

Calendar No. 145

105TH CONGRESS
1ST Session

S. 1139

[Report No. 105-62]

A BILL

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

AUGUST 19, 1997

Reported under the authority of July 31, 1997 and placed on the calendar

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To reauthorize the programs of the Small Business Administration, and
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IN THE SENATE OF THE UNITED STATES

AUGUST 19, 1997

Mr. BOND, from the Committee on Small Business, reported under the authority of July 31, 1997 the following original bill; which was read twice and placed on the calendar

A BILL

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”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 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. Fostering contractor teaming.

Sec. 415. Reporting of bundled contract opportunities.

Sec. 416. Evaluating subcontract participation in awarding contracts.

Sec. 417. Improved notice of subcontracting opportunities.

Sec. 418. 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.

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—

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

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

1 “(B) For the programs authorized by this
2 Act, the Administration is authorized to make
3 \$17,040,000,000 in deferred participation loans
4 and other financings. Of such sum, the Admin-
5 istration is authorized to make—

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

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

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

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

16 “(C) For the programs authorized by title
17 III of the Small Business Investment Act of
18 1958, the Administration is authorized to
19 make—

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

22 “(ii) \$500,000,000 in guarantees of
23 debentures.

24 “(D) For the programs authorized by part
25 B of title IV of the Small Business Investment

1 Act of 1958, the Administration is authorized
2 to enter into guarantees not to exceed
3 \$2,000,000,000, of which not more than
4 \$650,000,000 may be in bonds approved pursu-
5 ant to section 411(a)(3) of that Act.

6 “(E) The Administration is authorized to
7 make grants or enter into cooperative agree-
8 ments—

9 “(i) for the Service Corps of Retired
10 Executives program authorized by section
11 8(b)(1), \$4,000,000; and

12 “(ii) for activities of small business
13 development centers pursuant to section
14 21(c)(3)(G), \$15,000,000, to remain avail-
15 able until expended.

16 “(2) ADDITIONAL AUTHORIZATIONS.—

17 “(A) There are authorized to be appro-
18 priated to the Administration for fiscal year
19 1998 such sums as may be necessary to carry
20 out this Act, including administrative expenses
21 and necessary loan capital for disaster loans
22 pursuant to section 7(b), and to carry out the
23 Small Business Investment Act of 1958, includ-
24 ing salaries and expenses of the Administration.

1 “(B) Notwithstanding subparagraph (A),
2 for fiscal year 1998—

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

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

21 “(d) FISCAL YEAR 1999.—

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

1 “(A) For the programs authorized by this
2 Act, the Administration is authorized to
3 make—

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

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

9 “(B) For the programs authorized by this
10 Act, the Administration is authorized to make
11 \$18,540,000,000 in deferred participation loans
12 and other financings. Of such sum, the Admin-
13 istration is authorized to make—

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

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

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

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

24 “(C) For the programs authorized by title
25 III of the Small Business Investment Act of

1 1958, the Administration is authorized to
2 make—

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

5 “(ii) \$650,000,000 in guarantees of
6 debentures.

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

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

16 “(i) for the Service Corps of Retired
17 Executives program authorized by section
18 8(b)(1), \$4,500,000; and

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

23 “(2) ADDITIONAL AUTHORIZATIONS.—

24 “(A) There are authorized to be appro-
25 priated to the Administration for fiscal year

1 1999 such sums as may be necessary to carry
2 out this Act, including administrative expenses
3 and necessary loan capital for disaster loans
4 pursuant to section 7(b), and to carry out the
5 Small Business Investment Act of 1958, includ-
6 ing salaries and expenses of the Administration.

7 “(B) Notwithstanding subparagraph (A),
8 for fiscal year 1999—

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

17 “(ii) the Administration may not ap-
18 prove loans on behalf of the Administra-
19 tion or on behalf of any other department
20 or agency, by contract or otherwise, under
21 terms and conditions other than those spe-
22 cifically authorized under this Act or the
23 Small Business Investment Act of 1958,
24 except that it may approve loans under

1 section 7(a)(21) of this Act in gross
2 amounts of not more than \$1,250,000.

3 “(e) FISCAL YEAR 2000.—

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

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

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

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

14 “(B) For the programs authorized by this
15 Act, the Administration is authorized to make
16 \$21,040,000,000 in deferred participation loans
17 and other financings. Of such sum, the Admin-
18 istration is authorized to make—

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

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

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

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

5 “(C) For the programs authorized by title
6 III of the Small Business Investment Act of
7 1958, the Administration is authorized to
8 make—

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

11 “(ii) \$700,000,000 in guarantees of
12 debentures.

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

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

22 “(i) for the Service Corps of Retired
23 Executives program authorized by section
24 8(b)(1), \$5,000,000; and

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

5 “(2) ADDITIONAL AUTHORIZATIONS.—

6 “(A) There are authorized to be appro-
7 priated to the Administration for fiscal year
8 2000 such sums as may be necessary to carry
9 out this Act, including administrative expenses
10 and necessary loan capital for disaster loans
11 pursuant to section 7(b), and to carry out the
12 Small Business Investment Act of 1958, includ-
13 ing salaries and expenses of the Administration.

14 “(B) Notwithstanding subparagraph (A),
15 for fiscal year 2000—

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

24 “(ii) the Administration may not ap-
25 prove loans on behalf of the Administra-

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

9 **TITLE II—FINANCIAL** 10 **ASSISTANCE**

11 **Subtitle A—Microloan Program**

12 **SEC. 201. MICROLOAN PROGRAM.**

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

16 (b) LOAN LOSS RESERVE FUND.—Section
17 7(m)(3)(D) of the Small Business Act (15 U.S.C.
18 636(m)(3)(D)) is amended by striking clauses (i) and (ii),
19 and inserting the following:

20 “(i) during the initial 5 years of the
21 intermediary’s participation in the program
22 under this subsection, at a level equal to
23 not more than 15 percent of the outstand-
24 ing balance of the notes receivable owed to
25 the intermediary; and

1 “(ii) in each year of participation
2 thereafter, at a level equal to not more
3 than the greater of—

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

10 “(II) 10 percent of the outstand-
11 ing balance of the notes receivable
12 owed to the intermediary.”.

13 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
14 7(m) of the Small Business Act (15 U.S.C. 636(m)) is
15 amended—

16 (1) in the subsection heading, by striking
17 “DEMONSTRATION”;

18 (2) by striking “Demonstration” each place
19 that term appears;

20 (3) by striking “demonstration” each place that
21 term appears; and

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

1 **SEC. 202. WELFARE-TO-WORK MICROLOAN PILOT PRO-**
2 **GRAM.**

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

5 (1) in paragraph (1)(A)—

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

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

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

11 “(iv) to establish a welfare-to-work
12 microloan pilot program, which shall be ad-
13 ministered by the Administration, in order
14 to—

15 “(I) test the feasibility of
16 supplementing the technical assistance
17 grants provided under clauses (ii) and
18 (iii) of subparagraph (B) to individ-
19 uals who are receiving assistance
20 under the State program funded
21 under part A of title IV of the Social
22 Security Act (42 U.S.C. 601 et seq.),
23 or under any comparable State-funded
24 means-tested program of assistance
25 for low-income individuals, in order to

1 adequately assist those individuals
2 in—

3 “(aa) establishing small
4 businesses; and

5 “(bb) eliminating their de-
6 pendence on that assistance;

7 “(II) permit the grants described
8 in subclause (I) to be used to pay or
9 reimburse a portion of child care and
10 transportation costs of individuals de-
11 scribed in subclause (I) who become
12 microborrowers;

13 “(III) eliminate barriers to
14 microborrowers in establishing child
15 care businesses; and

16 “(IV) evaluate the effectiveness
17 of assistance provided under this
18 clause in helping individuals described
19 in subclause (I) to eliminate their de-
20 pendence on assistance described in
21 that subclause and become employed
22 in their own business;”;

23 (2) in paragraph (4), by adding at the end the
24 following:

25 “(F) SUPPLEMENTAL GRANTS.—

1 “(i) IN GENERAL.—In addition to
2 grants under subparagraphs (A) and (C)
3 and paragraph (5), the Administration
4 may select from participating
5 intermediaries and recipients of grants
6 under paragraph (5), not more than 20 en-
7 tities in fiscal year 1998, 25 entities in fis-
8 cal year 1999, and 30 entities in fiscal
9 year 2000, each of whom may receive an-
10 nually a supplemental grant in an amount
11 not to exceed \$200,000 for the purpose of
12 providing additional technical assistance
13 and related services to borrowers who are
14 receiving assistance described in paragraph
15 (1)(A)(iv)(I) at the time they initially
16 apply for assistance under the program.

17 “(ii) INAPPLICABILITY OF CONTRIBU-
18 TION REQUIREMENTS.—The contribution
19 requirements of subparagraphs (B) and
20 (C)(i)(II) do not apply to any grant made
21 under this subparagraph.

22 “(iii) CHILD CARE AND TRANSPOR-
23 TATION COSTS.—Any grant made under
24 this subparagraph may be used to pay or
25 reimburse a portion of the costs of child

1 care and transportation incurred by a bor-
 2 rower under the welfare-to-work microloan
 3 pilot program under paragraph
 4 (1)(A)(iv).”;

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

7 “(E) ESTABLISHMENT OF CHILD CARE ES-
 8 TABLISHMENTS.—In addition to other eligible
 9 small business concerns, borrowers under any
 10 program under this subsection may include in-
 11 dividuals who will use the loan proceeds to es-
 12 tablish for-profit or nonprofit child care estab-
 13 lishments.”;

14 (4) in paragraph (9)—

15 (A) by striking the paragraph designation
 16 and paragraph heading and inserting the fol-
 17 lowing:

18 “(9) GRANTS FOR MANAGEMENT, MARKETING,
 19 TECHNICAL ASSISTANCE, AND RELATED SERVICES.—
 20 ”; and

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

22 “(C) WELFARE-TO-WORK MICROLOAN
 23 PILOT PROGRAM.—Of amounts made available
 24 to carry out the welfare-to-work microloan pilot
 25 program under paragraph (1)(A)(iv) in any fis-

1 cal year, the Administration may use not more
2 than 5 percent to provide technical assistance,
3 either directly or through contractors, to wel-
4 fare-to-work microloan pilot program grantees,
5 to ensure that, as grantees, they have the
6 knowledge, skills, and understanding of micro-
7 lending and welfare-to-work transition, and
8 other related issues, to operate a successful wel-
9 fare-to-work microloan pilot program.”; and
10 (5) by adding at the end the following:

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

22 “(A) the number and location of each
23 grantee under the program;

24 “(B) the amount of each grant;

1 “(C) the number of individuals who re-
2 ceived assistance under each grant, including
3 separate data relating to—

4 “(i) the number of individuals who re-
5 ceived training;

6 “(ii) the number of individuals who
7 received transportation assistance; and

8 “(iii) the number of individuals who
9 received child care assistance (including
10 the number of children assisted);

11 “(D) the type and amount of loan and
12 grant assistance received by borrowers under
13 the program;

14 “(E) the number of businesses that were
15 started with assistance provided under the pro-
16 gram that are operational and the number of
17 jobs created by each business;

18 “(F) the number of individuals receiving
19 training under the program who, after receiving
20 assistance under the program—

21 “(i) are employed in their own busi-
22 nesses; and

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

1 “(G) whether and to what extent each
2 grant was used to defray the transportation and
3 child care costs of borrowers; and

4 “(H) any recommendations for legislative
5 changes to improve program operations.”.

6 (c) **AUTHORIZATION OF APPROPRIATIONS.**—There
7 are authorized to be appropriated to carry out the welfare-
8 to-work microloan pilot program under section
9 7(m)(1)(A)(iv) of the Small Business Act (as added by
10 this section)—

11 (1) \$3,000,000 for fiscal year 1998;

12 (2) \$4,000,000 for fiscal year 1999; and

13 (3) \$5,000,000 for fiscal year 2000.

14 **Subtitle B—Small Business**
15 **Investment Company Program**

16 **SEC. 211. 5-YEAR COMMITMENTS FOR SBICs AT OPTION OF**
17 **ADMINISTRATOR.**

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

22 **SEC. 212. FEES.**

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

1 “(e) FEES.—

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

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

8 “(A) deposited in the account for salaries
9 and expenses of the Administration; and

10 “(B) available without further appropria-
11 tion solely to cover contracting and other ad-
12 ministrative costs related to licensing.”.

13 **SEC. 213. SMALL BUSINESS INVESTMENT COMPANY PRO-**
14 **GRAM REFORM.**

15 (a) BANK INVESTMENTS.—Section 302(b) of the
16 Small Business Investment Act of 1958 (15 U.S.C.
17 682(b)) is amended by striking “1956,” and all that fol-
18 lows before the period and inserting the following: “1956,
19 any national bank, or any member bank of the Federal
20 Reserve System or nonmember insured bank to the extent
21 permitted under applicable State law, may invest in any
22 1 or more small business investment companies, or in any
23 entity established to invest solely in small business invest-
24 ment companies, except that in no event shall the total

1 amount of such investments of any such bank exceed 5
2 percent of the capital and surplus of the bank”.

3 (b) INDEXING FOR LEVERAGE.—Section 303 of the
4 Small Business Investment Act of 1958 (15 U.S.C. 683)
5 is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (2), by adding at the end
8 the following:

9 “(D)(i) The dollar amounts in subpara-
10 graphs (A), (B), and (C) shall be adjusted an-
11 nually to reflect increases in the Consumer
12 Price Index established by the Bureau of Labor
13 Statistics of the Department of Labor.

14 “(ii) The initial adjustments made under
15 this subparagraph after the date of enactment
16 of the Small Business Reauthorization Act of
17 1997 shall reflect only increases from March
18 31, 1993.”; and

19 (B) by striking paragraph (4) and insert-
20 ing the following:

21 “(4) MAXIMUM AGGREGATE AMOUNT OF LE-
22 VERAGE.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), the aggregate amount of
25 outstanding leverage issued to any company or

1 companies that are commonly controlled (as de-
2 termined by the Administrator) may not exceed
3 \$90,000,000, as adjusted annually for increases
4 in the Consumer Price Index.

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

7 “(i) approve an amount of leverage
8 that exceeds the amount described in sub-
9 paragraph (A) for companies under com-
10 mon control; and

11 “(ii) impose such additional terms and
12 conditions as the Administrator determines
13 to be appropriate to minimize the risk of
14 loss to the Administration in the event of
15 default.

16 “(C) APPLICABILITY OF OTHER PROVI-
17 SIONS.—Any leverage that is issued to a com-
18 pany or companies commonly controlled in an
19 amount that exceeds \$90,000,000, whether as a
20 result of an increase in the Consumer Price
21 Index or a decision of the Administrator, is sub-
22 ject to subsection (d).”; and

23 (2) by striking subsection (d) and inserting the
24 following:

25 “(d) REQUIRED CERTIFICATIONS.—

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

4 “(A) for licensees with leverage less than
5 or equal to \$90,000,000, that not less than 20
6 percent of the licensee’s aggregate dollar
7 amount of financings will be provided to smaller
8 enterprises; and

9 “(B) for licensees with leverage in excess
10 of \$90,000,000, that, in addition to satisfying
11 the requirements of subparagraph (A), 100 per-
12 cent of the licensee’s aggregate dollar amount
13 of financings made in whole or in part with le-
14 verage in excess of \$90,000,000 will be provided
15 to smaller enterprises as defined in section
16 103(12).

17 “(2) MULTIPLE LICENSEES.—Multiple licensees
18 under common control (as determined by the Admin-
19 istrator) shall be considered to be a single licensee
20 for purposes of determining both the applicability of
21 and compliance with the investment percentage re-
22 quirements of this subsection.”.

23 (c) TAX DISTRIBUTIONS.—Section 303(g)(8) of the
24 Small Business Investment Act of 1958 (15 U.S.C.
25 683(g)(8)) is amended by adding at the end the following:

1 “A company may also elect to make a distribution under
2 this paragraph at the end of any calendar quarter based
3 on a quarterly estimate of the maximum tax liability. If
4 a company makes 1 or more quarterly distributions for
5 a calendar year, and the aggregate amount of those dis-
6 tributions exceeds the maximum amount that the company
7 could have distributed based on a single annual computa-
8 tion, any subsequent distribution by the company under
9 this paragraph shall be reduced by an amount equal to
10 the excess amount distributed.”.

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

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

1 **SEC. 214. EXAMINATION FEES.**

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

9 **Subtitle C—Certified Development**
 10 **Company Program**

11 **SEC. 221. LOANS FOR PLANT ACQUISITION, CONSTRUCTION,**
 12 **CONVERSION, AND EXPANSION.**

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

15 (1) by striking paragraph (1) and inserting the
 16 following:

17 “(1) The proceeds of any such loan shall be
 18 used solely by the borrower to assist 1 or more iden-
 19 tifiable small business concerns and for a sound
 20 business purpose approved by the Administration.”;

21 (2) in paragraph (3), by adding at the end the
 22 following:

23 “(D) SELLER FINANCING.—Seller-provided
 24 financing may be used to meet the requirements
 25 of subparagraph (B), if the seller subordinates
 26 the interest of the seller in the property to the

1 debenture guaranteed by the Administration.”;

2 and

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

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

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

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

15 **SEC. 222. DEVELOPMENT COMPANY DEBENTURES.**

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

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

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

24 “(i) 0.9375 percent per year of the
25 outstanding balance of the loan; and

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

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

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

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

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

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

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

25 “(B) has a history of—

1 “(i) submitting to the Administration
2 adequately analyzed debenture guarantee
3 application packages; and

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

6 (3) by striking subsection (c) and inserting the
7 following:

8 “(c) LOSS RESERVE.—

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

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

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

17 “(B) 10 percent of the amount of the com-
18 pany’s exposure as determined under subsection
19 (b)(2)(C).

20 “(3) ASSETS.—The loss reserve shall be com-
21 prised of any combination of the following types of
22 assets:

23 “(A) segregated funds on deposit in an ac-
24 count or accounts with a federally insured de-
25 pository institution or institutions selected by

1 the company, subject to a collateral assignment
2 in favor of, and in a format acceptable to, the
3 Administration; or

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

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

12 “(A) 50 percent when a debenture is
13 closed;

14 “(B) 25 percent additional not later than
15 1 year after a debenture is closed; and

16 “(C) 25 percent additional not later than
17 2 years after a debenture is closed.

18 “(5) REPLENISHMENT.—If a loss has been sus-
19 tained by the Administration, any portion of the loss
20 reserve, and other funds provided by the premier
21 company as necessary, may be used to reimburse the
22 Administration for the company’s 10 percent share
23 of the loss as provided in subsection (b)(2)(C). If the
24 company utilizes the reserve, within 30 days it shall
25 replace an equivalent amount of funds.

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

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

7 (5) in subsection (g), by striking the subsection
8 heading and inserting the following:

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

10 (6) by striking subsection (h) and inserting the
11 following:

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

18 (7) in subsection (i), by striking “other lenders”
19 and inserting “other lenders, specifically comparing
20 default rates and recovery rates on liquidations”.

21 (b) REGULATIONS.—The Administrator of the Small
22 Business Administration shall—

23 (1) not later than 120 days after the date of
24 enactment of this Act, promulgate regulations to

1 carry out the amendments made by subsection (a);
2 and

3 (2) not later than 150 days after the date of
4 enactment of this Act, issue program guidelines and
5 fully implement the amendments made by subsection
6 (a).

7 (c) PROGRAM EXTENSION.—Section 217(b) of the
8 Small Business Reauthorization and Amendments Act of
9 1994 (15 U.S.C. 697e note) is amended by striking “Octo-
10 ber 1, 1997” and inserting “October 1, 2000”.

11 **TITLE III—WOMEN’S BUSINESS** 12 **ENTERPRISES**

13 **SEC. 301. INTERAGENCY COMMITTEE PARTICIPATION.**

14 Section 403 of the Women’s Business Ownership Act
15 of 1988 (15 U.S.C. 631 note) is amended—

16 (1) in subsection (a)(1), by adding at the end
17 the following:

18 “(K) The Department of Education.

19 “(L) The Environmental Protection Agen-
20 cy.

21 “(M) The Department of Energy.

22 “(N) The Administrator of the Office of
23 Procurement Policy.

24 “(O) The National Aeronautics and Space
25 Administration.”;

1 (2) in subsection (a)(2)(A)—

2 (A) by striking “and Amendments Act of
3 1994” and inserting “Act of 1997”; and

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

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

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

17 **SEC. 302. REPORTS.**

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

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

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

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

6 **SEC. 303. COUNCIL DUTIES.**

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

9 (1) in subsection (c), by inserting after “Ad-
10 ministrator” the following: “(through the Assistant
11 Administrator for the Office of Women’s Business
12 Ownership)”; and

13 (2) in subsection (d)—

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

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

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

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

23 “(A) a detailed description of the activities
24 of the council, including a status report on the
25 Council’s progress toward meeting its duties

1 outlined in subsections (a) and (d) of section
2 406;

3 “(B) the findings, conclusions, and rec-
4 ommendations of the Council; and

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

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

13 **SEC. 304. COUNCIL MEMBERSHIP.**

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

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

18 (2) in subsection (b)—

19 (A) by striking “and Amendments Act of
20 1994” and inserting “Act of 1997”;

21 (B) by inserting after “the Administrator
22 shall” the following: “, after receiving the rec-
23 ommendations of the Chair and the Ranking
24 Member of the Minority of the Committees on

1 Small Business of the House of Representatives
2 and the Senate, ”;

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

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

6 (E) in paragraph (2)—

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

8 and

9 (ii) by striking “and” at the end;

10 (F) in paragraph (3)—

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

12 (ii) by striking “national”; and

13 (iii) by striking the period at the end

14 and inserting the following: “, including

15 representatives of Women’s Business Cen-

16 ter sites; and”;

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

18 “(4) 2 shall be representatives of businesses or

19 educational institutions having an interest in wom-

20 en’s entrepreneurship.”; and

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

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

23 **SEC. 305. AUTHORIZATION OF APPROPRIATIONS.**

24 Section 409 of the Women’s Business Ownership Act

25 of 1988 (15 U.S.C. 631 note) is amended—

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

3 (2) by striking “\$350,000” and inserting
4 “\$400,000”.

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

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

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

9 “(a) DEFINITIONS.—In this section—

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

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

15 “(B) the management and daily business
16 operations of which are controlled by 1 or more
17 women; and

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

20 “(A) a women’s business center; or

21 “(B) 1 or more women’s business centers,
22 established in conjunction with another wom-
23 en’s business center in another location within
24 a State or region—

1 “(i) that reach a distinct population
2 that would otherwise not be served;

3 “(ii) whose services are targeted to
4 women; and

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

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

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

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

24 “(3) marketing assistance, including training
25 and counseling in identifying and segmenting domes-

1 tic and international market opportunities, preparing
2 and executing marketing plans, developing pricing
3 strategies, locating contract opportunities, negotiat-
4 ing contracts, and utilizing varying public relations
5 and advertising techniques.

6 “(c) CONDITIONS OF PARTICIPATION.—

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

13 “(A) in the first, second, and third years,
14 1 non-Federal dollar for each 2 Federal dollars;

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

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

19 “(2) FORM OF NON-FEDERAL CONTRIBU-
20 TIONS.—Not more than one-half of the non-Federal
21 sector matching assistance may be in the form of in-
22 kind contributions which are budget line items only,
23 including but not limited to office equipment and of-
24 fice space.

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

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

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

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

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

22 “(1) the experience of the applicant in conduct-
23 ing programs or ongoing efforts designed to impart
24 or upgrade the business skills of women business
25 owners or potential owners;

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

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

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

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

19 “(h) REPORT.—The Administrator shall prepare and
20 submit an annual report to the Committees on Small Busi-
21 ness of the House of Representatives and the Senate on
22 the effectiveness of all projects conducted under the au-
23 thority of this section. Such report shall provide informa-
24 tion concerning—

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

3 “(2) the number of startup business concerns
4 formed;

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

6 “(4) increases or decreases in profits of assisted
7 concerns; and

8 “(5) the employment increases or decreases of
9 assisted concerns.

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

24 (b) APPLICABILITY.—Any organization conducting a
25 3-year project under section 29 of the Small Business Act

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

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

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

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

15 “(1) QUALIFICATION.—The Assistant Adminis-
16 trator for the Office of Women’s Business Owner-
17 ship (hereafter in this section referred to as the ‘As-
18 sistant Administrator’) shall serve without regard to
19 the provisions of title 5, United States Code, govern-
20 ing appointments in the competitive service, and
21 without regard to chapter 51 and subchapter III of
22 chapter 53 of title 5, United States Code, relating
23 to classification and General Schedule pay rates, but
24 at a rate of pay not to exceed the maximum of pay

1 payable for a position at GS-17 of the General
2 Schedule.

3 “(2) RESPONSIBILITIES AND DUTIES.—

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

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

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

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

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

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

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

22 “(ii) recommending the annual admin-
23 istrative and program budgets for the Of-
24 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)(2)(B), relating to foster-
19 ing the participation of small business concerns in the con-
20 tracting opportunities of the Government, each Federal
21 agency, to the maximum extent practicable, shall—

22 “(1) comply with the provisions of this Act, in-
23 cluding section 15, expressing congressional intent
24 to foster the participation of small business concerns
25 as prime contractors;

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;

5 “(3) avoid the bundling of contract require-
6 ments that preclude small business participation as
7 prime contractors; and

8 “(4) comply with the provisions of this Act ex-
9 pressing congressional intent to foster the participa-
10 tion of small business concerns as subcontractors
11 (including suppliers), especially section 8(d).”.

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

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

15 “(o) CONTRACT BUNDLING.—In this Act—

16 “(1) the terms ‘contract bundling’ and ‘bun-
17 dling of contract requirements’ mean the practice of
18 consolidating 2 or more procurement requirements
19 of a type that were previously solicited and awarded
20 as separate smaller contracts into a single contract
21 solicitation likely to be unsuitable for award to a
22 small business concern due to—

23 “(A) the diversity and size of the elements
24 of performance specified;

1 “(B) the aggregate dollar value of the an-
2 ticipated award;

3 “(C) the geographical dispersion of the
4 contract performance sites; or

5 “(D) any combination of the factors de-
6 scribed in subparagraphs (A), (B), and (C); and

7 “(2) the term ‘bundled contract’ means a con-
8 tract that is entered into to meet requirements that
9 are consolidated in a bundling of contract require-
10 ments.

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

12 (a) IN GENERAL.—Section 15(b) of the Small Busi-
13 ness Act (15 U.S.C. 644(b)) is amended to read as follows:

14 “(b) PROCUREMENT STRATEGIES; CONTRACT BUN-
15 DLING.—

16 “(1) MAXIMUM PARTICIPATION BY SMALL BUSI-
17 NESSES.—

18 “(A) IN GENERAL.—To the maximum ex-
19 tent practicable, procurement strategies used by
20 the various agencies having contracting author-
21 ity shall facilitate the maximum participation of
22 small business concerns as prime contractors.

23 “(B) STRATEGY SPECIFICATIONS.—If a
24 proposed procurement strategy for a procure-
25 ment involves a bundling of contract require-

1 ments, the proposed procurement strategy
2 shall—

3 “(i) identify specifically the benefits
4 anticipated from the bundling of contract
5 requirements;

6 “(ii) contain an assessment of the spe-
7 cific impediments to participation by small
8 business concerns as prime contractors and
9 specify actions designed to maximize small
10 business participation as subcontractors
11 (including suppliers) at various tiers; and

12 “(iii) include a specific determination
13 that the anticipated benefits of the pro-
14 posed bundled contract justify its use.

15 “(2) ADMINISTRATION REVIEW.—

16 “(A) IN GENERAL.—The Administration,
17 acting through 1 of its Procurement Center
18 Representatives (or such other employee of the
19 Administration as may be designated), may re-
20 view, for a period of not more than 30 days, a
21 proposed solicitation for compliance with the re-
22 quirements of this subsection and subsection
23 (a). A review under this subparagraph shall
24 occur concurrently with other required reviews
25 prior to the issuance of the solicitation.

1 “(B) PROCEDURES.—Not later than 15
2 days after receipt from a procurement activity
3 of a Federal agency of any proposed contract
4 solicitation that in the opinion of the Adminis-
5 tration’s representative would constitute a bun-
6 dling of contract requirements, the Administra-
7 tion’s representative shall—

8 “(i) request the head of the procure-
9 ment activity to furnish recommendations
10 to modify the procurement strategy and
11 the proposed solicitation for the purpose of
12 increasing the probability of participation
13 by small businesses as prime contractors;
14 or

15 “(ii) recommend to the procurement
16 activity an alternative procurement strat-
17 egy that would increase the probability of
18 participation by small businesses as prime
19 contractors.

20 “(C) DISPUTE RESOLUTION.—Whenever
21 the Administration’s representative and the
22 head of the procurement activity fail to agree to
23 a revision of the procurement strategy (or the
24 proposed solicitation) under subparagraph (B),
25 the matter may be submitted by the Adminis-

1 trator to the head of the Federal agency for de-
2 termination.

3 “(D) SUPPORTING INFORMATION.—Any
4 determination by an agency head to issue a con-
5 tract solicitation with no revision of the pro-
6 curement strategy (or the proposed solicitation)
7 shall be supported by findings and an assess-
8 ment addressing the matters described in sub-
9 paragraph (E). Such determination and find-
10 ings shall be submitted to the Administrator.

11 “(E) SPECIFIC FINDINGS.—The findings
12 made by an agency head to accompany a deter-
13 mination described in subparagraph (D), shall
14 include—

15 “(i) the estimated benefits of the pro-
16 posed bundling of contract requirements,
17 including improved performance of pro-
18 grammatic objectives to be met by the con-
19 tract, savings in terms of acquisition costs
20 and contract administration costs, and how
21 such estimated benefits were calculated;

22 “(ii) specific adverse impacts of the
23 bundling of contract requirements on the
24 participation of small business concerns as
25 prime contractors, especially small business

1 concerns that are performing (or have pre-
2 viously performed) contracts of the type
3 that are proposed for inclusion in the solic-
4 itation for the bundled contract;

5 “(iii) specific actions to foster the par-
6 ticipation of small business concerns in the
7 performance of the bundled contract as
8 subcontractors (including suppliers) at var-
9 ious tiers; and

10 “(iv) such other matters as the agency
11 head considers appropriate.

12 “(F) TIMING.—Unless otherwise author-
13 ized by the head of the agency for urgent and
14 compelling reasons, the solicitation shall not be
15 issued until the determination under subpara-
16 graph (D) has been made by such agency head
17 and submitted to the Administrator.”.

18 (b) RESPONSIBILITIES OF AGENCY SMALL BUSINESS

19 ADVOCATES.—Section 15(k) of the Small Business Act
20 (15 U.S.C. 644(k)) is amended—

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

24 (2) by inserting after paragraph (4) the follow-
25 ing:

1 “(5) identify and report on proposed solicita-
2 tions that involve bundling of contract requirements,
3 and work with the agency acquisition officials and
4 the Administration to revise the procurement strate-
5 gies for such proposed solicitations to increase the
6 probability of participation by small businesses as
7 prime contractors, or to facilitate small business
8 participation as subcontractors and suppliers, if a
9 solicitation for a bundled contract is to be issued;”.

10 **SEC. 414. FOSTERING CONTRACTOR TEAMING.**

11 Section 15(b) of the Small Business Act (15 U.S.C.
12 644(b)) (as amended by section 413 of this title) is
13 amended by adding at the end the following:

14 “(3) CONTRACT TEAMING.—

15 “(A) IN GENERAL.—A small business con-
16 cern intending to submit an offer for bundled
17 contract requirements may propose to the Ad-
18 ministration for approval a team of subcontrac-
19 tors meeting the requirements of subparagraph
20 (B) without regard to the requirements of sub-
21 section (o) or the regulations of the Administra-
22 tion regarding findings of affiliation or control,
23 either direct or indirect.

1 “(B) TEAM COMPOSITION.—A subcontract-
2 ing team proposed for a contract under sub-
3 paragraph (A) may include—

4 “(i) other small business concerns;
5 and

6 “(ii) business concerns other than
7 small business concerns, whose aggregate
8 participation may not represent more than
9 25 percent of the anticipated total value of
10 the contract.

11 “(C) OTHER REQUIREMENTS.—Any sub-
12 contracting team proposed under subparagraph
13 (A) and approved by the Administrator shall be
14 subject to such alternative requirements regard-
15 ing subcontracting and affiliation or control as
16 may be specified by the Administrator.”.

17 **SEC. 415. REPORTING OF BUNDLED CONTRACT OPPORTU-**
18 **NITIES.**

19 (a) DATA COLLECTION REQUIRED.—

20 (1) IN GENERAL.—The Federal Procurement
21 Data System described in section 6(d)(4)(A) of the
22 Office of Federal Procurement Policy Act (41 U.S.C.
23 405(d)(4)(A)) shall be modified to collect data re-
24 garding contract bundling.

1 (2) DETERMINATION.—The data collected
2 under paragraph (1) shall reflect the determination
3 made by the employee of the Small Business Admin-
4 istration exercising the responsibilities of section
5 15(b) of the Small Business Act (15 U.S.C. 644(b))
6 (as amended by section 413(a) of this title) regard-
7 ing whether a particular solicitation constitutes con-
8 tract bundling.

9 (b) DEFINITIONS.—In this section, the term “con-
10 tract bundling” has the meaning given that term in sec-
11 tion 3(o) of the Small Business Act (15 U.S.C. 632(o))
12 (as added by section 412 of this title).

13 **SEC. 416. EVALUATING SUBCONTRACT PARTICIPATION IN**
14 **AWARDING CONTRACTS.**

15 (a) IN GENERAL.—Section 8(d)(4) of the Small Busi-
16 ness Act (15 U.S.C. 637(d)(4)) is amended by striking
17 “(4)(A)” and all that follows through the end of subpara-
18 graph (D) and inserting the following:

19 “(4)(A) Each solicitation for the award of a contract
20 (or subcontract) with an anticipated value which may ex-
21 ceed \$1,000,000, in the case of a contract for construction
22 (including repair, alteration, or demolition of existing con-
23 struction) or which may exceed \$500,000, in the case of
24 a contract for all other types of services or supplies, that
25 can reasonably be expected to offer opportunities for sub-

1 contracting in the business judgment of the contracting
2 officer, shall—

3 “(i) in the case of a contract to be awarded
4 using competitive procedures, include solicitation
5 provisions described in subparagraph (B);

6 “(ii) in the case of a contract to be awarded
7 using procedures other than competitive procedures,
8 require submission and acceptance of a subcontract-
9 ing plan pursuant to subparagraph (C); and

10 “(iii) in the case of a subcontract award, re-
11 quire submission and acceptance of a subcontracting
12 plan pursuant to subparagraph (D).

13 “(B) With respect to subcontract participation by the
14 various types of small business concerns listed in para-
15 graph (1), the solicitation shall—

16 “(i) specify, whenever practicable, minimum
17 percentages for subcontract participation by the var-
18 ious types of small business concerns listed in para-
19 graph (1), determined in the exercise of business
20 judgment by the contracting officer considering the
21 matters described in subparagraph (F)(iii), that
22 must be met for an offer to be considered respon-
23 sive;

24 “(ii) assign a weight of not less than the nu-
25 merical equivalent of 5 percent of the total of all

1 evaluation factors to a contract award evaluation
2 factor that recognizes incrementally higher rates for
3 participation by small business concerns in sub-
4 contracts in excess of the minimum percentages, if
5 any;

6 “(iii) require the successful offeror to submit a
7 subcontracting plan that incorporates the informa-
8 tion prescribed in paragraph (6); and

9 “(iv) in the evaluation of past performance by
10 an offeror, assign a significant weight to the
11 offeror’s attainment of subcontract participation
12 goals.

13 “(C)(i) The apparent successful offeror for a contract
14 to be awarded using procedures other than competitive
15 procedures shall negotiate with the contracting officer—

16 “(I) separate goals for subcontract participation
17 by the various types of small business concerns list-
18 ed in paragraph (1); and

19 “(II) a plan for the attainment of the goals that
20 incorporates the information prescribed in paragraph
21 (6).

22 “(ii) The goals and plan shall reflect the maximum
23 practicable opportunity for participation of small business
24 concerns in the performance of the contract, considering
25 the matters described in subparagraph (F)(iii). If, within

1 the time limits, prescribed in the Federal Acquisition Reg-
2 ulation, the apparent successful offeror fails to negotiate
3 such goals and subcontracting plan, the offeror shall be
4 ineligible for award of the contract.

5 “(D) An apparent subcontract awardee shall nego-
6 tiate with the prime contractor (or higher-tier subcontrac-
7 tor) a goal for the participation of the various types of
8 small business concerns listed in paragraph (1) in the per-
9 formance of the subcontract, and a plan for the attain-
10 ment of those goals which incorporates the information
11 prescribed in paragraph (6). The goals and plan shall pro-
12 vide for the maximum practicable opportunity for the par-
13 ticipation of such small business concerns in the perform-
14 ance of the subcontract, considering the matters described
15 in subparagraph (F)(iii).”.

16 (b) CONFORMING AMENDMENTS.—Section 8(d) of
17 the Small Business Act (15 U.S.C. 637(d)) is amended—

18 (1) by striking paragraph (5) and inserting the
19 following:

20 “(5) [Reserved.]”;

21 (2) in paragraph (6)—

22 (A) in the matter preceding subparagraph

23 (A), by striking “or (5)”; and

24 (B) in subparagraph (D), by striking “or

25 (5)”;

1 (3) in paragraph (7), by striking “(4), (5),”
2 and inserting “(4)”; and

3 (4) in paragraph (10)—

4 (A) in the matter preceding subparagraph
5 (A), by striking “(4), (5),” and inserting “(4);”
6 and

7 (B) in subparagraph (B), by striking
8 “paragraphs (4) and (5)” and inserting “para-
9 graph (4)”.

10 **SEC. 417. 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. 418. 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 Administration to notify
2 small businesses through outreach programs of regu-
3 lations that affect small businesses and making
4 counseling, conferences, and materials available on
5 methods of compliance;”;

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

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

10 (G) by inserting after subparagraph (R)
11 the following:

12 “(S) providing counseling and technology devel-
13 opment when necessary to help small businesses find
14 solutions for complying with environmental, energy,
15 health, safety, and other Federal, State, and local
16 regulations.”;

17 (2) in paragraph (5)—

18 (A) by moving the margin 2 ems to the
19 right;

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

22 (C) by striking “which ever” and inserting
23 “whichever”; and

24 (D) by striking “last,,” and inserting
25 “last,”;

1 (3) by redesignating paragraphs (4) through
 2 (7) as paragraphs (5) through (8), respectively; and
 3 (4) in paragraph (3), in the undesignated mate-
 4 rial following subparagraph (S) (as added by this
 5 subsection), by striking “A small” and inserting the
 6 following:

7 “(4) A small”.

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

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

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

22 **SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE**
 23 **PROGRAM EXTENSION.**

24 Section 207 of the Small Business Administration
 25 Reauthorization and Amendment Act of 1988 (15 U.S.C.

1 694b note) is amended by striking “September 30, 1997”
 2 and inserting “September 30, 2000”.

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

4 Section 401(a)(2) of the Small Business Administra-
 5 tion Reauthorization and Amendments Act of 1994 (15
 6 U.S.C. 637 note) is amended by striking “September 30,
 7 1997” and inserting “September 30, 2000”.

8 **TITLE VI—HUBZONE PROGRAM**

9 **SEC. 601. SHORT TITLE.**

10 This title may be cited as the “HUBZone Act of
 11 1997”.

12 **SEC. 602. HISTORICALLY UNDERUTILIZED BUSINESS**
 13 **ZONES.**

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

17 “(p) DEFINITIONS RELATING TO HUBZONES.—In
 18 this Act:

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

22 “(A) qualified census tracts;

23 “(B) qualified nonmetropolitan counties; or

24 “(C) lands within the external boundaries
 25 of an Indian reservation.

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

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

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

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

11 “(4) QUALIFIED AREAS.—

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

16 “(B) QUALIFIED NONMETROPOLITAN
17 COUNTY.—The term ‘qualified nonmetropolitan
18 county’ means any county—

19 “(i) that, based on the most recent
20 data available from the Bureau of the Cen-
21 sus of the Department of Commerce—

22 “(I) is not located in a metropoli-
23 tan statistical area (as that term is
24 defined in section 143(k)(2)(B) of the
25 Internal Revenue Code of 1986); and

1 “(II) in which the median house-
 2 hold income is less than 80 percent of
 3 the nonmetropolitan State median
 4 household income; or

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

11 “(5) QUALIFIED HUBZONE SMALL BUSINESS
 12 CONCERN.—

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

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

23 “(I) it is a HUBZone small busi-
 24 ness concern;

1 “(II) not less than 35 percent of
2 the employees of the small business
3 concern reside in a HUBZone, and
4 the small business concern will at-
5 tempt to maintain this employment
6 percentage during the performance of
7 any contract awarded to the small
8 business concern on the basis of a
9 preference provided under section
10 31(b); and

11 “(III) with respect to any sub-
12 contract entered into by the small
13 business concern pursuant to a con-
14 tract awarded to the small business
15 concern under section 31, the small
16 business concern will ensure that—

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

1 “(bb) in the case of a con-
2 tract for procurement of supplies
3 (other than procurement from a
4 regular dealer in such supplies),
5 not less than 50 percent of the
6 cost of manufacturing the sup-
7 plies (not including the cost of
8 materials) will be incurred in
9 connection with the performance
10 of the contract in a HUBZone by
11 1 or more HUBZone small busi-
12 ness concerns; and

13 “(ii) no certification made or informa-
14 tion provided by the small business concern
15 under clause (i) has been, in accordance
16 with the procedures established under sec-
17 tion 31(c)(1)—

18 “(I) successfully challenged by an
19 interested party; or

20 “(II) otherwise determined by the
21 Administrator to be materially false.

22 “(B) CHANGE IN PERCENTAGES.—The Ad-
23 ministrator may utilize a percentage other than
24 the percentage specified in under subclause (IV)
25 or (V) of subparagraph (A)(i), if the Adminis-

1 trator determines that such action is necessary
2 to reflect conventional industry practices among
3 small business concerns that are below the nu-
4 merical size standard for businesses in that in-
5 dustry category.

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

17 “(D) LIST OF QUALIFIED SMALL BUSINESS
18 CONCERNS.—The Administrator shall establish
19 and maintain a list of qualified HUBZone small
20 business concerns, which list shall, to the extent
21 practicable—

22 “(i) include the name, address, and
23 type of business with respect to each such
24 small business concern;

1 “(ii) be updated by the Administrator
2 not less than annually; and

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

5 (b) FEDERAL CONTRACTING.—

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

8 (A) by redesignating section 31 as section
9 32; and

10 (B) by inserting after section 30 the fol-
11 lowing:

12 **“SEC. 31. HUBZONE PROGRAM.**

13 “(a) IN GENERAL.—There is established within the
14 Administration a program to be carried out by the Admin-
15 istrator to provide for Federal contracting assistance to
16 qualified HUBZone small business concerns in accordance
17 with this section.

18 “(b) ELIGIBLE CONTRACTS.—

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

20 “(A) the term ‘contracting officer’ has the
21 meaning given that term in section 27(f)(5) of
22 the Office of Federal Procurement Policy Act
23 (41 U.S.C. 423(f)(5)); and

24 “(B) the terms ‘executive agency’ and ‘full
25 and open competition’ have the meanings given

1 such terms in section 4 of the Office of Federal
2 Procurement Policy Act (41 U.S.C. 403).

3 “(2) REQUIREMENTS.—Subject to paragraph
4 (3), a contract opportunity offered for award pursu-
5 ant to this section shall be awarded on the basis of
6 competition restricted to qualified HUBZone small
7 business concerns, if there is a reasonable expecta-
8 tion that not less than 2 qualified HUBZone small
9 business concerns will submit offers and that award
10 can be made at a fair market price.

11 “(3) ALTERNATE AUTHORITY.—Notwithstand-
12 ing any other provision of law, a contracting officer
13 may award sole source contracts under this section
14 to any qualified HUBZone small business concern,
15 if—

16 “(A) the qualified HUBZone small busi-
17 ness concern is determined to be a responsible
18 contractor with respect to performance of such
19 contract opportunity;

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

22 “(i) \$5,000,000, in the case of a con-
23 tract opportunity assigned a standard in-
24 dustrial classification code for manufactur-
25 ing; or

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

3 “(C) in the estimation of the contracting
4 officer, the contract award can be made at a
5 fair and reasonable price.

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

17 “(5) RELATIONSHIP TO OTHER CONTRACTING
18 PREFERENCES.—

19 “(A) SUBORDINATE RELATIONSHIP.—A
20 procurement may not be made from a source on
21 the basis of a preference provided in paragraph
22 (2), (3), or (4), if the procurement would other-
23 wise be made from a different source under sec-
24 tion 4124 or 4125 of title 18, United States
25 Code, or the Javits-Wagner-O’Day Act.

1 “(B) PARITY RELATIONSHIP.—The provi-
2 sions of paragraphs (2), (3), and (4) shall not
3 limit the discretion of a contracting officer to
4 let any procurement contract to the Administra-
5 tion under section 8(a). Notwithstanding sec-
6 tion 8(a), the Administration may not appeal
7 an adverse decision of any contracting officer
8 declining to let a procurement contract to the
9 Administration, if the procurement is made to
10 a qualified HUBZone small business concern on
11 the basis of a preference under paragraph (2),
12 (3), or (4).

13 “(c) ENFORCEMENT; PENALTIES.—

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

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

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

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

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

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

1 “(A) section 1001 of title 18, United
2 States Code; and

3 “(B) sections 3729 through 3733 of title
4 31, United States Code.”.

5 (2) INITIAL LIMITED APPLICABILITY.—During
6 the period beginning on the date of enactment of
7 this Act and ending on September 30, 2000, section
8 31 of the Small Business Act (as added by para-
9 graph (1) of this subsection) shall apply only to pro-
10 curements by—

11 (A) the Department of Defense;

12 (B) the Department of Agriculture;

13 (C) the Department of Health and Human
14 Services;

15 (D) the Department of Transportation;

16 (E) the Department of Energy;

17 (F) the Department of Housing and Urban
18 Development;

19 (G) the Environmental Protection Agency;

20 (H) the National Aeronautics and Space
21 Administration;

22 (I) the General Services Administration;

23 and

24 (J) the Department of Veterans Affairs.

1 **SEC. 603. TECHNICAL AND CONFORMING AMENDMENTS TO**
2 **THE SMALL BUSINESS ACT.**

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

5 (1) in paragraph (1)—

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

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

16 (2) in paragraph (3)—

17 (A) by inserting “qualified HUBZone
18 small business concerns,” after “small business
19 concerns,” each place that term appears; and

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

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

25 (3) in paragraph (4)(E), by striking “small
26 business concerns and” and inserting “small busi-

1 ness concerns, qualified HUBZone small business
2 concerns, and”;

3 (4) in paragraph (6), by inserting “qualified
4 HUBZone small business concerns,” after “small
5 business concerns,” each place that term appears;
6 and

7 (5) in paragraph (10), by inserting “qualified
8 HUBZone small business concerns,” after “small
9 business concerns,”.

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

12 (1) in subsection (g)(1)—

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

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

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

1 than 2 percent of the total value of all prime
2 contract awards for fiscal year 2001, not less
3 than 2.5 percent of the total value of all prime
4 contract awards for fiscal year 2002, and not
5 less than 3 percent of the total value of all
6 prime contract awards for fiscal year 2003 and
7 each fiscal year thereafter.”;

8 (2) in subsection (g)(2)—

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

16 (B) in the second sentence, by inserting
17 “qualified HUBZone small business concerns,”
18 after “small business concerns,”; and

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

1 controlled by socially and economically dis-
 2 advantaged individuals, and by small business
 3 concerns owned and controlled by women”; and
 4 (3) in subsection (h), by inserting “qualified
 5 HUBZone small business concerns,” after “small
 6 business concerns,” each place that term appears.

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

9 (1) in subsection (d)(1)—

10 (A) by inserting “, a ‘qualified HUBZone
 11 small business concern’,” after “‘small business
 12 concern’,”; and

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

16 (2) in subsection (e), by inserting “, a
 17 ‘HUBZone small business concern’,” after “‘small
 18 business concern’,”.

19 **SEC. 604. OTHER TECHNICAL AND CONFORMING AMEND-**
 20 **MENTS.**

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

23 (1) in subsection (a)(1)(A), by inserting before
 24 the semicolon the following: “, and qualified
 25 HUBZone small business concerns (as that term is

1 defined in section 3(p) of the Small Business Act”);
2 and

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

7 (b) FEDERAL HOME LOAN BANK ACT.—Section
8 21A(b)(13) of the Federal Home Loan Bank Act (12
9 U.S.C. 1441a(b)(13)) is amended—

10 (1) by striking “concerns and small” and in-
11 serting “concerns, small”; and

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

16 (c) SMALL BUSINESS ECONOMIC POLICY ACT OF
17 1980.—Section 303(e) of the Small Business Economic
18 Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

19 (1) in paragraph (1), by striking “and” at the
20 end;

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

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

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

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

10 (e) TITLE 31, UNITED STATES CODE.—

11 (1) CONTRACTS FOR COLLECTION SERVICES.—
12 Section 3718(b) of title 31, United States Code, is
13 amended—

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

19 (B) in paragraph (3)—

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

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

1 (iii) in subparagraph (B), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iv) by adding at the end the follow-
5 ing:

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

10 (2) PAYMENTS TO LOCAL GOVERNMENTS.—Sec-
11 tion 6701(f) of title 31, United States Code, is
12 amended—

13 (A) in paragraph (1)—

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

16 (ii) in subparagraph (B), by striking
17 the period at the end and inserting “;
18 and”; and

19 (iii) by adding at the end the follow-
20 ing:

21 “(C) qualified HUBZone small business
22 concerns.”; and

23 (B) in paragraph (3)—

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

1 (ii) in subparagraph (B), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the follow-
5 ing:

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

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

15 (f) OFFICE OF FEDERAL PROCUREMENT POLICY
16 ACT.—

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

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

1 (B) in paragraph (12), by inserting “quali-
2 fied HUBZone small business concerns (as that
3 term is defined in section 3(p) of the Small
4 Business Act (15 U.S.C. 632(o)),” after “small
5 businesses,”.

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

9 (A) in subsection (a)—

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

14 (ii) by inserting a comma after
15 “women”; and

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

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

25 (1) in subsection (a)—

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

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

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

5 “(4) qualified HUBZone small business con-
6 cerns.”; and

7 (2) in subsection (b), by adding at the end the
8 following:

9 “(3) The term ‘qualified HUBZone small busi-
10 ness concern’ has the meaning given that term in
11 section 3(p) of the Small Business Act (15 U.S.C.
12 632(o)).”.

13 (h) TITLE 49, UNITED STATES CODE.—

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

18 (A) in paragraph (1), by inserting before
19 the period “or qualified HUBZone small busi-
20 ness concerns (as that term is defined in section
21 3(p) of the Small Business Act)”;

22 (B) in paragraph (4)(B), by inserting be-
23 fore the period “or as a qualified HUBZone
24 small business concern (as that term is defined

1 in section 3(p) of the Small Business Act”);
2 and

3 (C) in paragraph (6), by inserting “or a
4 qualified HUBZone small business concern (as
5 that term is defined in section 3(p) of the Small
6 Business Act)” after “disadvantaged individ-
7 ual”.

8 (2) MINORITY AND DISADVANTAGED BUSINESS
9 PARTICIPATION.—Section 47113 of title 49, United
10 States Code, is amended—

11 (A) in subsection (a)—

12 (i) in paragraph (1), by striking the
13 period at the end and inserting a semi-
14 colon;

15 (ii) in paragraph (2), by striking the
16 period at the end and inserting “; and”;
17 and

18 (iii) by adding at the end the follow-
19 ing:

20 “(3) the term ‘qualified HUBZone small busi-
21 ness concern’ has the meaning given that term in
22 section 3(p) of the Small Business Act (15 U.S.C.
23 632(o)).”; and

1 (B) in subsection (b), by inserting before
2 the period “or qualified HUBZone small busi-
3 ness concerns”.

4 **SEC. 605. REGULATIONS.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of enactment of this Act, the Administrator of the
7 Small Business Administration shall publish in the Fed-
8 eral Register such final regulations as may be necessary
9 to carry out this title and the amendments made by this
10 title.

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

19 **SEC. 606. REPORT.**

20 Not later than March 1, 2000, the Administrator of
21 the Small Business Administration shall submit to the
22 Committees on Small Business of the House of Represent-
23 atives and the Senate a report on the implementation of
24 the HUBZone program established under section 31 of the
25 Small Business Act (as amended by this title) and the de-

1 gree to which the HUBZone program has resulted in in-
2 creased employment opportunities and an increased level
3 of investment in HUBZones (as that term is defined in
4 section 3(p) of the Small Business Act, as added by this
5 title).

6 **SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

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

10 (1) in subsection (c), by adding at the end the
11 following:

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

16 (2) in subsection (d), by adding at the end the
17 following:

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

22 (3) in subsection (e), by adding at the end the
23 following:

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

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