Mr. Speaker, S. 714 provides new authority to the V.A. I believe these programs will enhance V.A. housing programs for native American veterans and improve the quality of home care treatment for our veterans. I would urge my colleagues to join us in supporting this measure.

Mrs. MINK of Hawaii. Mr. Speaker, I rise to express my support for S. 714, extending and improving the Native American Veteran Housing Loan Pilot Program, Homeless Veterans Programs, and other authorities of the Secretary of Veterans Affairs.

The Native American Veteran Housing Loan Pilot Program authorizes the Secretary of Veterans Affairs to make direct housing loans to qualified Native American Veterans. S. 714 will extend the authority of this program for an additional six years, until December 2003.

The bill contains a provision that would be of particular interest to a portion of my constituency in Hawaii, Native Hawaiian Veterans. The bill extends authority of outreach activities under the Native American Veteran Housing Loan Pilot Program to conferences and conventions conducted by the Department of Hawaiian Homelands. This provision authorizes needed assistance in educating Native Hawaiian Veterans of the availability of these special direct housing loans.

S. 714 also extends the authorization of a number of valuable veterans health care activities and activities that serve the homeless veterans including: Noninstitutional Alternatives to Nursing Home Care Pilot Program; Health Professional Scholarship Program; Drug and alcohol abuse and dependence programs; Housing assistance for Homeless Veterans; Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans; A Demonstration Program of Compensated Work Therapy; Services and Assistance to Homeless Veterans; and Homeless Veterans' Reintegration Projects.

These programs will help provide for the many needs of our veteran population.

Passage of legislation extending such important veterans programs would be a proper way to begin a week of honoring our Veterans and I urge the immediate passage of S. 714.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATHAM). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the Senate bill, S. 714, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: ''An Act to amend title 38, United States Code, to revise, extend, and improve programs for veterans.''.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF LEGISLATION TO BE CONSIDERED UNDER SUSPENSION OF THE RULES TODAY

Mr. TALENT. Mr. Speaker, earlier today it was announced that the Committee on Transportation and Infrastructure would bring to the floor H.R. 2834, Cleveland Airport Transfer. It is now expected that the committee will bring up the Senate version, S. 1347.

SMALL BUSINESS REAUTHORIZATION ACT OF 1997

Mr. TALENT. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the House amendment to the Senate bill, S. 1139, to reauthorize the programs of the Small Business Administration, and for other purposes.

The Clerk read as follows:

Senate amendment to House amendment:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Small Business Reauthorization Act of 1997''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. 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 initiative.

Subtitle B—Small Business Investment Company Program

Sec. 211. 5-year commitments for SBICs at option of Administrator.
Sec. 212. Underserved areas.
Sec. 213. Private capital.
Sec. 214. Fees.
Sec. 215. Small business investment company program reform.
Sec. 216. 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.

Subtitle D—Miscellaneous Provisions

Sec. 231. Background check of loan applicants.
Sec. 232. Report on increased lender approval, servicing, foreclosure, liquidation, and litigation of section 7(a) loans.
Sec. 233. Completion of planning for loan monitoring system.

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. National Women's Business Council procurement project.
Sec. 307. Studies and other research.
Sec. 308. Women's business centers.

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.
Sec. 405. Technical amendments.

Subtitle B—Small Business Procurement Opportunities Program

Sec. 411. Contract bundling.
Sec. 412. Definition of contract bundling.
Sec. 413. Assessing proposed contract bundling.
Sec. 414. Reporting of bundled contract opportunities.
Sec. 415. Evaluating subcontract participation in awarding contracts.
Sec. 416. Improved notice of subcontracting opportunities.
Sec. 417. Deadlines for issuance of regulations.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Small Business Technology Transfer program.
Sec. 502. Small Business Development Centers.
Sec. 503. Pilot preferred surety bond guarantee program extension.
Sec. 504. Extension of cosponsorship authority.
Sec. 505. Asset sales.
Sec. 506. Small business export promotion.
Sec. 507. Defense Loan and Technical Assistance program.
Sec. 508. Very small business concerns.
Sec. 509. Trade assistance program for small business concerns adversely affected by NAFTA.

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.

TITLE VII—SERVICE DISABLED VETERANS

Sec. 701. Purposes.
Sec. 702. Definitions.
Sec. 703. Report by Small Business Administration.
Sec. 704. Information collection.
Sec. 705. State of small business report.
Sec. 706. Loans to veterans.
Sec. 707. Entrepreneurial training, counseling, and management assistance.
Sec. 708. Grants for eligible veterans' outreach programs.
Sec. 709. Outreach for eligible veterans.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''Administration'' means the Small Business Administration;

(2) the term ''Administrator'' means the Administrator of the Small Business Administration;

(3) the term ''Committees'' means the Committees on Small Business of the House of Representatives and the Senate; and

(4) the term ''small business concern'' has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 3. EFFECTIVE DATE.

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

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

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

''(c) FISCAL YEAR 1998.—

''(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1998:

''(A) For the programs authorized by this Act, the Administration is authorized to make—

''(i) $40,000,000 in technical assistance grants, as provided in section 7(m); and

''(ii) $60,000,000 in direct loans, as provided in section 7(m).

''(B) For the programs authorized by this Act, the Administration is authorized to make $16,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

''(i) $12,000,000,000 in general business loans as provided in section 7(a);

''(ii) $3,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

''(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

''(iv) $40,000,000 in loans as provided in section 7(m).

''(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

''(i) $700,000,000 in purchases of participating securities; and

''(ii) $600,000,000 in guarantees of debentures.

''(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

''(E) The Administration is authorized to make grants or enter into cooperative agreements—

''(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000; and

''(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), $15,000,000, to remain available until expended.

''(2) ADDITIONAL AUTHORIZATIONS.—

''(A) There are authorized to be appropriated to the Administration for fiscal year 1998 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

''(B) Notwithstanding subparagraph (A), for fiscal year 1998—

''(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

''(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

''(d) FISCAL YEAR 1999.—

''(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1999:

''(A) For the programs authorized by this Act, the Administration is authorized to make—

''(i) $40,000,000 in technical assistance grants as provided in section 7(m); and

''(ii) $60,000,000 in direct loans, as provided in section 7(m).

''(B) For the programs authorized by this Act, the Administration is authorized to make $17,540,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

''(i) $13,000,000,000 in general business loans as provided in section 7(a);

''(ii) $3,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

''(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

''(iv) $40,000,000 in loans as provided in section 7(m).

''(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

''(i) $800,000,000 in purchases of participating securities; and

''(ii) $700,000,000 in guarantees of debentures.

''(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

''(E) The Administration is authorized to make grants or enter cooperative agreements—

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

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

''(2) ADDITIONAL AUTHORIZATIONS.—

''(A) There are authorized to be appropriated to the Administration for fiscal year 1999 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

''(B) Notwithstanding subparagraph (A), for fiscal year 1999—

''(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

''(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

''(e) FISCAL YEAR 2000.—

''(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2000:

''(A) For the programs authorized by this Act, the Administration is authorized to make—

''(i) $40,000,000 in technical assistance grants as provided in section 7(m); and

''(ii) $60,000,000 in direct loans, as provided in section 7(m).

''(B) For the programs authorized by this Act, the Administration is authorized to make $20,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

''(i) $14,500,000,000 in general business loans as provided in section 7(a);

''(ii) $4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

''(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

''(iv) $40,000,000 in loans as provided in section 7(m).

''(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

''(i) $900,000,000 in purchases of participating securities; and

''(ii) $800,000,000 in guarantees of debentures.

''(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

''(E) The Administration is authorized to make grants or enter cooperative agreements—

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

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

''(2) ADDITIONAL AUTHORIZATIONS.—

''(A) There are authorized to be appropriated to the Administration for fiscal year 2000 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

''(B) Notwithstanding subparagraph (A), for fiscal year 2000—

''(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

''(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.''.

TITLE II—FINANCIAL ASSISTANCE

Subtitle A—Microloan Program

SEC. 201. MICROLOAN PROGRAM.

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

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

''(i) during the initial 5 years of the intermediary's participation in the program under this subsection, at a level equal to not more than 15 percent of the outstanding balance of the notes receivable owed to the intermediary; and

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

''(I) 2 times an amount reflecting the total losses of the intermediary as a result of participation in the program under this subsection, as determined by the Administrator on a case-by-case basis; or

''(II) 10 percent of the outstanding balance of the notes receivable owed to the intermediary.''.

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

(1) in the subsection heading, by striking ''DEMONSTRATION'';

(2) by striking ''Demonstration'' each place that term appears;

(3) by striking ''demonstration'' each place that term appears; and

(4) in paragraph (12), by striking ''during fiscal years 1995 through 1997'' and inserting ''during fiscal years 1998 through 2000''.

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

(1) in paragraph (4)(E)—

(A) by striking ''Each intermediary'' and inserting the following:

''(i) IN GENERAL.—Each intermediary'';

(B) by striking ''15'' and inserting ''25''; and

(C) by adding at the end the following:

''(ii) TECHNICAL ASSISTANCE.—An intermediary may expend not more than 25 percent of the funds received under paragraph (1)(B)(ii) to enter into third party contracts for the provision of technical assistance.''; and

(2) in paragraph (5)(A)—

(A) by striking ''in each of the 5 years of the demonstration program established under this subsection,''; and

(B) by striking ''for terms of up to 5 years'' and inserting ''annually''.

SEC. 202. WELFARE-TO-WORK MICROLOAN INITIATIVE.

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

(1) in paragraph (1)(A)—

(A) in clause (ii), by striking ''and'' at the end;

(B) in clause (iii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(iv) to establish a welfare-to-work microloan initiative, which shall be administered by the Administration, in order to test the feasibility of supplementing the technical assistance grants provided under clauses (ii) and (iii) of subparagraph (B) to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or under any comparable State funded means tested program of assistance for low-income individuals, in order to adequately assist those individuals in—

''(I) establishing small businesses; and

''(II) eliminating their dependence on that assistance.'';

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

''(F) SUPPLEMENTAL GRANT.—

''(i) IN GENERAL.—The Administration may accept any funds transferred to the Administration from other departments or agencies of the Federal Government to make grants in accordance with this subparagraph and section 202(b) of the Small Business Reauthorization Act of 1997 to participating intermediaries and technical assistance providers under paragraph (5), for use in accordance with clause (iii) to provide additional technical assistance and related services to recipients of assistance under a State program described in paragraph (1)(A)(iv) at the time they initially apply for assistance under this subparagraph.

''(ii) ELIGIBLE RECIPIENTS; GRANT AMOUNTS.—In making grants under this subparagraph, the Administration may select, from among participating intermediaries and technical assistance providers described in clause (i), not more than 20 grantees in fiscal year 1998, not more than 25 grantees in fiscal year 1999, and not more than 30 grantees in fiscal year 2000, each of whom may receive a grant under this subparagraph in an amount not to exceed $200,000 per year.

''(iii) USE OF GRANT AMOUNTS.—Grants under this subparagraph—

''(I) are in addition to other grants provided under this subsection and shall not require the contribution of matching amounts as a condition of eligibility; and

''(II) may be used by a grantee—

''(aa) to pay or reimburse a portion of child care and transportation costs of recipients of assistance described in clause (i), to the extent such costs are not otherwise paid by State block grants under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) or under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(bb) for marketing, management, and technical assistance to recipients of assistance described in clause (i).

''(iv) MEMORANDUM OF UNDERSTANDING.—Prior to accepting any transfer of funds under clause (i) from a department or agency of the Federal Government, the Administration shall enter into a Memorandum of Understanding with the department or agency, which shall—

''(I) specify the terms and conditions of the grants under this subparagraph; and

''(II) provide for appropriate monitoring of expenditures by each grantee under this subparagraph and each recipient of assistance described in clause (i) who receives assistance from a grantee under this subparagraph, in order to ensure compliance with this subparagraph by those grantees and recipients of assistance.'';

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

''(E) ESTABLISHMENT OF CHILD CARE OR TRANSPORTATION BUSINESSES.—In addition to other eligible small businesses concerns, borrowers under any program under this subsection may include individuals who will use the loan proceeds to establish for-profit or nonprofit child care establishments or businesses providing for-profit transportation services.'';

(4) in paragraph (9)—

(A) by striking the paragraph designation and paragraph heading and inserting the following:

''(9) GRANTS FOR MANAGEMENT, MARKETING, TECHNICAL ASSISTANCE, AND RELATED SERVICES.—''; and

(B) by adding at the end the following:

''(C) WELFARE-TO-WORK MICROLOAN INITIATIVE.—Of amounts made available to carry out the welfare-to-work microloan initiative under paragraph (1)(A)(iv) in any fiscal year, the Administration may use not more than 5 percent to provide technical assistance, either directly or through contractors, to welfare-to-work microloan initiative grantees, to ensure that, as grantees, they have the knowledge, skills, and understanding of microlending and welfare-to-work transition, and other related issues, to operate a successful welfare-to-work microloan initiative.''; and

(5) by adding at the end the following:

''(13) EVALUATION OF WELFARE-TO-WORK MICROLOAN INITIATIVE.—On January 31, 1999, and annually thereafter, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on any monies distributed pursuant to paragraph (4)(F).''.

(b) TRANSFER OF FUNDS.—

(1) IN GENERAL.—No funds are authorized to be appropriated or otherwise provided to carry out the grant program under section 7(m)(4)(F) of the Small Business Act (15 U.S.C. 636(m)(4)(F)) (as added by this section), except by transfer from another department or agency of the Federal Government to the Administration in accordance with this subsection.

(2) LIMITATION ON AMOUNTS.—The total amount transferred to the Administration from other departments and agencies of the Federal Government to carry out the grant program under section 7(m)(4)(F) of the Small Business Act (15 U.S.C. 636(m)(4)(F)) (as added by this section) shall not exceed—

(A) $3,000,000 for fiscal year 1998;

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

(C) $5,000,000 for fiscal year 2000.

Subtitle B—Small Business Investment Company Program

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

Section 20(a)(2) of the Small Business Act (15 U.S.C. 631 note) is amended in the last sentence by striking ''the following fiscal year'' and inserting ''any 1 or more of the 4 subsequent fiscal years''.

SEC. 212. UNDERSERVED AREAS.

Section 301(c)(4)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)(4)(B)) is amended to read as follows:

''(B) LEVERAGE.—An applicant licensed pursuant to the exception provided in this paragraph shall not be eligible to receive leverage as a licensee until the applicant satisfies the requirements of section 302(a), unless the applicant—

''(i) files an application for a license not later than 180 days after the date of enactment of the Small Business Reauthorization Act of 1997;

''(ii) is located in a State that is not served by a licensee; and

''(iii) agrees to be limited to 1 tier of leverage available under section 302(b), until the applicant meets the requirements of section 302(a).''.

SEC. 213. PRIVATE CAPITAL.

Section 103(9)(B)(iii) of the Small Business Investment Act of 1958 (15 U.S.C. 662(9)(B)(iii)) is amended—

(1) by redesignating subclauses (I) and (II) as subclauses (II) and (III), respectively; and

(2) by inserting before subclause (II) (as redesignated) the following:

''(I) funds obtained from the business revenues (excluding any governmental appropriation) of any federally chartered or government-sponsored corporation established prior to October 1, 1987;''.

SEC. 214. FEES.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding at the end the following:

''(e) FEES.—

''(1) IN GENERAL.—The Administration may prescribe fees to be paid by each applicant for a license to operate as a small business investment company under this Act.

''(2) USE OF AMOUNTS.—Fees collected under this subsection—

''(A) shall be deposited in the account for salaries and expenses of the Administration; and

''(B) are authorized to be appropriated solely to cover the costs of licensing examinations.''.

SEC. 215. SMALL BUSINESS INVESTMENT COMPANY PROGRAM REFORM.

(a) BANK INVESTMENTS.—Section 302(b) of the Small Business Investment Act of 1958 (15 U.S.C. 682(b)) is amended by striking ''1956,'' and all that follows before the period and inserting the following: ''1956, any national bank, or any member bank of the Federal Reserve System or nonmember insured bank to the extent permitted under applicable State law, may invest in any 1 or more small business investment companies, or in any entity established to invest solely in small business investment companies, except that in no event shall the total amount of such investments of any such bank exceed 5 percent of the capital and surplus of the bank''.

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

(1) in subsection (b)—

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

''(D)(i) The dollar amounts in subparagraphs (A), (B), and (C) shall be adjusted annually to reflect increases in the Consumer Price Index established by the Bureau of Labor Statistics of the Department of Labor.

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

(B) by striking paragraph (4) and inserting the following:

''(4) MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of outstanding leverage issued to any company or companies that are commonly controlled (as determined by the Administrator) may not exceed $90,000,000, as adjusted annually for increases in the Consumer Price Index.

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

''(i) approve an amount of leverage that exceeds the amount described in subparagraph (A) for companies under common control; and

''(ii) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.

''(C) APPLICABILITY OF OTHER PROVISIONS.—Any leverage that is issued to a company or companies commonly controlled in an amount that exceeds $90,000,000, whether as a result of an increase in the Consumer Price Index or a decision of the Administrator, is subject to subsection (d).''; and

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

''(d) REQUIRED CERTIFICATIONS.—

''(1) IN GENERAL.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing—

''(A) for licensees with leverage less than or equal to $90,000,000, that not less than 20 percent of the licensee's aggregate dollar amount of

financings will be provided to smaller enterprises; and

''(B) for licensees with leverage in excess of $90,000,000, that, in addition to satisfying the requirements of subparagraph (A), 100 percent of the licensee's aggregate dollar amount of financings made in whole or in part with leverage in excess of $90,000,000 will be provided to smaller enterprises (as defined in section 103(12)).

''(2) MULTIPLE LICENSEES.—Multiple licensees under common control (as determined by the Administrator) shall be considered to be a single licensee for purposes of determining both the applicability of and compliance with the investment percentage requirements of this subsection.''.

(c) TAX DISTRIBUTIONS.—Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended by adding at the end the following: ''A company may also elect to make a distribution under this paragraph at the end of any calendar quarter based on a quarterly estimate of the maximum tax liability. If a company makes 1 or more quarterly distributions for a calendar year, and the aggregate amount of those distributions exceeds the maximum amount that the company could have distributed based on a single annual computation, any subsequent distribution by the company under this paragraph shall be reduced by an amount equal to the excess amount distributed.''.

(d) LEVERAGE FEE.—Section 303(i) of the Small Business Investment Act of 1958 (15 U.S.C. 683(i)) is amended by striking '', payable upon'' and all that follows before the period and inserting the following: ''in the following manner: 1 percent upon the date on which the Administration enters into any commitment for such leverage with the licensee, and the balance of 2 percent (or 3 percent if no commitment has been entered into by the Administration) on the date on which the leverage is drawn by the licensee''.

(e) PERIODIC ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking ''three months'' and inserting ''6 months''.

SEC. 216. EXAMINATION FEES.

Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended by inserting after the first sentence the following: ''Fees collected under this subsection shall be deposited in the account for salaries and expenses of the Administration, and are authorized to be appropriated solely to cover the costs of examinations and other program oversight activities.''.

Subtitle C—Certified Development Company Program

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

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

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

''(1) USE OF PROCEEDS.—The proceeds of any such loan shall be used solely by the borrower to assist 1 or more identifiable small business concerns and for a sound business purpose approved by the Administration.'';

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

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

''(E) COLLATERALIZATION.—The collateral provided by the small business concern shall generally include a subordinate lien position on the property being financed under this title, and is only 1 of the factors to be evaluated in the credit determination. Additional collateral shall be required only if the Administration determines, on a case by case basis, that additional security is necessary to protect the interest of the Government.''; and

(3) by adding at the end the following:

''(5) LIMITATION ON LEASING.—In addition to any portion of the project permitted to be leased under paragraph (4), not to exceed 20 percent of the project may be leased by the assisted small business to 1 or more other tenants, if the assisted small business occupies permanently and uses not less than a total of 60 percent of the space in the project after the execution of any leases authorized under this section.''.

SEC. 222. DEVELOPMENT COMPANY DEBENTURES.

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

(1) in subsection (b)(7), by striking subparagraph (A) and inserting the following:

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

''(i) 0.9375 percent per year of the outstanding balance of the loan; and

''(ii) the minimum amount necessary to reduce the cost (as defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to zero; and''; and

(2) in subsection (f), by striking ''1997'' and inserting ''2000''.

SEC. 223. PREMIER CERTIFIED LENDERS PROGRAM.

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

(1) in subsection (a), by striking ''not more than 15'';

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''if such company'';

(ii) by striking subparagraphs (A) and (B) and inserting the following:

''(A) if the company is an active certified development company in good standing and has been an active participant in the accredited lenders program during the entire 12-month period preceding the date on which the company submits an application under paragraph (1), except that the Administration may waive this requirement if the company is qualified to participate in the accredited lenders program;

''(B) if the company has a history of—

''(i) submitting to the Administration adequately analyzed debenture guarantee application packages; and

''(ii) of properly closing section 504 loans and servicing its loan portfolio;'';

(iii) in subparagraph (C)—

(I) by inserting ''if the company'' after ''(C)''; and

(II) by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(D) the Administrator determines, with respect to the company, that the loss reserve established in accordance with subsection (c)(2) is sufficient for the company to meet its obligations to protect the Federal Government from risk of loss.''; and

(B) by adding at the end the following:

''(3) APPLICABILITY OF CRITERIA AFTER DESIGNATION.—The Administrator may revoke the designation of a certified development company as a premier certified lender under this section at any time, if the Administrator determines that the certified development company does not meet any requirement described in subparagraphs (A) through (D) of paragraph (2).'';

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

''(c) LOSS RESERVE.—

''(1) ESTABLISHMENT.—A company designated as a premier certified lender shall establish a loss reserve for financing approved pursuant to this section.

''(2) AMOUNT.—The amount of each loss reserve established under paragraph (1) shall be 10 percent of the amount of the company's exposure, as determined under subsection (b)(2)(C).

''(3) ASSETS.—Each loss reserve established under paragraph (1) shall be comprised of—

''(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administration;

''(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administration; or

''(C) any combination of the assets described in subparagraphs (A) and (B).

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

''(A) 50 percent when a debenture is closed.

''(B) 25 percent additional not later than 1 year after a debenture is closed.

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

''(5) REPLENISHMENT.—If a loss has been sustained by the Administration, any portion of the loss reserve, and other funds provided by the premier company as necessary, may be used to reimburse the Administration for the premier company's 10 percent share of the loss as provided in subsection (b)(2)(C). If the company utilizes the reserve, within 30 days it shall replace an equivalent amount of funds.

''(6) DISBURSEMENTS.—The Administration shall allow the certified development company to withdraw from the loss reserve amounts attributable to any debenture that has been repaid.'';

(4) in subsection (d)(1), by striking ''to approve loans'' and inserting ''to approve, authorize, close, service, foreclose, litigate (except that the Administration may monitor the conduct of any such litigation to which a premier certified lender is a party), and liquidate loans'';

(5) in subsection (f), by striking ''State or local'' and inserting ''certified'';

(6) in subsection (g), by striking the subsection heading and inserting the following:

''(g) EFFECT OF SUSPENSION OR REVOCATION.—'';

(7) by striking subsection (h) and inserting the following:

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

(8) in subsection (i), by striking ''other lenders'' and inserting ''other lenders, specifically comparing default rates and recovery rates on liquidations''.

(b) REGULATIONS.—The Administrator shall—

(1) not later than 150 days after the date of enactment of this Act, promulgate regulations to carry out the amendments made by subsection (a); and

(2) not later than 180 days after the date of enactment of this Act, issue program guidelines and fully implement the amendments made by subsection (a).

(c) PROGRAM EXTENSION.—Section 217(b) of the Small Business Reauthorization and Amendments Act of 1994 (15 U.S.C. 697e note) is amended by striking ''October 1, 1997'' and inserting ''October 1, 2000''.

Subtitle D—Miscellaneous Provisions

SEC. 231. BACKGROUND CHECK OF LOAN APPLICANTS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking ''(a) The Administration'' and inserting the following:

''(a) LOANS TO SMALL BUSINESS CONCERNS; ALLOWABLE PURPOSES; QUALIFIED BUSINESS; RESTRICTIONS AND LIMITATIONS.—The Administration''; and

(2) in paragraph (1)—

(A) by striking ''(1) No financial'' and inserting the following:

''(1) IN GENERAL.—

''(A) CREDIT ELSEWHERE.—No financial''; and

(B) by adding at the end the following:

''(B) BACKGROUND CHECKS.—Prior to the approval of any loan made pursuant to this subsection, or section 503 of the Small Business Investment Act of 1958, the Administrator may verify the applicant's criminal background, or lack thereof, through the best available means, including, if possible, use of the National Crime Information Center computer system at the Federal Bureau of Investigation.''.

SEC. 232. REPORT ON INCREASED LENDER APPROVAL, SERVICING, FORECLOSURE, LIQUIDATION, AND LITIGATION OF SECTION 7(a) LOANS.

(a) IN GENERAL.—

(1) SUBMISSION.—Not later than 6 months after the date of enactment of this Act, the Administrator shall submit to the Committees a report on action taken and planned for future reliance on private sector lender resources to originate, approve, close, service, liquidate, foreclose, and litigate loans made under section 7(a) of the Small Business Act.

(2) CONTENTS.—The report under this subsection shall address administrative and other steps necessary to achieve the results described in paragraph (1), including—

(A) streamlining the process for approving lenders and standardizing requirements;

(B) establishing uniform reporting requirements using on-line automated capabilities to the maximum extent feasible;

(C) reducing paperwork through automation, simplified forms, or incorporation of lender's forms;

(D) providing uniform standards for approval, closing, servicing, foreclosure, and liquidation;

(E) promulgating new regulations or amending existing ones;

(F) establishing a timetable for implementing the plan for reliance on private sector lenders;

(G) implementing organizational changes at SBA; and

(H) estimating the annual savings that would occur as a result of implementation.

(b) CONSULTATION.—In preparing the report under subsection (a), the Administrator shall consult with, among others—

(1) borrowers and lenders under section 7(a) of the Small Business Act;

(2) small businesses that are potential program participants under section 7(a) of the Small Business Act;

(3) financial institutions that are potential program lenders under section 7(a) of the Small Business Act; and

(4) representative industry associations.

SEC. 233. COMPLETION OF PLANNING FOR LOAN MONITORING SYSTEM.

(a) IN GENERAL.—The Administrator shall perform and complete the planning needed to serve as the basis for funding the development and implementation of the computerized loan monitoring system, including—

(1) fully defining the system requirement using on-line, automated capabilities to the extent feasible;

(2) identifying all data inputs and outputs necessary for timely report generation;

(3) benchmark loan monitoring business processes and systems against comparable industry processes and, if appropriate, simplify or redefine work processes based on these benchmarks;

(4) determine data quality standards and control systems for ensuring information accuracy;

(5) identify an acquisition strategy and work increments to completion;

(6) analyze the benefits and costs of alternatives and use to demonstrate the advantage of the final project;

(7) ensure that the proposed information system is consistent with the agency's information architecture; and

(8) estimate the cost to system completion, identifying the essential cost element.

(b) REPORT.—

(1) IN GENERAL.—On the date that is 6 months after the date of enactment of this Act, the Administrator shall submit a report on the progress of the Administrator in carrying out subsection (a) to—

(A) the Committees; and

(B) the Comptroller General of the United States.

(2) EVALUATION.—Not later than 28 days after receipt of the report under paragraph (1)(B), the Comptroller General of the United States shall—

(A) prepare a written evaluation of the report for compliance with subsection (a); and

(B) submit the evaluation to the Committees.

(3) LIMITATION.—None of the funds provided for the purchase of the loan monitoring system may be obligated or expended until 45 days after the date on which the Committees and the Comptroller General of the United States receive the report under paragraph (1).

TITLE III—WOMEN'S BUSINESS ENTERPRISES

SEC. 301. INTERAGENCY COMMITTEE PARTICIPATION.

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

(1) in subsection (a)(2)(A)—

(A) by striking ''and Amendments Act of 1994'' and inserting ''Act of 1997''; and

(B) by inserting before the final period '', and who shall report directly to the head of the agency on the status of the activities of the Interagency Committee'';

(2) in subsection (a)(2)(B), by inserting before the final period the following: ''and shall report directly to the Administrator on the status of the activities on the Interagency Committee and shall serve as the Interagency Committee Liaison to the National Women's Business Council established under section 405''; and

(3) in subsection (b), by striking ''and Amendments Act of 1994'' and inserting ''Act of 1997''.

SEC. 302. REPORTS.

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

(1) by inserting '', through the Small Business Administration,'' after ''transmit'';

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

(3) in paragraph (1), as redesignated, by inserting before the semicolon the following: '', including a verbatim report on the status of progress of the Interagency Committee in meeting its responsibilities and duties under section 402(a)''.

SEC. 303. COUNCIL DUTIES.

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

(1) in subsection (c), by inserting after ''Administrator'' the following: ''(through the Assistant Administrator of the Office of Women's Business Ownership)''; and

(2) in subsection (d)—

(A) in paragraph (4), by striking ''and'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(6) not later than 90 days after the last day of each fiscal year, submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, a report containing—

''(A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406;

''(B) the findings, conclusions, and recommendations of the Council; and

''(C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

''(e) FORM OF TRANSMITTAL.—The information included in each report under subsection (d) that is described in subparagraphs (A) through (C) of subsection (d)(6), shall be reported verbatim, together with any separate additional, concurring, or dissenting views of the Administrator.''.

SEC. 304. COUNCIL MEMBERSHIP.

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

(1) in subsection (a), by striking ''and Amendments Act of 1994'' and inserting ''Act of 1997'';

(2) in subsection (b)—

(A) by striking ''and Amendments Act of 1994'' and inserting ''Act of 1997'';

(B) by inserting after ''the Administrator shall'' the following: '', after receiving the recommendations of the Chairman and the Ranking Member of the Committees on Small Business of the House of Representatives and the Senate,'';

(C) by striking ''9'' and inserting ''14'';

(D) in paragraph (1), by striking ''2'' and inserting ''4'';

(E) in paragraph (2), by striking ''2'' and inserting ''4''; and

(F) in paragraph (3)—

(i) by striking ''5'' and inserting ''6'';

(ii) by striking ''national''; and

(iii) by inserting '', including representatives of women's business center sites'' before the period at the end;

(3) in subsection (c), by inserting ''(including both urban and rural areas)'' after ''geographic'';

(4) by striking subsection (d) and inserting the following:

''(d) TERMS.—Each member of the Council shall be appointed for a term of 3 years, except that, of the initial members appointed to the Council—

''(1) 2 members appointed under subsection (b)(1) shall be appointed for a term of 1 year;

''(2) 2 members appointed under subsection (b)(2) shall be appointed for a term of 1 year; and

''(3) each member appointed under subsection (b)(3) shall be appointed for a term of 2 years.''; and

(5) by striking subsection (f) and inserting the following:

''(f) VACANCIES.—

''(1) IN GENERAL.—A vacancy on the Council shall be filled not later than 30 days after the date on which the vacancy occurs, in the manner in which the original appointment was made, and shall be subject to any conditions that applied to the original appointment.

''(2) UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.''.

SEC. 305. AUTHORIZATION OF APPROPRIATIONS.

Section 409 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

''SEC. 411. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to carry out this title $600,000, for each of fiscal years 1998 through 2000, of which $200,000 shall be available in each fiscal year to carry out sections 409 and 410.

''(b) BUDGET REVIEW.—No amount made available under this section for any fiscal year may be obligated or expended by the Council before the date on which the Council reviews and approves the operating budget of the Council to carry out the responsibilities of the Council for that fiscal year.''.

SEC. 306. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

The Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by inserting after section 408 the following:

"SEC. 409. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

''(a) FEDERAL PROCUREMENT STUDY.—

''(1) IN GENERAL.—During the first fiscal year for which amounts are made available to carry out this section, the Council shall conduct a study on the award of Federal prime contracts and subcontracts to women-owned businesses, which study shall include—

''(A) an analysis of data collected by Federal agencies on contract awards to women-owned businesses;

''(B) a determination of the degree to which individual Federal agencies are in compliance with the 5 percent women-owned business procurement goal established by section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1));

''(C) a determination of the types and amounts of Federal contracts characteristically awarded to women-owned businesses; and

''(D) other relevant information relating to participation of women-owned businesses in Federal procurement.

''(2) SUBMISSION OF RESULTS.—Not later than 12 months after initiating the study under paragraph (1), the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, the results of the study conducted under paragraph (1).

''(b) BEST PRACTICES REPORT.—Not later than 18 months after initiating the study under subsection (a)(1), the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, a report, which shall include—

''(1) an analysis of the most successful practices in attracting women-owned businesses as prime contractors and subcontractors by—

''(A) Federal agencies (as supported by findings from the study required under subsection (a)(1)) in Federal procurement awards; and

''(B) the private sector; and

''(2) recommendations for policy changes in Federal procurement practices, including an increase in the Federal procurement goal for women-owned businesses, in order to maximize the number of women-owned businesses performing Federal contracts.

''(c) CONTRACT AUTHORITY.—In conducting any study or other research under this section, the Council may contract with 1 or more public or private entities.''.

SEC. 307. STUDIES AND OTHER RESEARCH.

The Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by inserting after section 409 (as added by section 306 of this title) the following:

"SEC. 410. STUDIES AND OTHER RESEARCH.

''(a) IN GENERAL.—To the extent that it does not delay submission of the report under section 409(b), the Council may also conduct such studies and other research relating to the award of Federal prime contracts and subcontracts to women-owned businesses, or to issues relating to access to credit and investment capital by women entrepreneurs, as the Council determines to be appropriate.

''(b) CONTRACT AUTHORITY.—In conducting any study or other research under this section, the Council may contract with 1 or more public or private entities.''.

SEC. 308. WOMEN'S BUSINESS CENTERS.

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

"SEC. 29. WOMEN'S BUSINESS CENTER PROGRAM.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Assistant Administrator' means the Assistant Administrator of the Office of Women's Business Ownership established under subsection (g);

''(2) the term 'small business concern owned and controlled by women', either startup or existing, includes any small business concern—

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

''(B) the management and daily business operations of which are controlled by 1 or more women; and

''(3) the term 'women's business center site' means the location of—

''(A) a women's business center; or

''(B) 1 or more women's business centers, established in conjunction with another women's business center in another location within a State or region—

''(i) that reach a distinct population that would otherwise not be served;

''(ii) whose services are targeted to women; and

''(iii) whose scope, function, and activities are similar to those of the primary women's business center or centers in conjunction with which it was established.

''(b) AUTHORITY.—The Administration may provide financial assistance to private organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

''(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

''(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

''(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

''(c) CONDITIONS OF PARTICIPATION.—

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

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

''(B) in the third and fourth years, 1 non-Federal dollar for each Federal dollar; and

''(C) in the fifth year, 2 non-Federal dollars for each Federal dollar.

''(2) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(3) FORM OF FEDERAL CONTRIBUTIONS.—The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

''(4) FAILURE TO OBTAIN NON-FEDERAL FUNDING.—If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded by the Administration, and prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

''(d) CONTRACT AUTHORITY.—A women's business center may enter into a contract with a Federal department or agency to provide specific assistance to women and other underserved small business concerns. Performance of such contract should not hinder the women's business centers in carrying out the terms of the grant received by the women's business centers from the Administration.

''(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant organization initially shall submit a 5-year plan to the Administration on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of 5 years per women's business center site.

''(f) CRITERIA.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

''(1) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners;

''(2) the present ability of the applicant to commence a project within a minimum amount of time;

''(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and

''(4) the location for the women's business center site proposed by the applicant.

''(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

''(1) ESTABLISHMENT.—There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises (as defined in section 408 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note)). The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.

''(2) ASSISTANT ADMINISTRATOR OF THE OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

''(A) QUALIFICATION.—The position of Assistant Administrator shall be a Senior Executive Service position under section 3132(a)(2) of title 5, United States Code. The Assistant Administrator shall serve as a noncareer appointee (as defined in section 3132(a)(7) of that title).

''(B) RESPONSIBILITIES AND DUTIES.—

''(i) RESPONSIBILITIES.—The responsibilities of the Assistant Administrator shall be to administer the programs and services of the Office of Women's Business Ownership established to assist women entrepreneurs in the areas of—

''(I) starting and operating a small business;

''(II) development of management and technical skills;

''(III) seeking Federal procurement opportunities; and

''(IV) increasing the opportunity for access to capital.

''(ii) DUTIES.—The Assistant Administrator shall—

''(I) administer and manage the Women's Business Center program;

''(II) recommend the annual administrative and program budgets for the Office of Women's Business Ownership (including the budget for the Women's Business Center program);

''(III) establish appropriate funding levels therefore;

''(IV) review the annual budgets submitted by each applicant for the Women's Business Center program;

''(V) select applicants to participate in the program under this section;

''(VI) implement this section;

''(VII) maintain a clearinghouse to provide for the dissemination and exchange of information between women's business centers;

''(VIII) serve as the vice chairperson of the Interagency Committee on Women's Business Enterprise;

''(IX) serve as liaison for the National Women's Business Council; and

''(X) advise the Administrator on appointments to the Women's Business Council.

''(C) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this paragraph, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by the women's business centers.

''(h) PROGRAM EXAMINATION.—

''(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Small Business Reauthorization Act of 1997, the Administrator shall develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section.

''(2) EXTENSION OF CONTRACTS.—In extending or renewing a contract with a women's business center, the Administrator shall consider the results of the examination conducted under paragraph (1).

''(i) CONTRACT AUTHORITY.—The authority of the Administrator to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administrator has entered into a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administrator provides the applicant with written notification setting forth the reasons therefore and affords the applicant an opportunity for a hearing, appeal, or other administrative proceeding under chapter 5 of title 5, United States Code.

''(j) REPORT.—The Administrator shall prepare and submit an annual report to the Committees on Small Business of the House of Representatives and the Senate on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

''(1) the number of individuals receiving assistance;

''(2) the number of startup business concerns formed;

''(3) the gross receipts of assisted concerns;

''(4) increases or decreases in profits of assisted concerns; and

''(5) the employment increases or decreases of assisted concerns.

''(k) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated $8,000,000 for each fiscal year to carry out the projects authorized under this section, of which, for fiscal year 1998, not more than 5 percent may be used for administrative expenses related to the program under this section.

''(2) USE OF AMOUNTS.—Amounts made available under this subsection for fiscal year 1999, and each fiscal year thereafter, may only be used for grant awards and may not be used for costs incurred by the Administration in connection with the management and administration of the program under this section.

''(3) EXPEDITED ACQUISITION.—Notwithstanding any other provision of law, the Administrator, acting through the Assistant Administrator, may use such expedited acquisition methods as the Administrator determines to be appropriate to carry out this section, except that the Administrator shall ensure that all small business sources are provided a reasonable opportunity to submit proposals.''.

(b) APPLICABILITY.—

(1) IN GENERAL.—Subject to paragraph (2), any organization conducting a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) (as in effect on the day before the effective date of this Act) on September 30, 1997, may request an extension of the term of that project to a total term of 5 years. If such an extension is made, the organization shall receive financial assistance in accordance with section 29(c) of the Small Business Act (as amended by this section) subject to procedures established by the Administrator, in coordination with the Assistant Administrator of the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this section).

(2) TERMS OF ASSISTANCE FOR CERTAIN ORGANIZATIONS.—Any organization operating in the third year of a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) (as in effect on the day before the effective date of this Act) on September 30, 1997, may request an extension of the term of that project to a total term of 5 years. If such an extension is made, during the fourth and fifth years of the project, the organization shall receive financial assistance in accordance with section 29(c)(1)(C) of the Small Business Act (as amended by this section) subject to procedures established by the Administrator, in coordination with the Assistant Administrator of the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this section).

TITLE IV—COMPETITIVENESS PROGRAM AND PROCUREMENT OPPORTUNITIES

Subtitle A—Small Business Competitiveness Program

SEC. 401. PROGRAM TERM.

Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking '', and terminate on September 30, 1997''.

SEC. 402. MONITORING AGENCY PERFORMANCE.

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

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

SEC. 403. REPORTS TO CONGRESS.

Section 716(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking ''1996'' and inserting ''2000'';

(2) by striking ''for Federal Procurement Policy'' and inserting ''of the Small Business Administration''; and

(3) by striking ''Government Operations'' and inserting ''Government Reform and Oversight''.

SEC. 404. SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking ''and terminating on September 30, 1997''.

SEC. 405. TECHNICAL AMENDMENTS.

Section 717 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by inserting ''or North American Industrial Classification Code'' after ''standard industrial classification code'' each place it appears; and

(2) by inserting ''or North American Industrial Classification Codes'' after ''standard industrial classification codes'' each place it appears.

Subtitle B—Small Business Procurement Opportunities Program

SEC. 411. CONTRACT BUNDLING.

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

''(j) CONTRACT BUNDLING.—In complying with the statement of congressional policy expressed in subsection (a), relating to fostering the participation of small business concerns in the contracting opportunities of the Government, each Federal agency, to the maximum extent practicable, shall—

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

''(2) structure its contracting requirements to facilitate competition by and among small business concerns, taking all reasonable steps to eliminate obstacles to their participation; and

''(3) avoid unnecessary and unjustified bundling of contract requirements that precludes small business participation in procurements as prime contractors.''.

SEC. 412. DEFINITION OF CONTRACT BUNDLING.

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

''(o) DEFINITIONS OF BUNDLING OF CONTRACT REQUIREMENTS AND RELATED TERMS.—In this Act:

''(1) BUNDLED CONTRACT.—The term 'bundled contract' means a contract that is entered into to meet requirements that are consolidated in a bundling of contract requirements.

''(2) BUNDLING OF CONTRACT REQUIREMENTS.—The term 'bundling of contract requirements' means consolidating 2 or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small-business concern due to—

''(A) the diversity, size, or specialized nature of the elements of the performance specified;

''(B) the aggregate dollar value of the anticipated award;

''(C) the geographical dispersion of the contract performance sites; or

''(D) any combination of the factors described in subparagraphs (A), (B), and (C).

''(3) SEPARATE SMALLER CONTRACT.—The term 'separate smaller contract', with respect to a bundling of contract requirements, means a contract that has been performed by 1 or more small business concerns or was suitable for award to 1 or more small business concerns.''.

SEC. 413. ASSESSING PROPOSED CONTRACT BUNDLING.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by inserting after subsection (d) the following:

''(e) PROCUREMENT STRATEGIES; CONTRACT BUNDLING.—

''(1) IN GENERAL.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers.

''(2) MARKET RESEARCH.—

''(A) IN GENERAL.—Before proceeding with an acquisition strategy that could lead to a contract containing consolidated procurement requirements, the head of an agency shall conduct market research to determine whether consolidation of the requirements is necessary and justified.

''(B) FACTORS.—For purposes of subparagraph (A), consolidation of the requirements may be determined as being necessary and justified if, as compared to the benefits that would be derived from contracting to meet those requirements if not consolidated, the Federal Government would derive from the consolidation measurably substantial benefits, including any combination of benefits that, in combination, are measurably substantial. Benefits described in the preceding sentence may include the following:

''(i) Cost savings.

''(ii) Quality improvements.

''(iii) Reduction in acquisition cycle times.

''(iv) Better terms and conditions.

''(v) Any other benefits.

''(C) REDUCTION OF COSTS NOT DETERMINATIVE.—The reduction of administrative or personnel costs alone shall not be a justification for bundling of contract requirements unless the cost savings are expected to be substantial in relation to the dollar value of the procurement requirements to be consolidated.

''(3) STRATEGY SPECIFICATIONS.—If the head of a contracting agency determines that a proposed procurement strategy for a procurement involves a substantial bundling of contract requirements, the proposed procurement strategy shall—

''(A) identify specifically the benefits anticipated to be derived from the bundling of contract requirements;

''(B) set forth an assessment of the specific impediments to participation by small business concerns as prime contractors that result from the bundling of contract requirements and specify actions designed to maximize small business participation as subcontractors (including suppliers) at various tiers under the contract or contracts that are awarded to meet the requirements; and

''(C) include a specific determination that the anticipated benefits of the proposed bundled contract justify its use.

''(4) CONTRACT TEAMING.—In the case of a solicitation of offers for a bundled contract that is issued by the head of an agency, a small-business concern may submit an offer that provides for use of a particular team of subcontractors for the performance of the contract. The head of the agency shall evaluate the offer in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors. If a small business concern teams under this paragraph, it shall not affect its status as a small business concern for any other purpose.''.

(b) ADMINISTRATION REVIEW.—Section 15(a) of the Small Business Act (15 U.S.C. 644(a)) is amended in the third sentence—

(1) by inserting ''or the solicitation involves an unnecessary or unjustified bundling of contract requirements, as determined by the Administration,'' after ''discrete construction projects,'';

(2) by striking ''or (4)'' and inserting ''(4)''; and

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

(c) RESPONSIBILITIES OF AGENCY SMALL BUSINESS ADVOCATES.—Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

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

(2) by inserting after paragraph (4) the following:

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

SEC. 414. REPORTING OF BUNDLED CONTRACT OPPORTUNITIES.

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

(b) DEFINITIONS.—In this section, the term ''bundling of contract requirements'' has the meaning given that term in section 3(o) of the Small Business Act (15 U.S.C. 632(o)) (as added by section 412 of this subtitle).

SEC. 415. EVALUATING SUBCONTRACT PARTICIPATION IN AWARDING CONTRACTS.

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

''(G) The following factors shall be designated by the Federal agency as significant factors for purposes of evaluating offers for a bundled contract where the head of the agency determines that the contract offers a significant opportunity for subcontracting:

''(i) A factor that is based on the rate provided under the subcontracting plan for small business participation in the performance of the contract.

''(ii) For the evaluation of past performance of an offeror, a factor that is based on the extent to which the offeror attained applicable goals for small business participation in the performance of contracts.''.

SEC. 416. IMPROVED NOTICE OF SUBCONTRACTING OPPORTUNITIES.

(a) USE OF THE COMMERCE BUSINESS DAILY AUTHORIZED.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

''(k) NOTICES OF SUBCONTRACTING OPPORTUNITIES.—

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

''(A) a business concern awarded a contract by an executive agency subject to subsection (e)(1)(C); and

''(B) a business concern that is a subcontractor or supplier (at any tier) to such contractor having a subcontracting opportunity in excess of $10,000.

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

''(A) a description of the business opportunity that is comparable to the description specified in paragraphs (1), (2), (3), and (4) of subsection (f); and

''(B) the due date for receipt of offers.''.

(b) REGULATIONS REQUIRED.—The Federal Acquisition Regulation shall be amended to provide uniform implementation of the amendments made by this section.

(c) CONFORMING AMENDMENT.—Section 8(e)(1)(C) of the Small Business Act (15 U.S.C. 637(e)(1)(C)) is amended by striking ''$25,000'' each place that term appears and inserting ''$100,000''.

SEC. 417. DEADLINES FOR ISSUANCE OF REGULATIONS.

(a) PROPOSED REGULATIONS.—Proposed amendments to the Federal Acquisition Regulation or proposed Small Business Administration regulations under this subtitle and the amendments made by this subtitle shall be published not later than 120 days after the date of enactment of this Act for the purpose of obtaining public comment pursuant to section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b), or chapter 5 of title 5, United States Code, as appropriate. The public shall be afforded not less than 60 days to submit comments.

(b) FINAL REGULATIONS.—Final regulations shall be published not later than 270 days after the date of enactment of this Act. The effective date for such final regulations shall be not less than 30 days after the date of publication.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM.

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

''(1) REQUIRED EXPENDITURE AMOUNTS.—With respect to fiscal years 1998, 1999, 2000, and 2001, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, is authorized to expend with small business concerns not less than 0.15 percent of that extramural budget specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.''.

(b) REPORTS AND OUTREACH.—

(1) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(A) in subsection (o)—

(i) by redesignating paragraphs (8) through (11) as paragraphs (10) through (13), respectively; and

(ii) by inserting after paragraph (7) the following:

''(8) include, as part of its annual performance plan as required by subsections (a) and (b) of section 1115 of title 31, United States Code, a section on its STTR program, and shall submit such section to the Committee on Small Business of the Senate, and the Committee on Science and the Committee on Small Business of the House of Representatives;

''(9) collect such data from awardees as is necessary to assess STTR program outputs and outcomes;'';

(B) in subsection (e)(4)(A), by striking ''(ii)''; and

(C) by adding at the end the following:

''(s) OUTREACH.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State—

''(A) if the total value of contracts awarded to the State during fiscal year 1995 under this section was less than $5,000,000; and

''(B) that certifies to the Administration described in paragraph (2) that the State will, upon receipt of assistance under this subsection, provide matching funds from non-Federal sources in an amount that is not less than 50 percent of the amount provided under this subsection.

''(2) PROGRAM AUTHORITY.—Of amounts made available to carry out this section for fiscal year 1998, 1999, 2000, or 2001 the Administrator may expend with eligible States not more than $2,000,000 in each such fiscal year in order to increase the participation of small business concerns located in those States in the programs under this section.

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

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

''(B) shall not exceed $100,000.

''(4) USE OF ASSISTANCE.—Assistance provided to an eligible State under this subsection shall be used by the State, in consultation with State and local departments and agencies, for programs and activities to increase the participation of small business concerns located in the State in the programs under this section, including—

''(A) the establishment of quantifiable performance goals, including goals relating to—

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

''(ii) the total amount of Federal research and development contracts awarded to small business concerns in the State;

''(B) the provision of competition outreach support to small business concerns in the State that are involved in research and development; and

''(C) the development and dissemination of educational and promotional information relating to the programs under this section to small business concerns in the State.

''(t) INCLUSION IN STRATEGIC PLANS.—Program information relating to the SBIR and STTR programs shall be included by each Federal agency in any update or revision required of the Federal agency under section 306(b) of title 5, United States Code.''.

(2) REPEAL.—Effective October 1, 2001, section 9(s) of the Small Business Act (as added by paragraph (1) of this subsection) is repealed.

SEC. 502. SMALL BUSINESS DEVELOPMENT CENTERS.

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

(1) in paragraph (1)—

(A) by inserting ''any women's business center operating pursuant to section 29,'' after ''credit or finance corporation,'';

(B) by inserting ''or a women's business center operating pursuant to section 29'' after ''other than an institution of higher education''; and

(C) by inserting ''and women's business centers operating pursuant to section 29'' after ''utilize institutions of higher education'';

(2) in paragraph (3)—

(A) by striking '', but with'' and all that follows through ''parties.'' and inserting the following: ''for the delivery of programs and services to the small business community. Such programs and services shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration.''; and

(B) by adding at the end the following:

''(C) On an annual basis, the Small Business Development Center shall review and coordinate public and private partnerships and cosponsorships with the Administration for the purpose of more efficiently leveraging available resources on a National and a State basis.'';

(3) in paragraph (4)(C)—

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

''(i) IN GENERAL.—

''(I) GRANT AMOUNT.—Subject to subclauses (II) and (III), the amount of a grant received by a State under this section shall be equal to the greater of $500,000, or the sum of—

''(aa) the State's pro rata share of the national program, based upon the population of the State as compared to the total population of the United States; and

''(bb) $300,000 in fiscal year 1998, $400,000 in fiscal year 1999, and $500,000 in each fiscal year thereafter.

''(II) PRO RATA REDUCTIONS.—If the amount made available to carry out this section for any fiscal year is insufficient to carry out subclause (I)(bb), the Administration shall make pro rata reductions in the amounts otherwise payable to States under subclause (I)(bb).

''(III) MATCHING REQUIREMENT.—The amount of a grant received by a State under this section shall not exceed the amount of matching funds from sources other than the Federal Government provided by the State under subparagraph (A).''; and

(B) in clause (iii), by striking ''(iii)'' and all that follows through ''1997.'' and inserting the following:

''(iii) NATIONAL PROGRAM.—There are authorized to be appropriated to carry out the national program under this section—

''(I) $85,000,000 for fiscal year 1998;

''(II) $90,000,000 for fiscal year 1999; and

''(III) $95,000,000 for fiscal year 2000 and each fiscal year thereafter.''; and

(4) in paragraph (6)—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the comma at the end and inserting ''; and''; and

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

''(C) with outreach, development, and enhancement of minority-owned small business startups or expansions, HUBZone small business concerns, veteran-owned small business startups or expansions, and women-owned small business startups or expansions, in communities impacted by base closings or military or corporate downsizing, or in rural or underserved communities;''.

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

(1) in paragraph (3)—

(A) in subparagraph (A), by striking ''businesses;'' and inserting ''businesses, including—

''(i) working with individuals to increase awareness of basic credit practices and credit requirements;

''(ii) working with individuals to development business plans, financial packages, credit applications, and contract proposals;

''(iii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business start-up planning, existing business expansion, and export planning; and

''(iv) working with individuals referred by the local offices of the Administration and Administration participating lenders;'';

(B) in each of subparagraphs (B), (C), (D), (E), (F), (G), (M), (N), (O), (Q), and (R) by moving each margin 2 ems to the left; and

(C) in subparagraph (C), by inserting ''and the Administration'' after ''Center'';

(2) in paragraph (5)—

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

(B) by striking ''paragraph (a)(1)'' and inserting ''subsection (a)(1)'';

(C) by striking ''which ever'' and inserting ''whichever''; and

(D) by striking ''last,,'' and inserting ''last,'';

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

(4) in paragraph (3), in the undesignated material following subparagraph (R), by striking ''A small'' and inserting the following:

''(4) A small''.

(c) COMPETITIVE AWARDS.—Section 21(l) of the Small Business Act (15 U.S.C. 648(l)) is amended by adding at the end the following: ''If any contract or cooperative agreement under this section with an entity that is covered by this section is not renewed or extended, any award of a successor contract or cooperative agreement under this section to another entity shall be made on a competitive basis.''.

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

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

SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

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

SEC. 504. EXTENSION OF COSPONSORSHIP AUTHORITY.

Section 401(a)(2) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 637 note) is amended by striking ''September 30, 1997'' and inserting ''September 30, 2000''.

SEC. 505. ASSET SALES.

In connection with the Administration's implementation of a program to sell to the private sector loans and other assets held by the Administration, the Administration shall provide to the Committees a copy of the draft and final plans describing the sale and the anticipated benefits resulting from such sale.

SEC. 506. SMALL BUSINESS EXPORT PROMOTION.

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

(1) in subparagraph (Q), by striking ''and'' at the end;

(2) in subparagraph (R), by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (R) the following:

''(S) providing small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between small business development centers and an international trade data information network with ties to the Export Assistance Center program.''.

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

SEC. 507. DEFENSE LOAN AND TECHNICAL ASSISTANCE PROGRAM.

(a) DELTA PROGRAM AUTHORIZED.—

(1) IN GENERAL.—The Administrator may administer the Defense Loan and Technical Assistance program in accordance with the authority and requirements of this section.

(2) EXPIRATION OF AUTHORITY.—The authority of the Administrator to carry out the DELTA program under paragraph (1) shall terminate when the funds referred to in subsection (g)(1) have been expended.

(3) DELTA PROGRAM DEFINED.—In this section, the terms ''Defense Loan and Technical Assistance program'' and ''DELTA program'' mean the Defense Loan and Technical Assistance program that has been established by a memorandum of understanding entered into by the Administrator and the Secretary of Defense on June 26, 1995.

(b) ASSISTANCE.—

(1) AUTHORITY.—Under the DELTA program, the Administrator may assist small business concerns that are economically dependent on defense expenditures to acquire dual-use capabilities.

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

(A) LOAN GUARANTEES.—Loan guarantees under the terms and conditions specified under this section and other applicable law.

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

(c) ADMINISTRATION OF PROGRAM.—In the administration of the DELTA program under this section, the Administrator shall—

(1) process applications for DELTA program loan guarantees;

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

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

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

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

(2) SELECTION CRITERIA.—The criteria used for the selection of a small business concern to receive a loan guarantee under this section are as follows:

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

(B) The extent to which the loans to be guaranteed would support the retention of defense workers whose employment would otherwise be permanently or temporarily terminated as a result of reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(C) The extent to which the loans to be guaranteed would stimulate job creation and new

economic activities in communities most adversely affected by reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(D) The extent to which the loans to be guaranteed would be used to acquire (or permit the use of other funds to acquire) capital equipment to modernize or expand the facilities of the borrower to enable the borrower to remain in the national technology and industrial base available to the Department of Defense.

(3) ELIGIBILITY REQUIREMENTS.—To be eligible for a loan guarantee under the DELTA program, a borrower must demonstrate to the satisfaction of the Administrator that, during any 1 of the 5 preceding operating years of the borrower, not less than 25 percent of the value of the borrower's sales were derived from—

(A) contracts with the Department of Defense or the defense-related activities of the Department of Energy; or

(B) subcontracts in support of defense-related prime contracts.

(e) MAXIMUM AMOUNT OF LOAN PRINCIPAL.—With respect to each borrower, the maximum amount of loan principal for which the Administrator may provide a guarantee under this section during a fiscal year may not exceed $1,250,000.

(f) LOAN GUARANTY RATE.—The maximum allowable guarantee percentage for loans guaranteed under this section may not exceed 80 percent.

(g) FUNDING.—

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

(2) CONTINUED AVAILABILITY OF EXISTING FUNDS.—The funds made available under the second proviso under the heading ''RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE'' in Public Law 103–335 (108 Stat. 2613) shall be available until expended—

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

(B) to cover the reasonable costs of the administration of the loan guarantees.

SEC. 508. VERY SMALL BUSINESS CONCERNS.

Section 304(i) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 644 note) is amended by striking ''September 30, 1998'' and inserting ''September 30, 2000''.

SEC. 509. TRADE ASSISTANCE PROGRAM FOR SMALL BUSINESS CONCERNS ADVERSELY AFFECTED BY NAFTA.

The Administrator shall coordinate Federal assistance in order to provide counseling to small business concerns adversely affected by the North American Free Trade Agreement.

TITLE VI—HUBZONE PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the ''HUBZone Act of 1997''.

SEC. 602. HISTORICALLY UNDERUTILIZED BUSINESS ZONES.

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

''(p) DEFINITIONS RELATING TO HUBZONES.—In this Act:

''(1) HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—The term 'historically underutilized business zone' means any area located within 1 or more—

''(A) qualified census tracts;

''(B) qualified nonmetropolitan counties; or

''(C) lands within the external boundaries of an Indian reservation.

''(2) HUBZONE.—The term 'HUBZone' means a historically underutilized business zone.

''(3) HUBZONE SMALL BUSINESS CONCERN.—The term 'HUBZone small business concern' means a small business concern—

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

''(B) the principal office of which is located in a HUBZone; or

''(4) QUALIFIED AREAS.—

''(A) QUALIFIED CENSUS TRACT.—The term 'qualified census tract' has the meaning given that term in section 42(d)(5)(C)(ii)(I) of the Internal Revenue Code of 1986.

''(B) QUALIFIED NONMETROPOLITAN COUNTY.—The term 'qualified nonmetropolitan county' means any county—

''(i) that, based on the most recent data available from the Bureau of the Census of the Department of Commerce—

''(I) is not located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986); and

''(II) in which the median household income is less than 80 percent of the nonmetropolitan State median household income; or

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

''(5) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—

''(A) IN GENERAL.—A HUBZone small business concern is 'qualified', if—

''(i) the small business concern has certified in writing to the Administrator (or the Administrator otherwise determines, based on information submitted to the Administrator by the small business concern, or based on certification procedures, which shall be established by the Administration by regulation) that—

''(I) it is a HUBZone small business concern;

''(II) not less than 35 percent of the employees of the small business concern reside in a HUBZone, and the small business concern will attempt to maintain this employment percentage during the performance of any contract awarded to the small business concern on the basis of a preference provided under section 31(b); and

''(III) with respect to any subcontract entered into by the small business concern pursuant to a contract awarded to the small business concern under section 31, the small business concern will ensure that—

''(aa) in the case of a contract for services (except construction), not less than 50 percent of the cost of contract performance incurred for personnel will be expended for its employees or for employees of other HUBZone small business concerns; and

''(bb) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), not less than 50 percent of the cost of manufacturing the supplies (not including the cost of materials) will be incurred in connection with the performance of the contract in a HUBZone by 1 or more HUBZone small business concerns; and

''(ii) no certification made or information provided by the small business concern under clause (i) has been, in accordance with the procedures established under section 31(c)(1)—

''(I) successfully challenged by an interested party; or

''(II) otherwise determined by the Administrator to be materially false.

''(B) CHANGE IN PERCENTAGES.—The Administrator may utilize a percentage other than the percentage specified in under item (aa) or (bb) of subparagraph (A)(i)(III), if the Administrator determines that such action is necessary to reflect conventional industry practices among small business concerns that are below the numerical size standard for businesses in that industry category.

''(C) CONSTRUCTION AND OTHER CONTRACTS.—The Administrator shall promulgate final regulations imposing requirements that are similar to those specified in subclauses (IV) and (V) of subparagraph (A)(i) on contracts for general and specialty construction, and on contracts for any other industry category that would not otherwise be subject to those requirements. The percentage applicable to any such requirement shall be determined in accordance with subparagraph (B).

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

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

''(ii) be updated by the Administrator not less than annually; and

''(iii) be provided upon request to any Federal agency or other entity.''.

(b) FEDERAL CONTRACTING.—

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

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

(B) by inserting after section 30 the following:

''SEC. 31. HUBZONE PROGRAM.

''(a) IN GENERAL.—There is established within the Administration a program to be carried out by the Administrator to provide for Federal contracting assistance to qualified HUBZone small business concerns in accordance with this section.

''(b) ELIGIBLE CONTRACTS.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'contracting officer' has the meaning given that term in section 27(f)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(f)(5)); and

''(B) the term 'full and open competition' has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

''(2) AUTHORITY OF CONTRACTING OFFICER.—Notwithstanding any other provision of law—

''(A) a contracting officer may award sole source contracts under this section to any qualified HUBZone small business concern, if—

''(i) the qualified HUBZone small business concern is determined to be a responsible contractor with respect to performance of such contract opportunity, and the contracting officer does not have a reasonable expectation that 2 or more qualified HUBZone small business concerns will submit offers for the contracting opportunity;

''(ii) the anticipated award price of the contract (including options) will not exceed—

''(I) $5,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

''(II) $3,000,000, in the case of all other contract opportunities; and

''(iii) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

''(B) a contract opportunity shall be awarded pursuant to this section on the basis of competition restricted to qualified HUBZone small business concerns if the contracting officer has a reasonable expectation that not less than 2 qualified HUBZone small business concerns will submit offers and that the award can be made at a fair market price; and

''(C) not later than 5 days from the date the Administration is notified of a procurement officer's decision not to award a contract opportunity under this section to a qualified HUBZone small business concern, the Administrator may notify the contracting officer of the intent to appeal the contracting officer's decision, and within 15 days of such date the Administrator may file a written request for reconsideration of the contracting officer's decision

with the Secretary of the department or agency head.

''(3) PRICE EVALUATION PREFERENCE IN FULL AND OPEN COMPETITIONS.—In any case in which a contract is to be awarded on the basis of full and open competition, the price offered by a qualified HUBZone small business concern shall be deemed as being lower than the price offered by another offeror (other than another small business concern), if the price offered by the qualified HUBZone small business concern is not more than 10 percent higher than the price offered by the otherwise lowest, responsive, and responsible offeror.

''(4) RELATIONSHIP TO OTHER CONTRACTING PREFERENCES.—A procurement may not be made from a source on the basis of a preference provided in paragraph (2) or (3), if the procurement would otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

''(c) ENFORCEMENT; PENALTIES.—

''(1) VERIFICATION OF ELIGIBILITY.—In carrying out this section, the Administrator shall establish procedures relating to—

''(A) the filing, investigation, and disposition by the Administration of any challenge to the eligibility of a small business concern to receive assistance under this section (including a challenge, filed by an interested party, relating to the veracity of a certification made or information provided to the Administration by a small business concern under section 3(p)(5)); and

''(B) verification by the Administrator of the accuracy of any certification made or information provided to the Administration by a small business concern under section 3(p)(5).

''(2) EXAMINATIONS.—The procedures established under paragraph (1) may provide for program examinations (including random program examinations) by the Administrator of any small business concern making a certification or providing information to the Administrator under section 3(p)(5).

''(3) PROVISION OF DATA.—Upon the request of the Administrator, the Secretary of Labor, the Secretary of Housing and Urban Development, and the Secretary of the Interior (or the Assistant Secretary for Indian Affairs), shall promptly provide to the Administrator such information as the Administrator determines to be necessary to carry out this subsection.

''(4) PENALTIES.—In addition to the penalties described in section 16(d), any small business concern that is determined by the Administrator to have misrepresented the status of that concern as a 'HUBZone small business concern' for purposes of this section, shall be subject to—

''(A) section 1001 of title 18, United States Code; and

''(B) sections 3729 through 3733 of title 31, United States Code.''.

(2) INITIAL LIMITED APPLICABILITY.—During the period beginning on the date of enactment of this Act and ending on September 30, 2000, section 31 of the Small Business Act (as added by paragraph (1) of this subsection) shall apply only to procurements by—

(A) the Department of Defense;

(B) the Department of Agriculture;

(C) the Department of Health and Human Services;

(D) the Department of Transportation;

(E) the Department of Energy;

(F) the Department of Housing and Urban Development;

(G) the Environmental Protection Agency;

(H) the National Aeronautics and Space Administration;

(I) the General Services Administration; and

(J) the Department of Veterans Affairs.

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

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

(1) in paragraph (1)—

(A) in the first sentence, by striking ''., small business concerns owned and controlled by socially and economically disadvantaged individuals'' and inserting '', qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals''; and

(B) in the second sentence, by inserting ''qualified HUBZone small business concerns,'' after ''small business concerns,'';

(2) in paragraph (3)—

(A) by inserting ''qualified HUBZone small business concerns,'' after ''small business concerns,'' each place that term appears; and

(B) by adding at the end the following:

''(F) In this contract, the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.'';

(3) in paragraph (4)(E), by striking ''small business concerns and'' and inserting ''small business concerns, qualified HUBZone small business concerns, and'';

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

(5) in paragraph (10), by inserting ''qualified HUBZone small business concerns,'' after ''small business concerns,''.

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

(1) in subsection (g)(1)—

(A) by inserting ''qualified HUBZone small business concerns,'' after ''small business concerns,'' each place that term appears;

(B) in the second sentence, by striking ''20 percent'' and inserting ''23 percent''; and

(C) by inserting after the second sentence the following: ''The Governmentwide goal for participation by qualified HUBZone small business concerns shall be established at not less than 1 percent of the total value of all prime contract awards for fiscal year 1999, not less than 1.5 percent of the total value of all prime contract awards for fiscal year 2000, not less than 2 percent of the total value of all prime contract awards for fiscal year 2001, not less than 2.5 percent of the total value of all prime contract awards for fiscal year 2002, and not less than 3 percent of the total value of all prime contract awards for fiscal year 2003 and each fiscal year thereafter.'';

(2) in subsection (g)(2)—

(A) in the first sentence, by striking ''., by small business concerns owned and controlled by socially and economically disadvantaged individuals'' and inserting '', by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals'';

(B) in the second sentence, by inserting ''qualified HUBZone small business concerns,'' after ''small business concerns,''; and

(C) in the fourth sentence, by striking ''by small business concerns owned and controlled by socially and economically disadvantaged individuals and participation by small business concerns owned and controlled by women'' and inserting ''by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women''; and

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

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

(1) in subsection (d)(1)—

(A) by inserting '', a 'qualified HUBZone small business concern','' after ''small business concern',''; and

(B) in subparagraph (A), by striking ''section 9 or 15'' and inserting ''section 9, 15, or 31''; and

(2) in subsection (e), by inserting '', a 'HUBZone small business concern','' after ''small business concern',''.

SEC. 604. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

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

(1) in subsection (a)(1)(A), by inserting before the semicolon the following: '', and qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)''; and

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

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

(1) by striking ''concerns and small'' and inserting ''concerns, small''; and

(2) by inserting '', and qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)'' after ''disadvantaged individuals''.

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

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act).''.

(d) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 411(c)(3)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)(3)(B)) is amended by inserting before the semicolon the following: '', or to a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)''.

(e) TITLE 31, UNITED STATES CODE.—

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

(A) in paragraph (1)(B), by inserting ''and law firms that are qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)'' after ''disadvantaged individuals''; and

(B) in paragraph (3)—

(i) in the first sentence, by inserting before the period ''and law firms that are qualified HUBZone small business concerns'';

(ii) in subparagraph (A), by striking ''and'' at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.''.

(2) PAYMENTS TO LOCAL GOVERNMENTS.—Section 6701(f) of title 31, United States Code, is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) qualified HUBZone small business concerns.''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).''.

(3) REGULATIONS.—Section 7505(c) of title 31, United States Code, is amended by striking

''small business concerns and'' and inserting ''small business concerns, qualified HUBZone small business concerns, and''.

(f) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—

(1) ENUMERATION OF INCLUDED FUNCTIONS.—Section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)) is amended—

(A) in paragraph (11), by inserting ''qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act),'' after ''small businesses,''; and

(B) in paragraph (12), by inserting ''qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act (15 U.S.C. 632(o)),'' after ''small businesses,''.

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

(A) in subsection (a)—

(i) in the first sentence, by inserting ''the number of qualified HUBZone small business concerns,'' after ''Procurement Policy''; and

(ii) by inserting a comma after ''women''; and

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

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

(1) in subsection (a)—

(A) in paragraph (2), by striking ''or'';

(B) in paragraph (3), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(4) qualified HUBZone small business concerns.''; and

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

''(3) The term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).''.

(h) TITLE 49, UNITED STATES CODE.—

(1) PROJECT GRANT APPLICATION APPROVAL CONDITIONED ON ASSURANCES ABOUT AIRPORT OPERATION.—Section 47107(e) of title 49, United States Code, is amended—

(A) in paragraph (1), by inserting before the period ''or qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)'';

(B) in paragraph (4)(B), by inserting before the period ''or as a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)''; and

(C) in paragraph (6), by inserting ''or a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)'' after ''disadvantaged individual''.

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

(A) in subsection (a)—

(i) in paragraph (1), by striking the period at the end and inserting a semicolon;

(ii) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(3) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).''; and

(B) in subsection (b), by inserting before the period ''or qualified HUBZone small business concerns''.

SEC. 605. REGULATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Administrator shall publish in the Federal Register such final regulations as may be necessary to carry out this title and the amendments made by this title.

(b) FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date on which final regulations are published under subsection (a), the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation in order to ensure consistency between the Federal Acquisition Regulation, this title and the amendments made by this title, and the final regulations published under subsection (a).

SEC. 606. REPORT.

Not later than March 1, 2002, the Administrator shall submit to the Committees a report on the implementation of the HUBZone program established under section 31 of the Small Business Act (as added by section 602(b) of this title) and the degree to which the HUBZone program has resulted in increased employment opportunities and an increased level of investment in HUBZones (as defined in section 3(p) of the Small Business Act (15 U.S.C. 632(p)), as added by section 602(a) of this title).

SEC. 607. AUTHORIZATION OF APPROPRIATIONS.

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

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

''(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1998.'';

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

''(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1999.''; and

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

''(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 2000.''.

TITLE VII—SERVICE DISABLED VETERANS

SEC. 701. PURPOSES.

The purposes of this title are—

(1) to foster enhanced entrepreneurship among eligible veterans by providing increased opportunities;

(2) to vigorously promote the legitimate interests of small business concerns owned and controlled by eligible veterans; and

(3) to ensure that those concerns receive fair consideration in purchases made by the Federal Government.

SEC. 702. DEFINITIONS.

In this title:

(1) ELIGIBLE VETERAN.—The term ''eligible veteran'' means a disabled veteran (as defined in section 4211(3) of title 38, United States Code).

(2) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY ELIGIBLE VETERANS.—The term ''small business concern owned and controlled by eligible veterans'' means a small business concern (as defined in section 3 of the Small Business Act)—

(A) that is at least 51 percent owned by 1 or more eligible veterans, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by 1 or more eligible veterans; and

(B) whose management and daily business operations are controlled by eligible veterans.

SEC. 703. REPORT BY SMALL BUSINESS ADMINISTRATION.

(a) STUDY AND REPORT.—

(1) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Administrator shall conduct a comprehensive study and submit to the Committees a final report containing findings and recommendations of the Administrator on—

(A) the needs of small business concerns owned and controlled by eligible veterans;

(B) the availability and utilization of Administration programs by small business concerns owned and controlled by eligible veterans;

(C) the percentage, and dollar value, of Federal contracts awarded to small business concerns owned and controlled by eligible veterans in the preceding 5 fiscal years; and

(D) methods to improve Administration and other agency programs to serve the needs of small business concerns owned and controlled by eligible veterans.

(2) CONTENTS.—The report under paragraph (1) shall include recommendations to Congress concerning the need for legislation and recommendations to the Office of Management and Budget, relevant offices within the Administration, and the Department of Veterans Affairs.

(b) CONDUCT OF STUDY.—In carrying out subsection (a), the Administrator—

(1) may conduct surveys of small business concerns owned and controlled by eligible veterans and service disabled veterans, including those who have sought financial assistance or other services from the Administration;

(2) shall consult with the appropriate committees of Congress, relevant groups and organizations in the nonprofit sector, and Federal or State government agencies; and

(3) shall have access to any information within other Federal agencies that pertains to such veterans and their small businesses, unless such access is specifically prohibited by law.

SEC. 704. INFORMATION COLLECTION.

After the date of issuance of the report required by section 703(a), the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary for Veterans' Employment and Training and the Administrator, engage in efforts each fiscal year to identify small business concerns owned and controlled by eligible veterans in the United States. The Secretary shall inform each small business concern identified under this section that information on Federal procurement is available from the Administrator.

SEC. 705. STATE OF SMALL BUSINESS REPORT.

Section 303(b) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(b)) is amended by striking ''and female-owned businesses'' and inserting '', female-owned, and veteran-owned businesses''.

SEC. 706. LOANS TO VETERANS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by inserting after paragraph (7) the following:

''(8) The Administration may make loans under this subsection to small business concerns owned and controlled by disabled veterans (as defined in section 4211(3) of title 38, United States Code).''.

SEC. 707. ENTREPRENEURIAL TRAINING, COUNSELING, AND MANAGEMENT ASSISTANCE.

The Administrator shall take such actions as may be necessary to ensure that small business concerns owned and controlled by eligible veterans have access to programs established under the Small Business Act that provide entrepreneurial training, business development assistance, counseling, and management assistance to small business concerns, including, among others, the Small Business Development Center program and the Service Corps of Retired Executives (SCORE) program.

SEC. 708. GRANTS FOR ELIGIBLE VETERANS' OUTREACH PROGRAMS.

Section 8(b) of the Small Business Act (15 U.S.C. 637(b)) is amended—

(1) in paragraph (15), by striking ''and'' at the end;

(2) in the first paragraph designated as paragraph (16), by striking the period at the end and inserting ''; and''; and

(3) by striking the second paragraph designated as paragraph (16) and inserting the following:

''(17) to make grants to, and enter into contracts and cooperative agreements with, educational institutions, private businesses, veterans' nonprofit community-based organizations,

and Federal, State, and local departments and agencies for the establishment and implementation of outreach programs for disabled veterans (as defined in section 4211(3) of title 38, United States Code).''.

SEC. 709. OUTREACH FOR ELIGIBLE VETERANS.

The Administrator, the Secretary of Veterans Affairs, and the Assistant Secretary of Labor for Veterans' Employment and Training, shall develop and implement a program of comprehensive outreach to assist eligible veterans, which program shall include business training and management assistance, employment and relocation counseling, and dissemination of information on veterans' benefits and veterans' entitlements.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. TALENT] and the gentleman from New York [Mr. LAFALCE] each will control 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the primary purpose of this legislation is to reauthorize the Small Business Administration and the programs which that agency oversees pursuant to the Small Business Act and the Small Business Investment Act. This reauthorization covers fiscal years 1998, 1999 and 2000. Except for a couple of new provisions added by the other body, this legislation is identical to H.R. 2261, which this House passed under suspension of the rules by a vote of 397 to 17 just 6 weeks ago.

We regularly reauthorize the bulk of the programs contained in this legislation for 3-year periods. The programs contained in this legislation include the financial programs of the SBA, the 7(a) general business loan guarantee program, the section 504 Certified Development Company program, the Microloan program, and the Small Business Investment Company program.

This legislation also changes and improves various programs, specifically modifying the section 504 Preferred Certified Lender Program, the SBIC program, the Women's Business Center program and the SBDC program. The SBA also provides hundreds of millions of dollars in vital disaster assistance to small businesses and homeowners every year, and this legislation reauthorizes that assistance.

Title VII of the measure before us is the result of the collective work of multiple committees and individual Members. It contains a number of provisions which are designed to assist the Federal Government in better serving service-disabled veterans and small businesses owned by service-disabled veterans. These provisions are the products of bipartisan efforts by myself and the gentleman from New York [Mr. LAFALCE], our committee's ranking member, working together with the chairman of the Committee on Rules and the chairman of the Committee on Veterans' Affairs.

Section 501 of this legislation is also the product of a bipartisan and multi-committee effort both here and in the Senate. It contains most of the features of H.R. 2429, as reported by the Committee on Science, and is a 4-year reauthorization of the pilot Small Business Technology Transfer Program.

As I said earlier, Mr. Speaker, the legislation before us today has some additional components that were added since we passed it here in the House in late September. These additional elements have been added as a result of collaborative and bipartisan efforts between the House and the Senate and, in fact, have involved the collective work of multiple committees from both Houses working in conjunction with representatives of the administration.

Title VI of this legislation establishes the HUBZone program, which will provide incentives to businesses that locate in and employ residents from economically distressed areas, thereby targeting inner cities and rural communities that have low household incomes, high unemployment and whose communities have suffered from a lack of investment.

Subtitle (b) of title IV of this legislation is another component which was added to this legislation by the Senate and addresses the important small business procurement issue of contract bundling. This provision is the result of lengthy negotiations, involving several Senate and House committees and the administration.

Finally, section 507 of this legislation addresses the Defense Loan and Technical Assistance Program, or DELTA program, and is of great importance to numerous small businesses located in areas that have been adversely impacted as a result of the closing of military installations.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. LAFALCE. Mr. Speaker, I rise in support of S. 1139, the Small Business Reauthorization Act of 1997.

Mr. Speaker, this legislation includes the requisite authorization for programs administered by the Small Business Administration for fiscal year 1998 and the two ensuing years. It also includes important program changes for a number of the SBA programs.

Specifically, it includes proposals for women's business development, which I advocated in separate legislation, such as making the women's business development a permanent program and increasing it to 5 years in lieu of the existing 3-year program.

It also enhances the operation of the 504 program, also known as the certified development company or CDC program, which I authored in 1980. It makes needed improvements to allow implementation of the premier lenders program, which allows SBA to delegate loan making, servicing and liquidation functions to the best CDC's. Without this delegation of authority, which results in large reductions in SBA employee time demands, this program would grind to a halt, as would the 7(a) program without its similar delegation of authority, for SBA simply does not have sufficient personnel to make and service loans today. We depend on participating lenders to serve this function under SBA guidelines and oversight.

But I would be remiss in my responsibilities as the ranking Democrat on the Committee on Small Business if I did not point out that this bill is not without concern. At Senate insistence, it includes a new program to assist economically distressed areas by channeling Federal contracting to them. Under this laudable concept, the distressed areas, called HUBZones, would receive major amounts of Federal contract dollars if the small business contractors unemployment base includes 35 percent of its workforce from these HUBZones. Further, it would increase the small business contracting goal from 20 to 23 percent, a provision I strongly favor.

I am very pleased to note that we were able to secure a major, major change from the version originally passed by the other body. The earlier version would have permitted contracts to be taken from an existing program which assists minorities and women, the 8(a) program.

□ 1630

We were successful in insisting that that provision be dropped totally. The Senate insisted on all the other provisions in the HUBZone title with very little change. I resisted that, too, until specifically prevailed upon by the Small Business Administration.

Inclusion of this HUBZone concept as a permanent program without the customary trial provisions and other safeguards caused a number of Members of Congress to raise strong concerns, particularly because of the possibility of adverse impact on the 8(a) contracting program. Now, this is the most important program operated by the Federal Government to facilitate the growth and development of minority small businesses. Any proposals which might place this program in jeopardy naturally cause concern to those Members who place a high priority on the development of minority small business.

We tried very hard to get a deletion of the entire HUBZone proposal even after they had deleted every single reference to 8(a). The HUBZone proposal is still maintained in the bill, but fortunately it confers considerable discretion on the Administrator of the SBA who will implement. After extensive discussions with Administrator Aida Alvarez, she sent me a very forceful letter explaining the administration's support for the reauthorization bill now under consideration and pledging that SBA will not permit the implementation of the HUBZone's program to negatively affect the 8(a) program. I

will include Miss Alvarez' strong letter of support for the authorization bill in the RECORD for any Member who is interested.

The letter referred to is as follows:

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, D.C., November 8, 1997.

Hon. JOHN J. LAFALCE,
U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE LAFALCE: The Administration supports realization of the programs of the Small Business Administration and supports House passage of S. 1139. The bill reauthorizes small business loans which assist tens of thousands of small businesses each year and contribute to the vitality of economy. This bill recognizes the importance of women and service disabled veteran entrepreneurs. And, it makes permanent SBA's Microloan Program which helps those entrepreneurs who need very small amounts of credit. We need this legislation to ensure that we can continue to properly serve our small business customers.

Some Members have raised concerns about the HUBZones provisions in the authorization bill. Please note that unlike earlier versions of the reauthorization bill, the new version of the bill before the House has removed the harmful provisions that would have affected the current preference for 8(a) in the Defense Federal Acquisition Regulations (DFAR), and my ability to appeal contracting actions that might affect 8(a).

I can assure you that SBA will not permit the implementation of the HUBZones program to negatively affect the 8(a) program. As you know, I am a strong supporter of the 8(a) program.

Moreover, the bill will increase the federal procurement goal for small business from 20 to 23 percent—increasing opportunities for all small businesses including 8(a). With this overall increase in federal contracting dollars for small businesses there will be room for an increase in 8(a) contracts and I intend to pursue increases in 8(a) contracts aggressively.

In the SBA's strategic plan I have committed to increasing overall procurement for small disadvantaged businesses from 5.5 percent to 7 percent of all federal procurement by the year 2000. Enactment of HUBZones will not affect these goals.

It is my intention to increase 8(a) procurement as a percentage of total federal procurement. Presently, 3.2 percent of all federal procurement dollars go to the 8(a) program. Recently proposed rule changes will allow increased flexibility in small business teaming and joint ventures, and create a new mentor-protégé program. I also intend to increase 8(a) contracts through a more aggressive goaling posture with other federal agencies and through the full implementation of the new on-line PRO-Net procurement system. Enactment of HUBZones will not affect these strategies.

The bill allows federal contractors to utilize a sole source contracting vehicle to access HUBZones companies. However, we do not believe that this provision will necessarily affect 8(a) firms. In fact, federal contracting officers may be more likely to shift competitive contracting dollars to HUBZones because of the relative ease in a sole source vehicle rather than to shift these contracts from 8(a), where the ease of procurement is already in place. In fact, 8(a) firms are exactly the kinds of firms that would most likely take advantage of the new HUBZones sole source authority—especially after they have left the 8(a) program. However, I can assure the Members of the Small Business Committee that we will take whatever steps are necessary in the rulemaking process to ensure that the new sole source provisions for HUBZones do not negatively affect 8(a). And, I will closely monitor the sole source authority when used for HUBZones. Should it be determined that there is a negative effect on 8(a), I will use my authority to appeal contracts to protect 8(a) firms.

I share your concern that SBA may not have sufficient resources to implement the HUBZones over the next several years. While the final appropriations bill has not yet been enacted, we anticipate that the appropriations bill will include enough resources to write the regulations and implement the program in the first year. As presently proposed, the SBA does not have adequate resources for full implementation of the HUBZones program. I will not increase our risks nor sacrifice the effectiveness of SBA's other programs by shifting resources from these programs to HUBZones. We will evaluate future resource needs after we have analyzed the full on-going costs of the program and provide the Congress with an estimate of these needs in our budget submission.

I will keep the Small Business Committees informed of any issues that may arise during the rulemaking process and provide the Committees with quarterly reports until the program is fully implemented. We will also continue to consult closely with the 8(a) business community during this period. After implementation, I will monitor federal procurement contracting patterns and the use of the sole source provisions for HUBZones. I will report to the Small Business Committees on a semi-annual basis about trends in federal procurement activity for small businesses and on the use of sole source contracts. As we monitor HUBZones implementation, SBA will also pursue regulatory changes within the Administration to further protect 8(a) if necessary. You also have my firm commitment that I will seek legislative changes if we identify any adverse impact on the 8(a) program as a result of this monitoring.

Finally, because the bill retains my appeal authority on behalf of 8(a), I will continue to intervene in the future, if there are any specific instances of a federal agency trying to move a contract from the 8(a) program to HUBZones.

Thank you for your consideration.

Sincerely,

AIDA ALVAREZ,
Administrator.

Mr. Speaker, I reserve the balance of my time.

Mr. TALENT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, I thank the gentleman from Missouri [Mr. TALENT] for yielding me time.

I rise today in strong support of S. 1139, the Small Business Programs Reauthorization and Amendments Act of 1997. This important legislation will reauthorize the lending programs of the SBA, allowing our Nation's small businesses to continue access to capital.

We are all aware of the important role that small businesses play in maintaining the economic strength of the United States. They create the vast majority of new jobs, provide countless new technological innovations, and drive economic growth in our country, and unfortunately there is often insufficient capital available for entrepreneurs to use to start up new businesses or for current small business owners to expand existing ones. This is the void that the Small Business Administration's loan guarantee programs often fill. Without passage of this important legislation, this valuable service would be threatened. Our Nation's small businesses, and indeed our economy, would suffer as a result.

The gentleman from Missouri [Mr. TALENT] and the gentleman from New York [Mr. LAFALCE] have worked very closely to put together a bipartisan bill that deserves the backing of every Member of this House. I urge my colleagues to support the small business community and support S. 1139.

Mr. LAFALCE. Mr. Speaker, I yield 3¼ minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELAZQUEZ. Mr. Speaker, today we will pass this Small Business Administration reauthorization bill which provides valuable resources to a number of vital programs. While I have worked hard in support of those programs, I rise today to address some elements of the bill that I believe require further discussion.

The House Committee on Small Business, under the effective leadership of the gentleman from Missouri [Mr. TALENT] and the ranking Democrat, the gentleman from New York [Mr. LAFALCE], worked very hard to report out a bill that would have helped small business. Unfortunately we are not considering the product of our committee's work today. Instead we are considering a bill from the other body that creates a multibillion-dollar, I repeat multibillion-dollar, contracting program.

This proposal called HUBZones was never introduced in the House. This unstudied and untested program has not even had one hearing, not in the Committee on Small Business, the Committee on Banking and Financial Services, the Committee on Education and the Workforce, or the Committee on National Security, all of which would have jurisdiction over the HUB's provisions. Because of this failure to properly examine this program, I have my concerns about this proposal.

This program raises many serious questions. How will HUBZones work? What kind of jobs will it create? What kind of small businesses will it benefit? How will we measure its effectiveness? How will it work with already established programs such as empowerment zones and enterprise community? The effect of this legislation will be felt by the entire small business community.

As the ranking member of the Subcommittee on Empowerment of the Committee on Small Business, I have a responsibility to bring community and economic development to our disadvantaged areas. I represent one of the first districts in this country. I know the barriers that entrepreneurs from my district and others like it must overcome. SBA already addresses these needs through a variety of programs, which raises the question of why we need another program when funding is

so scare. If the SBA is forced to spread out its resources to implement HUBZones, it will jeopardize the operations of many successful small business assistance programs.

Mr. Speaker, at this point I yield to the gentleman from New York [Mr. LAFALCE], the ranking member, and the chairman of the committee, the gentleman from Missouri [Mr. TALENT], to provide assurances that the 8(a) program will not be harmed by these new HUBZone proposals.

Mr. LAFALCE. First of all, I want to praise the gentlewoman for the outstanding work she has done on the Committee on Small Business, particularly as the ranking Democrat on the Subcommittee on Empowerment, and for the work she has done in refining the perspective of the Small Business Administration on this.

As the gentlewoman knows, the bill as originally passed by the Senate would have adversely impacted the 8(a) program as it would have changed existing law to reduce the authority of the SBA over placement of contracts within the program. That was stricken at our absolute insistence.

I have also received a very strong letter in support of the bill from Administrator Alvarez. Her letter, which I have inserted in the RECORD, provides assurance that SBA will not permit the implementation of the HUBZones Program to negatively affect the 8(a) program based upon the continuation of current 8(a) authority unchanged and the administrator's assurances. I believe the HUBZone Program can and will be implemented in a manner that will not harm 8(a) and actually might help those firms and other minority firms.

The SPEAKER pro tempore. The time of the gentlewoman from New York [Ms. VELÁZQUEZ] has expired.

Mr. TALENT. Mr. Speaker, I yield myself 30 seconds in which just to say that that is also my understanding, and I have said from the beginning, that I did not want this bill to effect the 8(a) program, and as far as I am concerned, it is out of this bill, it is not mentioned in this bill; and that the HUBZone bill is designed to provide a little bit of an additional boost to procurement to businesses that locate in these disadvantaged areas and hire these individuals.

Mr. TALENT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a member of the committee.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, this legislation before the House today provides valuable support for a growing American economy. The programs that are reauthorized under Senate bill 1139 play a limited, but beneficial, role in promoting the most dynamic sector of the American economy, and that is small business.

Mr. Speaker, recent experience with domestic job creation is consistent. Two-thirds of the new jobs created in America are created by small employers. Small business is a critical source of economic expansion across the country whether in inner cities, developing suburbs, or rural areas. The entrepreneurship of small employers is a critical source of economic opportunity and growth in communities throughout America. Today millions of small firms and risk-taking individuals are building the economy of the next century, the economy that our children will inherit and will provide their link to the American dream.

The programs under the Small Business Administration that we are reauthorizing today will not by themselves create the American economy of the future; however by linking small businesses to sources of credit and technical assistance, the SBA has the potential to nurture entrepreneurship and promote more successful business starts and expansions.

Mr. Speaker, I strongly support the enactment of this legislation. While this Congress continues to have an aggressive agenda of encouraging small business growth through regulatory reform and tax relief, this legislation guarantees the continuation of limited, targeted, programmatic support for small businesses by the Federal Government.

As a member of the Committee on Small Business, I am acutely aware that the SBA still has a long way to go to realize its potential as a strong advocate and clearinghouse for the small business community. Nevertheless, it is important that we continue the agency's successful programs, such as the Small Business Development Centers in order to encourage job creation and job retention in the most dynamic and competitive sector of America's economy.

Mr. LAFALCE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia [Mr. SISISKY], the next most senior member on the Democratic side of the aisle of the Committee on Small Business.

[Mr. SISISKY asked and was given permission to revise and extend his remarks.)

Mr. SISISKY. Mr. Speaker, I rise in support of S. 1139.

Mr. Speaker, I am pleased to be able to support this reauthorization bill.

Along with other Members, I did have serious concerns about some of its provisions. But those concerns have now been addressed, at least to my satisfaction.

The legislation we have before us may have some flaws, but overall it is a very good bill and I believe it must be passed.

Many Members had legitimate concerns and strong feelings about the HUB Zones Program, in particular.

The bill passed by the House a little over month ago contained absolutely no reference to HUB Zones. The Small Business Committee held no hearings on HUB Zones. We had no chance to examine this concept closely, let alone make improvements.

The House had no role at all in the design of this program. This troubles me, and I don't think it's a very good way to legislate.

But on the whole, this is a very good bill. It reauthorizes the SBA loan programs that are the life blood of many small businesses in this country.

We know there is tremendous demand from small business for these programs.

We know that this financing meets a need that would otherwise go unmet. And we know how important financing is to small businesses, who make such an enormous contribution to economic growth and to job creation in this country.

For this reason alone, I think we have little choice but to pass this authorization bill.

S. 1139 also reauthorizes other successful programs and makes a number of program improvements that cannot be put off any longer.

I won't go into all the details, but there are several I'd like to single out. This bill makes permanent the Microloan Program, which assists the smallest of small businesses. It recognizes the importance of disabled veteran entrepreneurs.

The provisions on contract bundling should help small businesses better compete for Federal procurement opportunities. And one of SBA's most successful programs—the Women's Business Centers—is expanded.

I strongly urge my colleagues to vote for this bill. We need to work on both sides of the aisle—and with the administration—to see that it is implemented in a way that meets the needs of America's small business.

Mr. LAFALCE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. WYNN].

(Mr. WYNN asked and was given permission to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, let me begin by thanking the chairman and the ranking member of the committee for their hard work on this bill and also for addressing the potential conflict with respect to the 8(a) program and the HUBZone program. I am assured based on their comments that the 8(a) program remains intact and is not threatened by this new program.

I am very pleased to support S. 1139 because I think it is critical to the advancement of small business. Small business, as is often stated, is the engine for growth in this country. It generates over 50 percent of the gross national product. It generates more than half of all new jobs. Small businesses also account for the employment of minorities and women and our young people. We need to promote the advancement of small business.

I am particularly impressed with this bill because it contains language that restricts the practice of bundling. I had legislation on this issue because it arose out of the White House Conference on Small Business in which small businessmen said bundling, that is, the consolidation of Federal contracts, represents a threat to our survival. Right now eight major companies get more Federal Government business than all small businesses combined. The Federal Government does about $200 billion in contracting, so my colleagues can see this is a very important matter. This bill has language

which would restrict the practice of bundling, require Government agencies to justify the use of this type of consolidation.

The bill has also other attractive features. I think it is very important that this bill continues the microlending program. Now, $50,000 or $100,000 or $25,000 might not seem like a lot, but to a small businessman just starting out, to an entrepreneur, that is very important. We need to continue this program. The bill does that.

It also increases the goal for small business contracting from 20 percent to 23 percent. That is not a tremendous amount, but it is a significant amount. That could result in additional $4 billion in Government contracts available to the small business community. This, too, is an important improvement in the bill.

I believe the bill addresses our concerns about HUBZones, creates new programs and maintains important programs for our small business community. I urge its adoption.

Mr. TALENT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman, the chairman of the Committee on Small Business, for yielding the time to me, and, Mr. Speaker, I rise in support of S. 1139, the Small Business Administration reauthorization.

□ 1645

Included in this bill is the majority of H.R. 2429, the Small Business Technology Transfer Program Reauthorization Act, which was reported out of the Committee on Science's Subcommittee on Technology as well as the full Committee on Science. My comments will focus on that aspect of the bill, although the bill in its totality is very meritorious.

STTR is an important tech transfer program that has made over 800 awards totaling over $115 million since its inception in 1994. Nearly $5 million of those have gone to Maryland small businesses, just as an example. The STTR program expired on September 30 of this year, and this bill will reauthorize STTR at its current set-aside level to fiscal year 2001.

In addition, S. 1139 makes the following changes to the STTR program. First, the bill requires agencies participating in STTR to include STTR in their annual performance plans, as required by the Results Act. This provision will ensure that each agency defines its goals along with providing metrics to assist in evaluating those goals.

In concert with the performance plan, the bill requires each agency participating in the STTR and SBIR programs to include those programs in their strategic plan updates also required under the Results Act.

Second, S. 1139 contains an outreach program for States which receive less than $5 million in awards in fiscal year 1995. This outreach program is designed to increase participation among small businesses in States that have traditionally received few STTR and SBIR awards. It is not meant to mandate that States previously underrepresented by the programs receive an increase in the number of dollar value awards, but, instead, the provision should simply increase the number and quality of applications for STTR and SBIR.

Third, S. 1139 requires agencies to collect data that will provide Congress with information on the STTR program to assist in the measurement of the program outputs and outcomes. Like the Results Act language, this provision should help ensure the program is performing in the most effective manner possible.

I want to thank the gentleman from Wisconsin [Mr. SENSENBRENNER]; the ranking member, the gentleman from California [Mr. BROWN]; and the ranking member of my subcommittee, the Subcommittee on Technology, the gentleman from Tennessee [Mr. GORDON], for their support; and, indeed, my hearty commendation and thanks to the Committee on Small Business chairman, the gentleman from Missouri [Mr. TALENT], and the ranking member, the gentleman from New York [Mr. LAFALCE]; and the gentleman from Maryland [Mr. BARTLETT], who serves on both committees.

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, DC, November 6, 1997.

Hon. F. JAMES SENSENBRENNER,
Chairman, Committee on Science, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Section 9(b)(7) of the Small Business Act requires that the Administrator of the Small Business Administration report to the House and Senate Small Business Committees at least annually on the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs of the Federal agencies. Because of your interest in small business participation in the Nation's research and development efforts, I am happy to send this report to the House Committee on Science when I furnish it to the Committee on Small Business.

I appreciate your interest in small business research and development and look forward to any comments you may have on our report.

Sincerely,

AIDA ALVAREZ,
Administrator.

Mr. LAFALCE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today to support this legislation to reauthorize programs of the Small Business Administration, but with some reluctance. While I firmly believe in the mission of the SBA, certain provisions in this bill are somewhat contentious.

Funding for HUBZones is one such issue. While I certainly support the concept of spurring economic development in depressed urban and rural areas, I agree with the gentleman from New York [Mr. LAFALCE] that it would be better to have a clearer idea about the ramifications of this multibillion-dollar contracting program before it is approved.

However, I will support this package, because we should not hold up funding for other important activities of the SBA, and the gradual phase-in approach which was planned for HUBZone implementation should allow for sufficient monitoring of its effectiveness and impact on other SBA initiatives.

The goal of the SBA is to help small business owners reach their potential by providing various resources, such as loans and training. This assistance is especially important to rural communities, such as those in my congressional district, that have seen severe economic downturns over the last decade. A failure to fund these activities could reverse many positive trends.

Recent years have seen a dramatic increase in the success of women and minority-owned small businesses, and the SBA has had a significant role in this development. Failure to pass this bill would adversely affect the National Women's Business Council and would eliminate funding for 18 women's business centers, preventing thousands of women from getting necessary business training.

The Small Business Technology Transfer Program, which directs Federal R&D money to researchers, inventors, and small business people to develop the best ideas at our universities and research centers, this successful program not only gives necessary help to small businesses but helps university personnel have a hand in further developing their ideas while remaining on campus. It also would not be reauthorized.

The Preferred Surety Bond Program, which provides hundreds of millions of dollars in surety bonds to small construction companies, would also cease to operate.

For these reasons and others, we must act now to ensure that the good work of the SBA is not impeded. I urge my colleagues to vote for this legislation.

Mr. TALENT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. FORBES].

(Mr. FORBES asked and was given permission to revise and extend his remarks.)

Mr. FORBES. Mr. Speaker, I rise today in support of the Small Business Reauthorization Act of 1997 and to commend the gentleman from Missouri [Mr. TALENT] and former chairman and now ranking member, the gentleman from New York [Mr. LAFALCE], for their devotion to the small business community and this bill.

This bill, obviously, is the underpinning on which many of the Small Business Administration programs are reauthorized. I would like the opportunity to talk at great length about many of the wonderful programs at SBA, but I will limit my remarks to

the extension of the Defense Loan and Technical Assistance Program, which is commonly referred to as DELTA.

An important program that dealt with the unfortunate loss of business for many defense-dependent businesses over the last decade, the DELTA program is an important undertaking. I appreciate that the committee has sought to reauthorize not only the DELTA program, but to expand it, so that the many small businesses that could benefit, because they have had at least 25 percent of their earnings in the last 5 years dependent on defense business, as they seek to make the transition from defense-dependent businesses to other commercial applications, the DELTA program is instrumental in helping them make that kind of a transition.

It is important to understand also that the Small Business Administration is one of the few agencies or departments in the Government that almost pays for itself, helping budding entrepreneurs and small businessmen and women, who are the underpinning of the American economy. This agency does a tremendous job, and I appreciate the committee's special attention to this DELTA program.

As a former SBA regional administrator, I saw firsthand the important work that is undertaken by SBA. I appreciate the committee's work in making sure that this is a bipartisan bill, one that seeks to enhance the good work done by the Small Business Administration.

Mr. LAFALCE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. DAVIS], an extremely valuable contributor to the Committee on Small Business and the formation of this bill.

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the reauthorization of the SBA bill, but I also want to commend and congratulate the gentleman from Missouri, Chairman TALENT, and the gentleman from New York, Mr. LAFALCE, the ranking member, for their exemplary leadership in bringing this legislation to the floor.

I also want to acknowledge the strong presence of the gentlewoman from New York [Ms. VELÁZQUEZ] in making sure that the 8(a) procurement program is protected at all costs.

I also would extend my appreciation to Administrator Alvarez for her sensitivity and professionalism and hard work to make sure that areas of conflict were worked out.

But I am most pleased because this legislation, in addition to all of those excellent programs that we have already heard about, the micro lending program, the 8(a) program, the 504 program, all of them are excellent. But in addition, we now have a new concept, something called HUBZones, which are designed to bring additional resources to hard-pressed, severely depressed urban and rural communities throughout America, areas that, no matter what is said, none of the other programs has been able to do as much as there is that is needed to be done.

So I am hoping that with this new addition, we will see additional improvements, additional resources. It is a great program, and I am very pleased to lend my support to it and ask that all Members vote in favor of it.

Mr. LAFALCE. Mr. Speaker, I yield 3 minutes to one of the most distinguished freshmen members of the Committee on Small Business, the gentleman from Rhode Island [Mr. WEYGAND].

(Mr. WEYGAND asked and was given permission to revise and extend his remarks.)

Mr. WEYGAND. Mr. Speaker, I want to thank the gentleman from New York, our ranking member [Mr. LAFALCE], for his generosity and our chairman for the great work the two of them have done. I think if anyone could look at our committee and what they do, they would see this great bipartisan effort that I think really does serve not only the Members very well, but also the people of the country.

I am here to support Senate version 1139 because I think this is good for my State of Rhode Island, the small State of Rhode Island, but also good for other businesses throughout this country.

This bill authorizes SBA and its programs which will provide access to capital and services that might not be available to many of the small businesses throughout this great country.

I am a former small business owner, and I remember when I started my business in the basement of my house 15 years ago. I went down to the SBA because I knew I was a good landscape architect, I knew I could provide the services that were necessary, but I thought maybe I could extend my market area into maybe some Federal programs.

So I went down there 15 years ago, and when I came back, they had piled me down with literature and propaganda that most small business owners cannot even take the time to read, and I immediately threw it in the basket. My first impression of the SBA was a very negative one.

That is not so today. Today in Rhode Island, the SBA has done tremendous deeds to improve the small business climate of our State. Just over the last 3 years, they have more than doubled the number of loans in the 504 and the 7(a) program. Indeed, they have also done some things that we did not think were possible. Loans and assistance to minorities and to veterans and to women have more than doubled and tripled. Indeed, over one-third of all the loans given out in the State of Rhode Island are to these three groups.

The impact of small business to Rhode Island's economy cannot be overstated. In our State, over 97 percent of all the businesses are small businesses. Along with the loan programs, though, SBA provides services to assist business owners in becoming or remaining successful.

Once a loan has been given to a business, they make sure and follow through like caseworkers to be sure that businesses are fulfilling their obligation and doing well.

I also want to raise some concern that my colleagues have raised already about the HUB program. The HUBZone program is very similar to what we in many States call enterprise zones.

HUBZones and enterprise zones can have a very dark side. People can play shell games within enterprise zones, and in our State of Rhode Island they did just that. Businesses from outside of the enterprise zone moved in. They simply laid off other workers and hired them back and got the tax benefits and the contracts that were provided for people within the enterprise zone.

My concern is that under this provision of HUBZone, that we may indeed have the same kind of problems that we in Rhode Island had. Continued oversight and vigilance about this HUBZone program is extremely necessary. I know all of my colleagues are looking to Administrator Alvarez to be sure that she does not diminish the 8(a) program and sacrifice moneys because of the HUB program. I support this legislation and ask my colleagues to do the same.

Mr. Speaker, I rise in support of S. 1139, a bill to reauthorize small business programs. First, I would like to thank Chairman TALENT and Mr. LAFALCE for their leadership and for producing a bill that will undoubtedly benefit all small businesses. This bill reauthorizes the Small Business Administration and its programs which provide access to capital and services that might not otherwise be available to small business owners.

To highlight the SBA's importance, I would like to showcase what the SBA is doing in my district, in Rhode Island. Over the past 4 years there have been significant increases in the number of Small Business Administration loans awarded. In fact, the number of loans has more than doubled. In 1993, there were 115 approved loans totaling $32.6 million, in 1996, there were 292 loans totaling $53.3 million.

In particular, there have been dramatic improvements in access to capital for women, minorities, and veterans in my district. In 1993, there were 8 loans to minorities, 17 to women and 14 to veterans. In 1996, we had 16 loans to minorities, 40 to women and 46 to veterans. Nearly 35 percent of all approved SBA loans in Rhode Island, are going to these three groups.

I must express some concern over one provision in this bill. The HUBZone provision included in this bill did not come before the House Small Business committee, and we did not have the opportunity to hold hearings or study the program and its potential impact on small businesses in our districts. I am concerned that there may be the unintended consequence of negatively impacting minority small businesses and 8(a) firms. It is my hope that we will be able to work with the SBA and small business groups to ensure that we continue to expand opportunities for minorities.

I cannot overstate the importance of small business on Rhode Island's economy. Approximately 97 percent of all businesses in Rhode Island are classified as small businesses. These companies employ thousands of Rhode Islanders and provide the economic foundation of my State and our country. Small businesses play a vital role in job creation and provide endless opportunities for our citizens.

Along with the financial programs, the SBA provides services to assist business owners in becoming or remaining successful. Once a business has a loan we must make sure that the business stays healthy and profitable enough to repay that loan. Services provided by programs such as Small Business Development Centers, Service Corps of Retired Entrepreneurs, Business Information Centers, Minority Enterprise Development program, and Women's Business Enterprise program supply information and counseling services to business owners. These services are invaluable to the smallest businesses who do not have the budgets to hire high-priced consultants.

We, as leaders, must do all we can to foster and encourage the development and growth of small businesses and this bill moves us in that direction. This bill will allow us to continue to support existing small businesses and encourage the development of new ones, both in Rhode Island and across the country. I urge my colleagues to support it.

Mr. TALENT. Mr. Speaker, I am happy to yield 3 minutes to our last speaker on this side of the aisle, the gentleman from Montana [Mr. HILL], an outstanding member of the committee.

Mr. HILL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in strong support of Senate bill 1139, the Small Business Reauthorization Act of 1997, and I would like to first thank the gentleman from Missouri Chairman TALENT and the gentleman from New York Ranking Member LAFALCE, and especially the staff for their hard work in getting this important legislation to the floor and getting it passed. Without their tireless dedication and commitment to America's small businesses and the people who work in those small businesses, this vital authorization would not today be a reality.

Mr. Speaker, small businesses fuel our Nation's economy, and the role of Congress is an appropriate role, should be to support and encourage entrepreneurship.

□ 1700

I believe that this bill achieves this objective. We must continue to promote our economic growth throughout States like mine, Montana, by helping make them more competitive within markets and outside the United States.

I do want to point out two provisions in this bill that are extremely important to Montana. The first is the Small Business Technology Transfer program that earlier speakers talked about. I was especially pleased to see that my amendment was in the final bill. This provision will assist those 23 States that together receive fewer total SBA small business innovation research awards than the fifth-ranking State by itself. It will help our States receive more awards.

States like Montana have large numbers of small research and development businesses, and many of these businesses lack the resources for competing for small business innovation research grants. With my amendment, the playing field will be leveled by giving assistance to these businesses in applying for these awards while establishing performance goals to them.

Second is a provision in the Small Business Investment Company that addresses underserved areas like Montana. Montana is one of the few States that has never had a licensed Small Business Investment Company. With this provision, it will enable Montana to apply and hopefully qualify for this much-needed license. Approximately 98 percent of Montana's businesses are considered small businesses by definition. As a matter of fact, Mr. Speaker, 95 percent of the people in Montana work for a business that employs less than 50 employees. An SBAC license in the State of Montana will provide the necessary capital to fuel Montana's small business and small business growth.

Mr. Speaker, I urge my colleagues to vote for this bill.

Mr. Speaker, I rise today in strong support of S. 1139, the Small Business Reauthorization Act of 1997. I first would like to thank Chairman TALENT, Ranking Member LAFALCE and especially the staff, for their hard work in getting this very important legislation to the floor. Without their tireless dedication and commitment to America's small businesses, this vital authorization would not have become a reality.

Mr. Speaker, small businesses fuel our Nation's economy. The role of Congress should be to support and encourage entrepreneurship. And I believe that this bill achieves this objective. We must continue to promote economic growth throughout States like Montana, making them competitive in markets within and outside the United States.

I would like to point out two provisions in the bill that are extremely important to Montana. First is the Small Business Technology Transfer program. I was especially pleased to see that my amendment was in the final bill. This provision will assist those 23 States that together receive fewer total Small Business Innovation Research [SBIR] awards than the fifth ranking State by itself. States like Montana have large numbers of small Research and Development businesses, and many of these businesses lack the resources to compete for SBIR awards. With my amendment, the playing field will be leveled by giving assistance to these businesses in applying for the awards, while establishing performance goals.

Second is a provision in the Small Business Investment Company [SBIC] that addresses underserved areas like Montana. Montana is one of the few States that have never had a licensed SBIC. With this provision, it will enable Montana to apply and hopefully qualify for this much needed license. Approximately 98 percent of Montana's businesses are considered small businesses by definition, and an SBIC in the State will provide the necessary capital to fuel Montana's small businesses.

Mr. Speaker, I urge my colleagues to vote for the bill.

Mr. LAFALCE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. BENTSEN], perhaps the House's most knowledgeable Member on questions of securitization.

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, it is late in the session. We are talking about the SBA reauthorization. It is like the great American philosopher who said it is deja vu all over again, and now we are once again trying to get to the issue of what is going to happen with securitization.

It was a year ago that the Committee on Small Business in both the House and the other body attempted to deal with this issue. We saw some language that was never passed, and now we have the Small Business Administration also trying to deal with this issue.

This all began in part because of an attempt on the part of both committees to try and level the playing field between banks and nonbanks in the securitization of the unguaranteed portion of 7(a) loans, which I think all of us support and does create capital. But there have been attempts, I think, to rigidly try and define the structure of that securitization which could, in fact, reduce the amount of capital that is available. I would like to engage in a brief colloquy with the ranking member and the chairman, if I might.

It is my understanding that the current bill we are considering today includes no language instructing SBA on how to define any credit test to securitization. My concern continues to be that the SBA may come up with a definition which is too rigid, on the one hand, which tries to have a one-size-fits-all for both banks and nonbanks, and confuses market concentration with creditworthiness, which is what I believe both the ranking member and the chairman's intent was when we looked at this issue in the last Congress.

Mr. LAFALCE. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from New York.

Mr. LAFALCE. I concur with the remarks of the gentleman from Texas completely.

Mr. TALENT. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Speaker, I do also, and certainly would hope that the agency will move toward as much securitization as financial soundness permits. That is what the committee has been working to accomplish.

Mr. BENTSEN. Mr. Speaker, I thank the chairman and ranking member.

I rise in support of the bill, and I appreciate the hard work that they have done.

Mr. LAFALCE. Mr. Speaker, I yield 30 seconds to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member and the chairman for the very strong support of small businesses.

Let me say that I rise to support this authorization act because of the Microloan Program, the supporting of the National Women's Business Council Program, and as well the fact that we are not disturbing the 8(a) programs that help create jobs in America. Let me compliment my own small business regional office and Mr. Wilson, and I hope that we will continue to stand on the side of small businesses.

Mr. TALENT. Mr. Speaker, I would be happy to yield if the gentleman wants a little more time. I yield 1 minute to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Speaker, I would like to take this time to thank the chairman of our committee, the gentleman from Missouri [Mr. TALENT], for all of the kindnesses that he has shown me in his position. He has proven himself to be an excellent chairman, certainly one that has been a pleasure for me to work with. He has the ability to be both gentle, cooperative and firm all at the same time, and I am sure that he is going to go on to great things in life, not only in the House of Representatives, but perhaps even higher.

I also want to extol our staff. My tremendous staff, both Tom Powers, Jeanne Roslanowick and others, but also the majority staff. They have tremendous expertise and dedication; they have worked together as one staff in order to produce the best possible bill, regardless of politics, regardless of partisanship. So it has been a pleasure for me to work with all of them on this reauthorization bill.

Mr. TALENT. Mr. Speaker, in closing, I yield myself such time as I may consume.

I want to echo the remarks of the gentleman from New York [Mr. LAFALCE], except in reverse. It has been a great pleasure this year to work with him. We all know that the gentleman knows how to be firm; he also does know how to be, and has been consistently, cooperative, and I have been very grateful to him for that.

Also, I want to recognize the great depth of his knowledge in this field. We are passing, I hope and believe today, yet another reauthorization bill, and it will reflect yet again his great influence and his great expertise in this area.

I want to thank also the members on both sides of the committee. The House has heard many of them today, and I am proud to chair a committee with so many committed and dedicated individuals.

Mr. Speaker, this legislation is the product of bipartisan and bicameral efforts to reauthorize the Small Business Administration through fiscal year 2000. It reflects the efforts of many individuals and committees and their staffs. I would like to thank the gentleman from Wisconsin [Mr. SENSENBRENNER], the chairman of the Committee on Science; and the gentleman from California [Mr. BROWN], his ranking member, for their work on H.R. 2429, which has in large part become section 501 of this legislation. I would also like to express my appreciation to their staff who worked on this.

I would also like to thank the gentleman from Arizona [Mr. STUMP], the chairman of the Committee on Veterans' Affairs, and the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules, along with their staffs, for their help in working on title VII of this legislation. As I have already said, I want to extend my thanks and appreciation to the gentleman from New York [Mr. LAFALCE], the committee's ranking member, for his help in crafting this legislation.

Finally, I would like to acknowledge the Committee on Small Business staff who worked on this bill: Emily Murphy, Mary McKenzie, Kiki Kless, Paul Denham, Charles ''Tee'' Rowe, and Harry Katrichis for the majority, and Jeanne Roslanowick, Steve McSpadden and Tom Powers for the minority.

I urge my colleagues, in closing, to vote for this important piece of legislation.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today to express my concerns regarding S. 1139, the Small Business Authorization Act. I will vote for this bill because it is essential for the continuation of programs which assist small businesses in this country. However, I have serious concerns regarding a specific provision included by the Senate, which could impact the current 8(a) program for minority- and women-owned businesses.

S. 1139 establishes a new program to increase access to Federal contracts for small businesses in economically distressed areas. While the goal of this new HUBZone program seems laudable enough, I have strong reservations regarding its potential impact on the existing and successful 8(a) program for minority- and women-owned businesses.

It is no secret that many in the majority want to get rid of the 8(a) program and other forms of affirmative action. I fear that the establishment of these HUBZones is a backdoor attempt to weaken 8(a) and affirmative action.

The 8(a) program is specifically targeted to assist businesses owned by minorities and women, which have historically had difficulty in obtaining contracts and subcontracts from the Federal Government. The new HUBZone program would be open to all small businesses within these zones, not just those which are disadvantaged in any way. And these businesses within the HUBZones will compete with the 8(a) businesses for the limited number of Federal contracts.

Also of concern is that under this provision Federal agencies would be allowed to use sole-source contracts in HUBZones which cuts out the competitive nature of Federal contracting altogether, and further erodes opportunities for 8(a) businesses.

The Senate has failed to provide enough funding for the administration of this new program. The Congressional Budget Office estimates that $12 million is needed annually to implement the HUBZone program. The bill provides only $1.2 million. This raises concerns regarding adequate oversight and evaluation of this new program. If we are to accurately assess whether this new program is affecting the 8(a) program we need to have the appropriate monitoring systems in place. The lack of funding causes concerns in this regard.

Mr. Speaker, I have discussed these concerns with the Administrator of the Small Business Administration, who assured me that the Administration will closely monitor this new program and its impact on the 8(a) program. She also indicated that in administering the HUBZone program, they would take steps necessary to assure that 8(a) was not adversely impacted.

Mr. Speaker, had this bill come up under regular order, and not under the expedited suspension procedures we would have had the opportunity to address many of our concerns through the amendment process. As we are in the last 2 days of the congressional session this year, I understand the need to utilize expedited procedures to assure that critical small business programs are funded.

Therefore, I will support this bill. I note for the RECORD that I will watch closely the development of this program and monitor its impact on the 8(a) minority- and women-owned business program.

Mr. TALENT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Missouri [Mr. TALENT] that the House suspend the rules and concur in the Senate amendment to the House amendment to S. 1139.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1139, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MICROCREDIT FOR SELF-RELIANCE ACT OF 1997

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1129) to establish a program to provide assistance for programs of credit and other assistance for microenterprises in developing countries, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,