fair and reasonable price.

1 “(4) PRICE EVALUATION PREFERENCE IN FULL
2 AND OPEN COMPETITIONS.—In any case in which a
3 contract is to be awarded on the basis of full and
4 open competition, the price offered by a small busi-
5 ness concern shall be deemed as being lower than
6 the price offered by another offeror (other than an-
7 other small business concern), if the price offered by
8 the qualified HUBZone small business concern is
9 not more than 10 percent higher than the price of-
10 fered by the otherwise lowest, responsive, and re-
11 sponsible offeror.

12 “(5) RELATIONSHIP TO OTHER CONTRACTING
13 PREFERENCES.—

14 “(A) SUBORDINATE RELATIONSHIP.—A
15 procurement may not be made from a source on
16 the basis of a preference provided in paragraph
17 (2), (3), or (4), if the procurement would other-
18 wise be made from a different source under sec-
19 tion 4124 or 4125 of title 18, United States
20 Code, or the Javits-Wagner-O’Day Act.

21 “(B) PARITY RELATIONSHIP.—The provi-
22 sions of paragraphs (2), (3), and (4) shall not
23 limit the discretion of a contracting officer to
24 let any procurement contract to the Administra-
25 tion under section 8(a). Notwithstanding sec-

1 tion 8(a), the Administration may not appeal
2 an adverse decision of any contracting officer
3 declining to let a procurement contract to the
4 Administration, if the procurement is made to
5 a qualified HUBZone small business concern on
6 the basis of a preference under paragraph (2),
7 (3), or (4).

8 “(c) ENFORCEMENT; PENALTIES.—

9 “(1) VERIFICATION OF ELIGIBILITY.—In carry-
10 ing out this section, the Administrator shall estab-
11 lish procedures relating to—

12 “(A) the filing, investigation, and disposi-
13 tion by the Administration of any challenge to
14 the eligibility of a small business concern to re-
15 ceive assistance under this section (including a
16 challenge, filed by an interested party, relating
17 to the veracity of a certification made or infor-
18 mation provided to the Administration by a
19 small business concern under section 3(p)(5));
20 and

21 “(B) verification by the Administrator of
22 the accuracy of any certification made or infor-
23 mation provided to the Administration by a
24 small business concern under section 3(p)(5).

1 “(2) EXAMINATIONS.—The procedures estab-
2 lished under paragraph (1) may provide for program
3 examinations (including random program examina-
4 tions) by the Administrator of any small business
5 concern making a certification or providing informa-
6 tion to the Administrator under section 3(p)(5).

7 “(3) PROVISION OF DATA.—Upon the request
8 of the Administrator, the Secretary of Labor, the
9 Secretary of Housing and Urban Development, and
10 the Secretary of the Interior (or the Assistant Sec-
11 retary for Indian Affairs), shall promptly provide to
12 the Administrator such information as the Adminis-
13 trator determines to be necessary to carry out this
14 subsection.

15 “(4) PENALTIES.—In addition to the penalties
16 described in section 16(d), any small business con-
17 cern that is determined by the Administrator to have
18 misrepresented the status of that concern as a
19 ‘HUBZone small business concern’ for purposes of
20 this section, shall be subject to—

21 “(A) section 1001 of title 18, United
22 States Code; and

23 “(B) sections 3729 through 3733 of title
24 31, United States Code.”.

1 (2) INITIAL LIMITED APPLICABILITY.—During
2 the period beginning on the date of enactment of
3 this Act and ending on September 30, 2000, section
4 31 of the Small Business Act (as added by para-
5 graph (1) of this subsection) shall apply only to pro-
6 curements by—

7 (A) the Department of Defense;

8 (B) the Department of Agriculture;

9 (C) the Department of Health and Human
10 Services;

11 (D) the Department of Transportation;

12 (E) the Department of Energy;

13 (F) the Department of Housing and Urban
14 Development;

15 (G) the Environmental Protection Agency;

16 (H) the National Aeronautics and Space
17 Administration;

18 (I) the General Services Administration;

19 and

20 (J) the Department of Veterans Affairs.

21 **SEC. 603. TECHNICAL AND CONFORMING AMENDMENTS TO**
22 **THE SMALL BUSINESS ACT.**

23 (a) PERFORMANCE OF CONTRACTS.—Section 8(d) of
24 the Small Business Act (15 U.S.C. 637(d)) is amended—

25 (1) in paragraph (1)—

1 (A) in the first sentence, by striking “,,
2 small business concerns owned and controlled
3 by socially and economically disadvantaged indi-
4 viduals” and inserting “, qualified HUBZone
5 small business concerns, small business con-
6 cerns owned and controlled by socially and eco-
7 nomically disadvantaged individuals”; and

8 (B) in the second sentence, by inserting
9 “qualified HUBZone small business concerns,”
10 after “small business concerns,”;

11 (2) in paragraph (3)—

12 (A) by inserting “qualified HUBZone
13 small business concerns,” after “small business
14 concerns,” each place that term appears; and

15 (B) by adding at the end the following:

16 “(F) In this contract, the term ‘qualified
17 HUBZone small business concern’ has the meaning
18 given that term in section 3(p) of the Small Busi-
19 ness Act.”;

20 (3) in paragraph (4)(E), by striking “small
21 business concerns and” and inserting “small busi-
22 ness concerns, qualified HUBZone small business
23 concerns, and”;

24 (4) in paragraph (6), by inserting “qualified
25 HUBZone small business concerns,” after “small

1 business concerns,” each place that term appears;
2 and

3 (5) in paragraph (10), by inserting “qualified
4 HUBZone small business concerns,” after “small
5 business concerns,”.

6 (b) AWARDS OF CONTRACTS.—Section 15 of the
7 Small Business Act (15 U.S.C. 644) is amended—

8 (1) in subsection (g)(1)—

9 (A) by inserting “qualified HUBZone
10 small business concerns,” after “small business
11 concerns,” each place that term appears;

12 (B) in the second sentence, by striking “20
13 percent” and inserting “23 percent”; and

14 (C) by inserting after the second sentence
15 the following: “The Governmentwide goal for
16 participation by qualified HUBZone small busi-
17 ness concerns shall be established at not less
18 than 1 percent of the total value of all prime
19 contract awards for fiscal year 1999, not less
20 than 1.5 percent of the total value of all prime
21 contract awards for fiscal year 2000, not less
22 than 2 percent of the total value of all prime
23 contract awards for fiscal year 2001, not less
24 than 2.5 percent of the total value of all prime
25 contract awards for fiscal year 2002, and not

1 less than 3 percent of the total value of all
2 prime contract awards for fiscal year 2003 and
3 each fiscal year thereafter.”;

4 (2) in subsection (g)(2)—

5 (A) in the first sentence, by striking “, by
6 small business concerns owned and controlled
7 by socially and economically disadvantaged indi-
8 viduals” and inserting “, by qualified HUBZone
9 small business concerns, by small business con-
10 cerns owned and controlled by socially and eco-
11 nomically disadvantaged individuals”;

12 (B) in the second sentence, by inserting
13 “qualified HUBZone small business concerns,”
14 after “small business concerns,”; and

15 (C) in the fourth sentence, by striking “by
16 small business concerns owned and controlled
17 by socially and economically disadvantaged indi-
18 viduals and participation by small business con-
19 cerns owned and controlled by women” and in-
20 serting “by qualified HUBZone small business
21 concerns, by small business concerns owned and
22 controlled by socially and economically dis-
23 advantaged individuals, and by small business
24 concerns owned and controlled by women”; and

1 (3) in subsection (h), by inserting “qualified
2 HUBZone small business concerns,” after “small
3 business concerns,” each place that term appears.

4 (c) OFFENSES AND PENALTIES.—Section 16 of the
5 Small Business Act (15 U.S.C. 645) is amended—

6 (1) in subsection (d)(1)—

7 (A) by inserting “, a ‘qualified HUBZone
8 small business concern’,” after “‘small business
9 concern’,”; and

10 (B) in subparagraph (A), by striking “sec-
11 tion 9 or 15” and inserting “section 9, 15, or
12 31”; and

13 (2) in subsection (e), by inserting “, a
14 ‘HUBZone small business concern’,” after “‘small
15 business concern’”.

16 **SEC. 604. OTHER TECHNICAL AND CONFORMING AMEND-**
17 **MENTS.**

18 (a) TITLE 10, UNITED STATES CODE.—Section 2323
19 of title 10, United States Code, is amended—

20 (1) in subsection (a)(1)(A), by inserting before
21 the semicolon the following: “, and qualified
22 HUBZone small business concerns (as that term is
23 defined in section 3(p) of the Small Business Act)”;
24 and

1 (2) in subsection (f)(1), by inserting “or as a
2 qualified HUBZone small business concern (as that
3 term is defined in section 3(p) of the Small Business
4 Act)” after “(as described in subsection (a))”.

5 (b) FEDERAL HOME LOAN BANK ACT.—Section
6 21A(b)(13) of the Federal Home Loan Bank Act (12
7 U.S.C. 1441a(b)(13)) is amended—

8 (1) by striking “concerns and small” and in-
9 serting “concerns, small”; and

10 (2) by inserting “, and qualified HUBZone
11 small business concerns (as that term is defined in
12 section 3(p) of the Small Business Act)” after “dis-
13 advantaged individuals”.

14 (c) SMALL BUSINESS ECONOMIC POLICY ACT OF
15 1980.—Section 303(e) of the Small Business Economic
16 Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

17 (1) in paragraph (1), by striking “and” at the
18 end;

19 (2) in paragraph (2), by striking the period at
20 the end and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(3) qualified HUBZone small business concern
23 (as that term is defined in section 3(p) of the Small
24 Business Act).”.

1 (d) SMALL BUSINESS INVESTMENT ACT OF 1958.—
2 Section 411(c)(3)(B) of the Small Business Investment
3 Act of 1958 (15 U.S.C. 694b(c)(3)(B)) is amended by in-
4 serting before the semicolon the following: “, or to a quali-
5 fied HUBZone small business concern, as that term is de-
6 fined in section 3(p) of the Small Business Act”.

7 (e) TITLE 31, UNITED STATES CODE.—

8 (1) CONTRACTS FOR COLLECTION SERVICES.—
9 Section 3718(b) of title 31, United States Code, is
10 amended—

11 (A) in paragraph (1)(B), by inserting “and
12 law firms that are qualified HUBZone small
13 business concerns (as that term is defined in
14 section 3(p) of the Small Business Act)” after
15 “disadvantaged individuals”; and

16 (B) in paragraph (3)—

17 (i) in the first sentence, by inserting
18 before the period “and law firms that are
19 qualified HUBZone small business con-
20 cerns”;

21 (ii) in subparagraph (A), by striking
22 “and” at the end;

23 (iii) in subparagraph (B), by striking
24 the period at the end and inserting “;
25 and”; and

1 (iv) by adding at the end the follow-
2 ing:

3 “(C) the term ‘qualified HUBZone small
4 business concern’ has the meaning given that
5 term in section 3(p) of the Small Business
6 Act.”.

7 (2) PAYMENTS TO LOCAL GOVERNMENTS.—Sec-
8 tion 6701(f) of title 31, United States Code, is
9 amended—

10 (A) in paragraph (1)—

11 (i) in subparagraph (A), by striking
12 “and” at the end;

13 (ii) in subparagraph (B), by striking
14 the period at the end and inserting “;
15 and”; and

16 (iii) by adding at the end the follow-
17 ing:

18 “(C) qualified HUBZone small business
19 concerns.”; and

20 (B) in paragraph (3)—

21 (i) in subparagraph (A), by striking
22 “and” at the end;

23 (ii) in subparagraph (B), by striking
24 the period at the end and inserting “;
25 and”; and

1 (iii) by adding at the end the follow-
2 ing:

3 “(C) the term ‘qualified HUBZone small
4 business concern’ has the meaning given that
5 term in section 3(p) of the Small Business Act
6 (15 U.S.C. 632(o)).”.

7 (3) REGULATIONS.—Section 7505(c) of title 31,
8 United States Code, is amended by striking “small
9 business concerns and” and inserting “small busi-
10 ness concerns, qualified HUBZone small business
11 concerns, and”.

12 (f) OFFICE OF FEDERAL PROCUREMENT POLICY
13 ACT.—

14 (1) ENUMERATION OF INCLUDED FUNC-
15 TIONS.—Section 6(d) of the Office of Federal Pro-
16 curement Policy Act (41 U.S.C. 405(d)) is amend-
17 ed—

18 (A) in paragraph (11), by inserting “quali-
19 fied HUBZone small business concerns (as that
20 term is defined in section 3(p) of the Small
21 Business Act),” after “small businesses,”; and

22 (B) in paragraph (12), by inserting “quali-
23 fied HUBZone small business concerns (as that
24 term is defined in section 3(p) of the Small

1 Business Act (15 U.S.C. 632(o)),” after “small
2 businesses,”.

3 (2) PROCUREMENT DATA.—Section 502 of the
4 Women’s Business Ownership Act of 1988 (41
5 U.S.C. 417a) is amended—

6 (A) in subsection (a)—

7 (i) in the first sentence, by inserting
8 “the number of qualified HUBZone small
9 business concerns,” after “Procurement
10 Policy”; and

11 (ii) by inserting a comma after
12 “women”; and

13 (B) in subsection (b), by inserting after
14 “section 204 of this Act” the following: “, and
15 the term ‘qualified HUBZone small business
16 concern’ has the meaning given that term in
17 section 3(p) of the Small Business Act (15
18 U.S.C. 632(o)).”.

19 (g) ENERGY POLICY ACT OF 1992.—Section 3021 of
20 the Energy Policy Act of 1992 (42 U.S.C. 13556) is
21 amended—

22 (1) in subsection (a)—

23 (A) in paragraph (2), by striking “or”;

24 (B) in paragraph (3), by striking the pe-
25 riod and inserting “; or”; and

1 (C) by adding at the end the following:

2 “(4) qualified HUBZone small business con-
3 cerns.”; and

4 (2) in subsection (b), by adding at the end the
5 following:

6 “(3) The term ‘qualified HUBZone small busi-
7 ness concern’ has the meaning given that term in
8 section 3(p) of the Small Business Act (15 U.S.C.
9 632(o)).”.

10 (h) TITLE 49, UNITED STATES CODE.—

11 (1) PROJECT GRANT APPLICATION APPROVAL
12 CONDITIONED ON ASSURANCES ABOUT AIRPORT OP-
13 ERATION.—Section 47107(e) of title 49, United
14 States Code, is amended—

15 (A) in paragraph (1), by inserting before
16 the period “or qualified HUBZone small busi-
17 ness concerns (as that term is defined in section
18 3(p) of the Small Business Act)”;

19 (B) in paragraph (4)(B), by inserting be-
20 fore the period “or as a qualified HUBZone
21 small business concern (as that term is defined
22 in section 3(p) of the Small Business Act)”;
23 and

24 (C) in paragraph (6), by inserting “or a
25 qualified HUBZone small business concern (as

1 that term is defined in section 3(p) of the Small
 2 Business Act)” after “disadvantaged individ-
 3 ual”.

4 (2) MINORITY AND DISADVANTAGED BUSINESS
 5 PARTICIPATION.—Section 47113 of title 49, United
 6 States Code, is amended—

7 (A) in subsection (a)—

8 (i) in paragraph (1), by striking the
 9 period at the end and inserting a semi-
 10 colon;

11 (ii) in paragraph (2), by striking the
 12 period at the end and inserting “; and”;
 13 and

14 (iii) by adding at the end the follow-
 15 ing:

16 “(3) the term ‘qualified HUBZone small busi-
 17 ness concern’ has the meaning given that term in
 18 section 3(p) of the Small Business Act (15 U.S.C.
 19 632(o)).”; and

20 (B) in subsection (b), by inserting before
 21 the period “or qualified HUBZone small busi-
 22 ness concerns”.

23 **SEC. 605. REGULATIONS.**

24 (a) IN GENERAL.—Not later than 180 days after the
 25 date of enactment of this Act, the Administrator of the

1 Small Business Administration shall publish in the Fed-
2 eral Register such final regulations as may be necessary
3 to carry out this title and the amendments made by this
4 title.

5 (b) FEDERAL ACQUISITION REGULATION.—Not later
6 than 180 days after the date on which final regulations
7 are published under subsection (a), the Federal Acquisi-
8 tion Regulatory Council shall amend the Federal Acquisi-
9 tion Regulation in order to ensure consistency between the
10 Federal Acquisition Regulation, this title and the amend-
11 ments made by this title, and the final regulations pub-
12 lished under subsection (a).

13 **SEC. 606. REPORT.**

14 Not later than March 1, 2000, the Administrator of
15 the Small Business Administration shall submit to the
16 Committees on Small Business of the House of Represent-
17 atives and the Senate a report on the implementation of
18 the HUBZone program established under section 31 of the
19 Small Business Act (as amended by this title) and the de-
20 gree to which the HUBZone program has resulted in in-
21 creased employment opportunities and an increased level
22 of investment in HUBZones (as that term is defined in
23 section 3(p) of the Small Business Act, as added by this
24 title).

1 **SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 20 of the Small Business Act (15 U.S.C. 631
3 note) (as amended by section 101 of this Act) is amend-
4 ed—

5 (1) in subsection (c), by adding at the end the
6 following:

7 “(3) HUBZONE PROGRAM.—There are author-
8 ized to be appropriated to the Administration to
9 carry out the program under section 31, \$5,000,000
10 for fiscal year 1998.”;

11 (2) in subsection (d), by adding at the end the
12 following:

13 “(3) HUBZONE PROGRAM.—There are author-
14 ized to be appropriated to the Administration to
15 carry out the program under section 31, \$5,000,000
16 for fiscal year 1999.”; and

17 (3) in subsection (e), by adding at the end the
18 following:

19 “(3) HUBZONE PROGRAM.—There are author-
20 ized to be appropriated to the Administration to

- 1 carry out the program under section 31, \$5,000,000
- 2 for fiscal year 2000.”.

Passed the Senate September 9, 1997.

Attest:

Secretary.

105TH CONGRESS
1ST SESSION

S. 1139

AN ACT

To reauthorize the programs of the Small Business Administration, and for other purposes.