

***In the Senate of the United States,***

*August 5, 1999.*

*Resolved*, That the bill from the House of Representatives (H.R. 1568) entitled “An Act to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2       *This Act may be cited as the “Veterans Entrepreneur-*  
3 *ship and Small Business Development Act of 1999”.*

4 ***SEC. 2. TABLE OF CONTENTS.***

5       *The table of contents for this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

***TITLE I—GENERAL PROVISIONS***

*Sec. 101. Findings.*

*Sec. 102. Purpose.*

*Sec. 103. Definitions.*

***TITLE II—VETERANS BUSINESS DEVELOPMENT***

*Sec. 201. Veterans business development in the Small Business Administration.*

*Sec. 202. National Veterans Business Development Corporation.*  
*Sec. 203. Advisory Committee on Veterans Business Affairs.*

### *TITLE III—TECHNICAL ASSISTANCE*

*Sec. 301. SCORE program.*  
*Sec. 302. Entrepreneurial assistance.*  
*Sec. 303. Business development and management assistance for military reservists' small businesses.*

### *TITLE IV—FINANCIAL ASSISTANCE*

*Sec. 401. General business loan program.*  
*Sec. 402. Assistance to active duty military reservists.*  
*Sec. 403. Microloan program.*  
*Sec. 404. Defense Economic Transition Loan Program.*  
*Sec. 405. State development company program.*

### *TITLE V—PROCUREMENT ASSISTANCE*

*Sec. 501. Subcontracting.*  
*Sec. 502. Participation in Federal procurement.*

### *TITLE VI—REPORTS AND DATA COLLECTION*

*Sec. 601. Reporting requirements.*  
*Sec. 602. Report on small business and competition.*  
*Sec. 603. Annual report of the Administrator.*  
*Sec. 604. Data and information collection.*

### *TITLE VII—MISCELLANEOUS PROVISIONS*

*Sec. 701. Administrator's order.*  
*Sec. 702. Small Business Administration Office of Advocacy.*  
*Sec. 703. Study of fixed-asset small business loans.*

## **1    *TITLE I—GENERAL PROVISIONS***

### **2    *SEC. 101. FINDINGS.***

**3        *Congress finds the following:***

**4                *(1) Veterans of the United States Armed Forces***  
**5                *have been and continue to be vital to the small busi-***  
**6                *ness enterprises of the United States.***

**7                *(2) In serving the United States, veterans often***  
**8                *faced great risks to preserve the American dream of***  
**9                *freedom and prosperity.***

1           (3) *The United States has done too little to assist*  
2           *veterans, particularly service-disabled veterans, in*  
3           *playing a greater role in the economy of the United*  
4           *States by forming and expanding small business en-*  
5           *terprises.*

6           (4) *Medical advances and new medical tech-*  
7           *nologies have made it possible for service-disabled vet-*  
8           *erans to play a much more active role in the forma-*  
9           *tion and expansion of small business enterprises in*  
10          *the United States.*

11          (5) *The United States must provide additional*  
12          *assistance and support to veterans to better equip*  
13          *them to form and expand small business enterprises,*  
14          *thereby enabling them to realize the American dream*  
15          *that they fought to protect.*

16 **SEC. 102. PURPOSE.**

17          *The purpose of this Act is to expand existing and es-*  
18          *tablish new assistance programs for veterans who own or*  
19          *operate small businesses. This Act accomplishes this purpose*  
20          *by—*

21               (1) *expanding the eligibility for certain small*  
22               *business assistance programs to include veterans;*

23               (2) *directing certain departments and agencies of*  
24               *the United States to take actions that enhance small*  
25               *business assistance to veterans; and*

1           (3) *establishing new institutions to provide small*  
 2           *business assistance to veterans or to support the insti-*  
 3           *tutions that provide such assistance.*

4 **SEC. 103. DEFINITIONS.**

5           (a) *SMALL BUSINESS ACT.*—Section 3 of the *Small*  
 6 *Business Act (15 U.S.C. 632)* is amended by adding at the  
 7 *end the following:*

8           “(q) *DEFINITIONS RELATING TO VETERANS.*—In this  
 9 *Act, the following definitions apply:*

10           “(1) *SERVICE-DISABLED VETERAN.*—The term  
 11           ‘*service-disabled veteran*’ means a veteran with a dis-  
 12           *ability that is service-connected (as defined in section*  
 13           *101(16) of title 38, United States Code).*

14           “(2) *SMALL BUSINESS CONCERN OWNED AND*  
 15           *CONTROLLED BY SERVICE-DISABLED VETERANS.*—The  
 16           term ‘*small business concern owned and controlled by*  
 17           *service-disabled veterans*’ means a small business  
 18           *concern—*

19           “(A) *not less than 51 percent of which is*  
 20           *owned by one or more service-disabled veterans*  
 21           *or, in the case of any publicly owned business,*  
 22           *not less than 51 percent of the stock of which is*  
 23           *owned by one or more service-disabled veterans;*  
 24           *and*

1           “(B) the management and daily business  
2           operations of which are controlled by one or  
3           more service-disabled veterans or, in the case of  
4           a veteran with permanent and severe disability,  
5           the spouse or permanent caregiver of such vet-  
6           eran.

7           “(3) *SMALL BUSINESS CONCERN OWNED AND*  
8           *CONTROLLED BY VETERANS.—The term ‘small busi-*  
9           *ness concern owned and controlled by veterans’ means*  
10          *a small business concern—*

11           “(A) not less than 51 percent of which is  
12           owned by one or more veterans or, in the case of  
13           any publicly owned business, not less than 51  
14           percent of the stock of which is owned by one or  
15           more veterans; and

16           “(B) the management and daily business  
17           operations of which are controlled by one or  
18           more veterans.

19           “(4) *VETERAN.—The term ‘veteran’ has the*  
20           *meaning given the term in section 101(2) of title 38,*  
21           *United States Code.”.*

22          (b) *APPLICABILITY TO THIS ACT.—In this Act, the*  
23          *definitions contained in section 3(q) of the Small Business*  
24          *Act, as added by this section, apply.*

1     **TITLE II—VETERANS BUSINESS**  
 2                     **DEVELOPMENT**

3     **SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE**  
 4                     **SMALL BUSINESS ADMINISTRATION.**

5             (a) *IN GENERAL.*—Section 4(b)(1) of the *Small Busi-*  
 6     *ness Act (15 U.S.C. 633(b)(1)) is amended—*

7                     (1) *in the fifth sentence, by striking “four Asso-*  
 8             *ciate Administrators” and inserting “five Associate*  
 9             *Administrators”; and*

10                    (2) *by inserting after the fifth sentence the fol-*  
 11             *lowing: “One such Associate Administrator shall be*  
 12             *the Associate Administrator for Veterans Business De-*  
 13             *velopment, who shall administer the Office of Veterans*  
 14             *Business Development established under section 32.”.*

15             (b) *OFFICE OF VETERANS BUSINESS DEVELOPMENT;*  
 16     *ASSOCIATE ADMINISTRATOR.*—*The Small Business Act (15*  
 17     *U.S.C. 631 et seq.) is amended—*

18                    (1) *by redesignating section 32 as section 34;*  
 19             *and*

20                    (2) *by inserting after section 31 the following:*

21     **“SEC. 32. VETERANS PROGRAMS.**

22             **“(a) OFFICE OF VETERANS BUSINESS DEVELOP-**  
 23     *MENT.—There is established in the Administration an Of-*  
 24     *fice of Veterans Business Development, which shall be ad-*  
 25     *ministered by the Associate Administrator for Veterans*

1 *Business Development (in this section referred to as the ‘As-*  
 2 *sociate Administrator’)* appointed under section 4(b)(1).

3 “(b) *ASSOCIATE ADMINISTRATOR FOR VETERANS*  
 4 *BUSINESS DEVELOPMENT.—The Associate*  
 5 *Administrator—*

6 “(1) *shall be an appointee in the Senior Execu-*  
 7 *tive Service;*

8 “(2) *shall be responsible for the formulation, exe-*  
 9 *cution, and promotion of policies and programs of the*  
 10 *Administration that provide assistance to small busi-*  
 11 *ness concerns owned and controlled by veterans and*  
 12 *small business concerns owned and controlled by serv-*  
 13 *ice-disabled veterans. The Associate Administrator*  
 14 *shall act as an ombudsman for full consideration of*  
 15 *veterans in all programs of the Administration; and*  
 16 “(3) *shall report to and be responsible directly to*  
 17 *the Administrator.”.*

18 **SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT**  
 19 **CORPORATION.**

20 (a) *IN GENERAL.—The Small Business Act (15 U.S.C.*  
 21 *631 et seq.) is amended by inserting after section 32 (as*  
 22 *added by this Act) the following:*

1 **“SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT**  
2 **CORPORATION.**

3 “(a) *ESTABLISHMENT.*—*There is established a feder-*  
4 *ally chartered corporation to be known as the National Vet-*  
5 *erans Business Development Corporation (in this section re-*  
6 *ferred to as the ‘Corporation’)* which shall be incorporated  
7 *under the laws of the District of Columbia and which shall*  
8 *have the powers granted in this section.*

9 “(b) *PURPOSES OF THE CORPORATION.*—*The purposes*  
10 *of the Corporation shall be—*

11 “(1) *to expand the provision of and improve ac-*  
12 *cess to technical assistance regarding entrepreneur-*  
13 *ship for the Nation’s veterans; and*

14 “(2) *to assist veterans, including service-disabled*  
15 *veterans, with the formation and expansion of small*  
16 *business concerns by working with and organizing*  
17 *public and private resources, including those of the*  
18 *Small Business Administration, the Department of*  
19 *Veterans Affairs, the Department of Labor, the De-*  
20 *partment of Commerce, the Department of Defense,*  
21 *the Service Corps of Retired Executives (described in*  
22 *section 8(b)(1)(B) of this Act), the Small Business*  
23 *Development Centers (described in section 21 of this*  
24 *Act), and the business development staffs of each de-*  
25 *partment and agency of the United States.*

26 “(c) *BOARD OF DIRECTORS.*—



1           “(1) *IN GENERAL.*—*The management of the Cor-*  
2           *poration shall be vested in a Board of Directors com-*  
3           *posed of nine voting members and three nonvoting ex*  
4           *officio members.*

5           “(2) *APPOINTMENT OF VOTING MEMBERS.*—*The*  
6           *President shall, after considering recommendations*  
7           *which shall be proposed by the Chairmen and Rank-*  
8           *ing Members of the Committees on Small Business*  
9           *and the Committees on Veterans Affairs of the House*  
10          *of Representatives and the Senate, appoint United*  
11          *States citizens to be voting members of the Board, not*  
12          *more than 5 of whom shall be members of the same*  
13          *political party.*

14          “(3) *EX OFFICIO MEMBERS.*—*The Administrator*  
15          *of the Small Business Administration, the Secretary*  
16          *of Defense, and the Secretary of Veterans Affairs shall*  
17          *serve as the nonvoting ex officio members of the Board*  
18          *of Directors.*

19          “(4) *INITIAL APPOINTMENTS.*—*The initial mem-*  
20          *bers of the Board of Directors shall be appointed not*  
21          *later than 60 days after the date of enactment of this*  
22          *Act.*

23          “(5) *CHAIRPERSON.*—*The members of the Board*  
24          *of Directors appointed under paragraph (2) shall*

1 *elect one such member to serve as chairperson of the*  
2 *Board of Directors for a term of 2 years.*

3 “(6) *TERMS OF APPOINTED MEMBERS.*—

4 “(A) *IN GENERAL.*—*Each member of the*  
5 *Board of Directors appointed under paragraph*  
6 *(2) shall serve a term of 6 years, except as pro-*  
7 *vided in subparagraph (B).*

8 “(B) *TERMS OF INITIAL APPOINTEES.*—*As*  
9 *designated by the President at the time of ap-*  
10 *pointment, of the members first appointed—*

11 “(i) *three shall be for a term of 2*  
12 *years; and*

13 “(ii) *three shall be for a term of 4*  
14 *years.*

15 “(C) *UNEXPIRED TERMS.*—*Any member of*  
16 *the Board of Directors appointed to fill a va-*  
17 *cancy occurring before the expiration of the term*  
18 *for which the member’s predecessor was ap-*  
19 *pointed shall be appointed only for the remain-*  
20 *der of the term. A member may serve after the*  
21 *expiration of that member’s term until a suc-*  
22 *cessor has taken office.*

23 “(7) *VACANCIES.*—*Any vacancy on the Board of*  
24 *Directors shall be filled in the manner in which the*  
25 *original appointment was made. In the case of a va-*

1        *cancy in the office of the Administrator of the Small*  
2        *Business Administration or the Secretary of Veterans*  
3        *Affairs, and pending the appointment of a successor,*  
4        *an acting appointee for such vacancy may serve as*  
5        *an ex officio member.*

6            “(8) *INELIGIBILITY FOR OTHER OFFICES.—No*  
7        *voting member of the Board of Directors may be an*  
8        *officer or employee of the United States while serving*  
9        *as a member of the Board of Directors or during the*  
10       *2-year period preceding such service.*

11           “(9) *IMPARTIALITY AND NONDISCRIMINATION.—*  
12       *The Board of Directors shall administer the affairs of*  
13       *the Corporation fairly and impartially and without*  
14       *discrimination.*

15           “(10) *OBLIGATIONS AND EXPENSES.—The Board*  
16       *of Directors shall prescribe the manner in which the*  
17       *obligations of the Corporation may be incurred and*  
18       *in which its expenses shall be allowed and paid.*

19           “(11) *QUORUM.—Five voting members of the*  
20       *Board of Directors shall constitute a quorum, but a*  
21       *lesser number may hold hearings.*

22           “(d) *CORPORATE POWERS.—On October 1, 1999, the*  
23       *Corporation shall become a body corporate and as such*  
24       *shall have the authority to do the following:*

25           “(1) *To adopt and use a corporate seal.*

1           “(2) *To have succession until dissolved by an Act*  
2           *of Congress.*

3           “(3) *To make contracts or grants.*

4           “(4) *To sue and be sued, and to file and defend*  
5           *against lawsuits in State or Federal court.*

6           “(5) *To appoint, through the actions of its Board*  
7           *of Directors, officers and employees of the Corpora-*  
8           *tion, to define their duties and responsibilities, fix*  
9           *their compensations, and to dismiss at will such offi-*  
10          *cers or employees.*

11          “(6) *To prescribe, through the actions of its*  
12          *Board of Directors, bylaws not inconsistent with Fed-*  
13          *eral law and the law of the State of incorporation,*  
14          *regulating the manner in which its general business*  
15          *may be conducted and the manner in which the privi-*  
16          *leges granted to it by law may be exercised.*

17          “(7) *To exercise, through the actions of its Board*  
18          *of Directors or duly authorized officers, all powers*  
19          *specifically granted by the provisions of this section,*  
20          *and such incidental powers as shall be necessary.*

21          “(8) *To solicit, receive, and disburse funds from*  
22          *private, Federal, State and local organizations.*

23          “(9) *To accept and employ or dispose of in fur-*  
24          *therance of the purposes of this section any money or*

1       *property, real, personal, or mixed, tangible or intan-*  
2       *gible, received by gift, devise, bequest, or otherwise.*

3               “(10) *To accept voluntary and uncompensated*  
4       *services.*

5       “(e) *CORPORATE FUNDS.—*

6               “(1) *DEPOSIT OF FUNDS.—The Board of Direc-*  
7       *tors shall deposit all funds of the Corporation in fed-*  
8       *erally chartered and insured depository institutions*  
9       *until such funds are disbursed under paragraph (2).*

10              “(2) *DISBURSEMENT OF FUNDS.—Funds of the*  
11       *Corporation may be disbursed only for purposes that*  
12       *are—*

13                   “(A) *approved by the Board of Directors by*  
14               *a recorded vote with a quorum present; and*

15                   “(B) *in accordance with the purposes of the*  
16               *Corporation as specified in subsection (b).*

17       “(f) *NETWORK OF INFORMATION AND ASSISTANCE*  
18       *CENTERS.—In carrying out the purpose described in sub-*  
19       *section (b), the Corporation shall establish and maintain*  
20       *a network of information and assistance centers for use by*  
21       *veterans and the public.*

22       “(g) *ANNUAL REPORT.—On or before October 1 of each*  
23       *year, the Board of Directors shall transmit a report to the*  
24       *President and the Congress describing the activities and ac-*  
25       *complishments of the Corporation for the preceding year*

1 *and the Corporation's findings regarding the efforts of Fed-*  
2 *eral, State and private organizations to assist veterans in*  
3 *the formation and expansion of small business concerns.*

4       “(h) *ASSUMPTION OF DUTIES OF ADVISORY COM-*  
5 *MITTEE.—On October 1, 2004, the Corporation established*  
6 *under this section shall assume the duties, responsibilities,*  
7 *and authority of the Advisory Committee on Veterans Af-*  
8 *fairs established under section 203 of this Act.*

9       “(i) *USE OF MAILS.—The Corporation may use the*  
10 *United States mails in the same manner and under the*  
11 *same conditions as the departments and agencies of the*  
12 *United States.*

13       “(j) *PROFESSIONAL CERTIFICATION ADVISORY*  
14 *BOARD.—*

15               “(1) *IN GENERAL.—Acting through the Board of*  
16 *Directors, the Corporation shall establish a Profes-*  
17 *sional Certification Advisory Board to create uniform*  
18 *guidelines and standards for the professional certifi-*  
19 *cation of members of the Armed Services to aid in*  
20 *their efficient and orderly transition to civilian occu-*  
21 *pations and professions and to remove potential bar-*  
22 *riers in the areas of licensure and certification.*

23               “(2) *MEMBERSHIP.—The members of the Advi-*  
24 *sory Board shall serve without compensation, shall*  
25 *meet in the District of Columbia no less than quar-*

1 *terly, and shall be appointed by the Board of Direc-*  
2 *tors as follows:*

3 “(A) *PRIVATE SECTOR MEMBERS.—The*  
4 *Corporation shall appoint not less than seven*  
5 *members for terms of 2 years to represent private*  
6 *sector organizations and associations, including*  
7 *the American Association of Community Col-*  
8 *leges, the Society for Human Resource Managers,*  
9 *the Coalition for Professional Certification, the*  
10 *Council on Licensure and Enforcement, and the*  
11 *American Legion.*

12 “(B) *PUBLIC SECTOR MEMBERS.—The Cor-*  
13 *poration shall invite public sector members to*  
14 *serve at the discretion of their departments or*  
15 *agencies and shall—*

16 “(i) *encourage the participation of the*  
17 *Under Secretary of Defense for Personnel*  
18 *and Readiness;*

19 “(ii) *encourage the participation of*  
20 *two officers from each branch of the Armed*  
21 *Forces to represent the Training Commands*  
22 *of their branch; and*

23 “(iii) *seek the participation and guid-*  
24 *ance of the Assistant Secretary of Labor for*  
25 *Veterans’ Employment and Training.*

1       “(k) *AUTHORIZATION OF APPROPRIATIONS.*—

2               “(1) *IN GENERAL.*—*Subject to paragraph (2),*  
3       *there are authorized to be appropriated to the Cor-*  
4       *poration to carry out this section—*

5               “(A) \$2,000,000 for fiscal year 2000;

6               “(B) \$4,000,000 for fiscal year 2001;

7               “(C) \$4,000,000 for fiscal year 2002; and

8               “(D) \$2,000,000 for fiscal year 2003.

9       “(2) *MATCHING REQUIREMENT.*—

10              “(A) *FISCAL YEAR 2001.*—*The amount made*  
11       *available to the Corporation for fiscal year 2001*  
12       *may not exceed twice the amount that the Cor-*  
13       *poration certifies that it will provide for that fis-*  
14       *cal year from sources other than the Federal*  
15       *Government.*

16              “(B) *SUBSEQUENT FISCAL YEARS.*—*The*  
17       *amount made available to the Corporation for*  
18       *fiscal year 2002 or 2003 may not exceed the*  
19       *amount that the Corporation certifies that it will*  
20       *provide for that fiscal year from sources other*  
21       *than the Federal Government.*

22              “(3) *PRIVATIZATION.*—*The Corporation shall in-*  
23       *stitute and implement a plan to raise private funds*  
24       *and become a self-sustaining corporation.”.*



1       (b) *GAO REPORT*.—Not later than 180 days after the  
 2 last day of the second fiscal year beginning after the date  
 3 on which the initial members of the Board of Directors of  
 4 the National Veterans Business Development Corporation  
 5 are appointed under section 33(c) of the Small Business  
 6 Act (as added by this section), the Comptroller General of  
 7 the United States shall evaluate the effectiveness of the Na-  
 8 tional Veterans Business Development Corporation in car-  
 9 rying out the purposes under section 33(b) of the Small  
 10 Business Act (as added by this section), and submit to Con-  
 11 gress a report on the results of that evaluation.

12 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**  
 13 **AFFAIRS.**

14       (a) *IN GENERAL*.—There is established an advisory  
 15 committee to be known as the “Advisory Committee on Vet-  
 16 erans Business Affairs” (in this section referred to as the  
 17 “Committee”), which shall serve as an independent source  
 18 of advice and policy recommendations to—

19               (1) the Administrator of the Small Business Ad-  
 20 ministration (in this section referred to as the “Ad-  
 21 ministrator”);

22               (2) the Associate Administrator for Veterans  
 23 Business Development of the Small Business Admin-  
 24 istration;

25               (3) the Congress;

1           (4) *the President; and*

2           (5) *other United States policymakers.*

3       (b) *MEMBERSHIP.—*

4           (1) *IN GENERAL.—The Committee shall be com-*  
5       *posed of 15 members, of whom—*

6           (A) *eight shall be veterans who are owners*  
7       *of small business concerns (within the meaning*  
8       *of the term under section 3 of the Small Business*  
9       *Act (15 U.S.C. 632)); and*

10          (B) *seven shall be representatives of veterans*  
11       *organizations.*

12       (2) *APPOINTMENT.—*

13           (A) *IN GENERAL.—The members of the*  
14       *Committee shall be appointed by the Adminis-*  
15       *trator in accordance with this section.*

16           (B) *INITIAL APPOINTMENTS.—Not later*  
17       *than 90 days after the date of enactment of this*  
18       *Act, the Administrator shall appoint the initial*  
19       *members of the Committee.*

20       (3) *POLITICAL AFFILIATION.—Not more than*  
21       *eight members of the Committee shall be of the same*  
22       *political party as the President.*

23       (4) *PROHIBITION ON FEDERAL EMPLOYMENT.—*

24           (A) *IN GENERAL.—Except as provided in*  
25       *subparagraph (B), no member of the Committee*

1           *may serve as an officer or employee of the*  
2           *United States.*

3           (B) *EXCEPTION.*—*A member of the Com-*  
4           *mittee who accepts a position as an officer or*  
5           *employee of the United States after the date of*  
6           *the member's appointment to the Committee may*  
7           *continue to serve on the Committee for not more*  
8           *than 30 days after such acceptance.*

9           (5) *TERM OF SERVICE.*—

10           (A) *IN GENERAL.*—*Subject to subparagraph*  
11           *(B), the term of service of each member of the*  
12           *Committee shall be 3 years.*

13           (B) *TERMS OF INITIAL APPOINTEES.*—*As*  
14           *designated by the Administrator at the time of*  
15           *appointment, of the members first appointed—*

16                   (i) *six shall be appointed for a term of*  
17                   *4 years; and*

18                   (ii) *five shall be appointed for a term*  
19                   *of 5 years.*

20           (6) *VACANCIES.*—*The Administrator shall fill*  
21           *any vacancies on the membership of the Committee*  
22           *not later than 30 days after the date on which such*  
23           *vacancy occurs.*

24           (7) *CHAIRPERSON.*—

1           (A) *IN GENERAL.*—*The members of the*  
2           *Committee shall elect one of the members to be*  
3           *Chairperson of the Committee.*

4           (B) *VACANCIES IN OFFICE OF CHAIR-*  
5           *PERSON.*—*Any vacancy in the office of the*  
6           *Chairperson of the Committee shall be filled by*  
7           *the Committee at the first meeting of the Com-*  
8           *mittee following the date on which the vacancy*  
9           *occurs.*

10          (c) *DUTIES.*—*The duties of the Committee shall be the*  
11          *following:*

12               (1) *Review, coordinate, and monitor plans and*  
13               *programs developed in the public and private sectors,*  
14               *that affect the ability of small business concerns*  
15               *owned and controlled by veterans to obtain capital*  
16               *and credit and to access markets.*

17               (2) *Promote the collection of business informa-*  
18               *tion and survey data as they relate to veterans and*  
19               *small business concerns owned and controlled by vet-*  
20               *erans.*

21               (3) *Monitor and promote plans, programs, and*  
22               *operations of the departments and agencies of the*  
23               *United States that may contribute to the formation*  
24               *and growth of small business concerns owned and*  
25               *controlled by veterans.*

1           (4) *Develop and promote initiatives, policies,*  
2           *programs, and plans designed to foster small business*  
3           *concerns owned and controlled by veterans.*

4           (5) *In cooperation with the National Veterans*  
5           *Business Development Corporation, develop a com-*  
6           *prehensive plan, to be updated annually, for joint*  
7           *public-private sector efforts to facilitate growth and*  
8           *development of small business concerns owned and*  
9           *controlled by veterans.*

10          (d) *POWERS.—*

11           (1) *HEARINGS.—Subject to subsection (e), the*  
12           *Committee may hold such hearings, sit and act at*  
13           *such times and places, take such testimony, and re-*  
14           *ceive such evidence as the Committee considers advis-*  
15           *able to carry out its duties.*

16           (2) *INFORMATION FROM FEDERAL AGENCIES.—*  
17           *Upon request of the Chairperson of the Committee, the*  
18           *head of any department or agency of the United*  
19           *States shall furnish such information to the Com-*  
20           *mittee as the Committee considers to be necessary to*  
21           *carry out its duties.*

22           (3) *USE OF MAILS.—The Committee may use the*  
23           *United States mails in the same manner and under*  
24           *the same conditions as other departments and agen-*  
25           *cies of the United States.*

1           (4) *GIFTS.*—*The Committee may accept, use,*  
2           *and dispose of gifts or donations of services or prop-*  
3           *erty.*

4           (e) *MEETINGS.*—

5           (1) *IN GENERAL.*—*The Committee shall meet, not*  
6           *less than three times per year, at the call of the*  
7           *Chairperson or at the request of the Administrator.*

8           (2) *LOCATION.*—*Each meeting of the full Com-*  
9           *mittee shall be held at the headquarters of the Small*  
10          *Business Administration located in Washington, Dis-*  
11          *trict of Columbia. The Administrator shall provide*  
12          *suitable meeting facilities and such administrative*  
13          *support as may be necessary for each full meeting of*  
14          *the Committee.*

15          (3) *TASK GROUPS.*—*The Committee may, from*  
16          *time to time, establish temporary task groups as may*  
17          *be necessary in order to carry out its duties.*

18          (f) *COMPENSATION AND EXPENSES.*—

19          (1) *NO COMPENSATION.*—*Members of the Com-*  
20          *mittee shall serve without compensation for their serv-*  
21          *ice to the Committee.*

22          (2) *EXPENSES.*—*The members of the Committee*  
23          *shall be reimbursed for travel and subsistence expenses*  
24          *in accordance with section 5703 of title 5, United*  
25          *States Code.*

1       (g) *REPORT.*—Not later than 30 days after the end of  
 2 each fiscal year beginning after the date of enactment of  
 3 this section, the Committee shall transmit to the Congress  
 4 and the President a report describing the activities of the  
 5 Committee and any recommendations developed by the  
 6 Committee for the promotion of small business concerns  
 7 owned and controlled by veterans.

8       (h) *TERMINATION.*—The Committee shall terminate its  
 9 business on September 30, 2004.

## 10                   **TITLE III—TECHNICAL** 11                   **ASSISTANCE**

### 12   **SEC. 301. SCORE PROGRAM.**

13       (a) *IN GENERAL.*—The Administrator of the Small  
 14 Business Administration shall enter into a memorandum  
 15 of understanding with the Service Core of Retired Execu-  
 16 tives (described in section 8(b)(1)(B) of the Small Business  
 17 Act (15 U.S.C. 637(b)(1)(B)) and in this section referred  
 18 to as “SCORE”) to provide for the following:

19           (1) *The appointment by SCORE in its national*  
 20 *office of an individual to act as National Veterans*  
 21 *Business Coordinator, whose duties shall relate exclu-*  
 22 *sively to veterans business matters, and who shall be*  
 23 *responsible for the establishment and administration*  
 24 *of a program to coordinate counseling and training*

1       *regarding entrepreneurship to veterans through the*  
2       *chapters of SCORE throughout the United States.*

3               *(2) The assistance of SCORE in the establishing*  
4       *and maintaining a toll-free telephone number and an*  
5       *Internet website to provide access for veterans to in-*  
6       *formation about the counseling and training regard-*  
7       *ing entrepreneurship available to veterans through*  
8       *SCORE.*

9               *(3) The collection of statistics concerning services*  
10       *provided by SCORE to veterans, including service-*  
11       *disabled veterans, for inclusion in each annual report*  
12       *published by the Administrator under section*  
13       *4(b)(2)(B) of the Small Business Act (15 U.S.C.*  
14       *633(b)(2)(B)).*

15       *(b) RESOURCES.—The Administrator shall provide to*  
16       *SCORE such resources as the Administrator determines*  
17       *necessary for SCORE to carry out the requirements of the*  
18       *memorandum of understanding specified in paragraph (1).*

19       **SEC. 302. ENTREPRENEURIAL ASSISTANCE.**

20       *Not later than 180 days after the date of enactment*  
21       *of this Act, the Secretary of Veterans Affairs, the Adminis-*  
22       *trator of the Small Business Administration, and the head*  
23       *of the association formed pursuant to section 21(a)(3)(A)*  
24       *of the Small Business Act (15 U.S.C. 648(a)(3)(A)) shall*  
25       *enter into a memorandum of understanding with respect*



1 *to entrepreneurial assistance to veterans, including service-*  
2 *disabled veterans, through Small Business Development*  
3 *Centers (described in section 21 of the Small Business Act*  
4 *(15 U.S.C. 648)) and facilities of the Department of Vet-*  
5 *erans Affairs. Such assistance shall include the following:*

6           (1) *Conducting of studies and research, and the*  
7 *distribution of information generated by such studies*  
8 *and research, on the formation, management, financ-*  
9 *ing, marketing, and operation of small business con-*  
10 *cerns by veterans.*

11           (2) *Provision of training and counseling to vet-*  
12 *erans concerning the formation, management, financ-*  
13 *ing, marketing, and operation of small business con-*  
14 *cerns.*

15           (3) *Provision of management and technical as-*  
16 *sistance to the owners and operators of small business*  
17 *concerns regarding international markets, the pro-*  
18 *motion of exports, and the transfer of technology.*

19           (4) *Provision of assistance and information to*  
20 *veterans regarding procurement opportunities with*  
21 *Federal, State, and local agencies, especially such*  
22 *agencies funded in whole or in part with Federal*  
23 *funds.*

24           (5) *Establishment of an information clearing-*  
25 *house to collect and distribute information, including*

1        *by electronic means, on the assistance programs of*  
2        *Federal, State, and local governments, and of the pri-*  
3        *rate sector, including information on office locations,*  
4        *key personnel, telephone numbers, mail and electronic*  
5        *addresses, and contracting and subcontracting oppor-*  
6        *tunities.*

7                *(6) Provision of Internet or other distance learn-*  
8        *ing academic instruction for veterans in business sub-*  
9        *jects, including accounting, marketing, and business*  
10       *fundamentals.*

11               *(7) Compilation of a list of small business con-*  
12       *cerns owned and controlled by service-disabled vet-*  
13       *erans that provide products or services that could be*  
14       *procured by the United States and delivery of such*  
15       *list to each department and agency of the United*  
16       *States. Such list shall be delivered in hard copy and*  
17       *electronic form and shall include the name and ad-*  
18       *dress of each such small business concern and the*  
19       *products or services that it provides.*

20    **SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT AS-**  
21                                **SISTANCE FOR MILITARY RESERVISTS' SMALL**  
22                                **BUSINESSES.**

23                *(a) IN GENERAL.—Section 8 of the Small Business Act*  
24       *(15 U.S.C. 637) is amended by adding at the end the fol-*  
25       *lowing:*

1       “(l) *MANAGEMENT ASSISTANCE FOR SMALL BUSI-*  
2 *NESSES AFFECTED BY MILITARY OPERATIONS.*—*The Ad-*  
3 *ministration shall utilize, as appropriate, its entrepre-*  
4 *neurial development and management assistance programs,*  
5 *including programs involving State or private sector part-*  
6 *ners, to provide business counseling and training to any*  
7 *small business concern adversely affected by the deployment*  
8 *of units of the Armed Forces of the United States in support*  
9 *of a period of military conflict (as defined in section*  
10 *7(n)(1)).”.*

11       (b) *ENHANCED PUBLICITY DURING OPERATION AL-*  
12 *LIED FORCE.*—*For the duration of Operation Allied Force*  
13 *and for 120 days thereafter, the Administration shall en-*  
14 *hance its publicity of the availability of assistance provided*  
15 *pursuant to the amendment made by this section, including*  
16 *information regarding the appropriate local office at which*  
17 *affected small businesses may seek such assistance.*

18       (c) *GUIDELINES.*—*Not later than 30 days after the*  
19 *date of enactment of this section, the Administrator of the*  
20 *Small Business Administration shall issue such guidelines*  
21 *as the Administrator determines to be necessary to carry*  
22 *out this section and the amendment made by this section.*

***TITLE IV—FINANCIAL  
ASSISTANCE***

***SEC. 401. GENERAL BUSINESS LOAN PROGRAM.***

*(a) DEFINITION OF HANDICAPPED INDIVIDUAL.—Section 3(f) of the Small Business Act (15 U.S.C. 632(f)) is amended to read as follows:*

*“(f) For purposes of section 7 of this Act, the term ‘handicapped individual’ means an individual—*

*“(1) who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or*

*“(2) who is a service-disabled veteran.”.*

*(b) AUTHORIZATION TO MAKE LOANS.—Section 7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10)) is amended—*

*(1) by inserting “guaranteed” after “provide”; and*

*(2) by inserting, “, including service-disabled veterans,” after “handicapped individual”.*

1 **SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERV-**  
 2 **ISTS.**

3 (a) *REPAYMENT DEFERRAL FOR ACTIVE DUTY RE-*  
 4 *SERVISTS.*—Section 7 of the Small Business Act (15 U.S.C.  
 5 636) is amended by adding at the end the following:

6 “(n) *REPAYMENT DEFERRED FOR ACTIVE DUTY RE-*  
 7 *SERVISTS.*—

8 “(1) *DEFINITIONS.*—In this subsection:

9 “(A) *ELIGIBLE RESERVIST.*—The term ‘eli-  
 10 gible reservist’ means a member of a reserve com-  
 11 ponent of the Armed Forces ordered to active  
 12 duty during a period of military conflict.

13 “(B) *ESSENTIAL EMPLOYEE.*—The term ‘es-  
 14 sential employee’ means an individual who is  
 15 employed by a small business concern and whose  
 16 managerial or technical expertise is critical to  
 17 the successful day-to-day operations of that small  
 18 business concern.

19 “(C) *PERIOD OF MILITARY CONFLICT.*—The  
 20 term ‘period of military conflict’ means—

21 “(i) a period of war declared by the  
 22 Congress;

23 “(ii) a period of national emergency  
 24 declared by the Congress or by the Presi-  
 25 dent; or

1           “(iii) a period of a contingency oper-  
2           ation, as defined in section 101(a) of title  
3           10, United States Code.

4           “(D) *QUALIFIED BORROWER.*—The term  
5           ‘qualified borrower’ means—

6           “(i) an individual who is an eligible  
7           reservist and who received a direct loan  
8           under subsection (a) or (b) before being or-  
9           dered to active duty; or

10          “(ii) a small business concern that re-  
11          ceived a direct loan under subsection (a) or  
12          (b) before an eligible reservist, who is an es-  
13          sential employee, was ordered to active  
14          duty.

15          “(2) *DEFERRAL OF DIRECT LOANS.*—

16          “(A) *IN GENERAL.*—The Administration  
17          shall, upon written request, defer repayment of  
18          principal and interest due on a direct loan made  
19          under subsection (a) or (b), if such loan was in-  
20          curred by a qualified borrower.

21          “(B) *PERIOD OF DEFERRAL.*—The period of  
22          deferral for repayment under this paragraph  
23          shall begin on the date on which the eligible re-  
24          servist is ordered to active duty and shall termi-  
25          nate on the date that is 180 days after the date

1        *such eligible reservist is discharged or released*  
2        *from active duty.*

3                “(C) *INTEREST RATE REDUCTION DURING*  
4        *DEFERRAL.—Notwithstanding any other provi-*  
5        *sion of law, during the period of deferral de-*  
6        *scribed in subparagraph (B), the Administration*  
7        *may, in its discretion, reduce the interest rate on*  
8        *any loan qualifying for a deferral under this*  
9        *paragraph.*

10              “(3) *DEFERRAL OF LOAN GUARANTEES AND*  
11        *OTHER FINANCINGS.—The Administration shall—*

12              “(A) *encourage intermediaries participating*  
13        *in the program under subsection (m) to defer re-*  
14        *payment of a loan made with proceeds made*  
15        *available under that subsection, if such loan was*  
16        *incurred by a small business concern that is eli-*  
17        *gible to apply for assistance under subsection*  
18        *(b)(3); and*

19              “(B) *not later than 30 days after the date*  
20        *of enactment of this subsection, establish guide-*  
21        *lines to—*

22              “(i) *encourage lenders and other inter-*  
23        *mediaries to defer repayment of, or provide*  
24        *other relief relating to, loan guarantees*  
25        *under subsection (a) and financings under*

1            *section 504 of the Small Business Invest-*  
 2            *ment Act of 1958 that were incurred by*  
 3            *small business concerns that are eligible to*  
 4            *apply for assistance under subsection (b)(3),*  
 5            *and loan guarantees provided under sub-*  
 6            *section (m) if the intermediary provides re-*  
 7            *lief to a small business concern under this*  
 8            *paragraph; and*

9            *“(ii) implement a program to provide*  
 10           *for the deferral of repayment or other relief*  
 11           *to any intermediary providing relief to a*  
 12           *small business borrower under this para-*  
 13           *graph.”.*

14           *(b) DISASTER LOAN ASSISTANCE FOR MILITARY RE-*  
 15           *SERVISTS’ SMALL BUSINESSES.—Section 7(b) of the Small*  
 16           *Business Act (15 U.S.C. 636(b)) is amended by inserting*  
 17           *after the undesignated paragraph that begins with “Pro-*  
 18           *vided, That no loan”, the following:*

19           *“(3)(A) In this paragraph—*

20           *“(i) the term ‘essential employee’ means an*  
 21           *individual who is employed by a small business*  
 22           *concern and whose managerial or technical ex-*  
 23           *pertise is critical to the successful day-to-day op-*  
 24           *erations of that small business concern;*



1           “(ii) the term ‘period of military conflict’  
2           has the meaning given the term in subsection  
3           (n)(1); and

4           “(iii) the term ‘substantial economic injury’  
5           means an economic harm to a business concern  
6           that results in the inability of the business  
7           concern—

8                     “(I) to meet its obligations as they ma-  
9                     ture;

10                    “(II) to pay its ordinary and nec-  
11                    essary operating expenses; or

12                    “(III) to market, produce, or provide a  
13                    product or service ordinarily marketed, pro-  
14                    duced, or provided by the business concern.

15           “(B) The Administration may make such dis-  
16           aster loans (either directly or in cooperation with  
17           banks or other lending institutions through agree-  
18           ments to participate on an immediate or deferred  
19           basis) to assist a small business concern that has suf-  
20           fered or that is likely to suffer substantial economic  
21           injury as the result of an essential employee of such  
22           small business concern being ordered to active mili-  
23           tary duty during a period of military conflict.

24           “(C) A small business concern described in sub-  
25           paragraph (B) shall be eligible to apply for assistance

1        *under this paragraph during the period beginning on*  
2        *the date on which the essential employee is ordered to*  
3        *active duty and ending on the date that is 90 days*  
4        *after the date on which such essential employee is dis-*  
5        *charged or released from active duty.*

6                *“(D) Any loan or guarantee extended pursuant*  
7        *to this paragraph shall be made at the same interest*  
8        *rate as economic injury loans under paragraph (2).*

9                *“(E) No loan may be made under this para-*  
10       *graph, either directly or in cooperation with banks or*  
11       *other lending institutions through agreements to par-*  
12       *ticipate on an immediate or deferred basis, if the*  
13       *total amount outstanding and committed to the bor-*  
14       *rower under this subsection would exceed \$1,500,000,*  
15       *unless such applicant constitutes a major source of*  
16       *employment in its surrounding area, as determined*  
17       *by the Administration, in which case the Administra-*  
18       *tion, in its discretion, may waive the \$1,500,000 lim-*  
19       *itation.*

20                *“(F) For purposes of assistance under this para-*  
21       *graph, no declaration of a disaster area shall be re-*  
22       *quired.”.*

23        *(c) ENHANCED PUBLICITY DURING OPERATION AL-*  
24       *LIED FORCE.—For the duration of Operation Allied Force*  
25       *and for 120 days thereafter, the Administration shall en-*

1 *hance its publicity of the availability of assistance provided*  
 2 *pursuant to the amendments made by this section, includ-*  
 3 *ing information regarding the appropriate local office at*  
 4 *which affected small businesses may seek such assistance.*

5 *(d) GUIDELINES.—Not later than 30 days after the*  
 6 *date of enactment of this section, the Administrator of the*  
 7 *Small Business Administration shall issue such guidelines*  
 8 *as the Administrator determines to be necessary to carry*  
 9 *out this section and the amendments made by this section.*

10 *(e) EFFECTIVE DATES.—*

11 *(1) IN GENERAL.—Except as provided in para-*  
 12 *graph (2), the amendments made by this section shall*  
 13 *take effect on the date of the enactment of this section.*

14 *(2) DISASTER LOANS.—The amendments made*  
 15 *by subsection (b) shall apply to economic injury suf-*  
 16 *fered or likely to be suffered as the result of a period*  
 17 *of military conflict occurring or ending on or after*  
 18 *March 24, 1999.*

19 **SEC. 403. MICROLOAN PROGRAM.**

20 *Section 7(m)(1)(A)(i) of the Small Business Act (15*  
 21 *U.S.C. 636(m)(1)(A)(i)) is amended by inserting “veteran*  
 22 *(within the meaning of such term under section 3(q)),” after*  
 23 *“low-income,”.*

1 **SEC. 404. DEFENSE ECONOMIC TRANSITION LOAN PRO-**  
 2 **GRAM.**

3 *Section 7(a)(21)(A)(ii) of the Small Business Act (15*  
 4 *U.S.C. 636(a)(21)(A)(ii)) is amended by inserting “or a*  
 5 *veteran” after “qualified individual”.*

6 **SEC. 405. STATE DEVELOPMENT COMPANY PROGRAM.**

7 *Section 501(d)(3) of the Small Business Investment*  
 8 *Act of 1958 (15 U.S.C. 695(d)(3)) is amended—*

9 *(1) by redesignating subparagraphs (E), (F),*  
 10 *and (G) as subparagraphs (F), (G), and (H), respec-*  
 11 *tively; and*

12 *(2) by inserting after subparagraph (D) the fol-*  
 13 *lowing:*

14 *“(E) expansion of small business concerns*  
 15 *owned and controlled by veterans, as defined in*  
 16 *section 3(q) of the Small Business Act (15 U.S.C.*  
 17 *632(q)), especially service-disabled veterans, as*  
 18 *defined in such section 3(q).”.*

19 **TITLE V—PROCUREMENT**  
 20 **ASSISTANCE**

21 **SEC. 501. SUBCONTRACTING.**

22 *(a) STATEMENT OF POLICY.—Section 8(d)(1) of the*  
 23 *Small Business Act (15 U.S.C. 637(d)(1)) is amended by*  
 24 *inserting “small business concerns owned and controlled by*  
 25 *service-disabled veterans,” after “small business concerns,”*  
 26 *the first place it appears in the first and second sentences.*

1       (b) *CONTRACT CLAUSE.*—*The contract clause specified*  
2 *in section 8(d)(3) of the Small Business Act (15 U.S.C.*  
3 *637(d)(3)) is amended as follows:*

4           (1) *Subparagraph (A) of such clause is amended*  
5 *by inserting “small business concerns owned and con-*  
6 *trolled by veterans,” after “small business concerns,”*  
7 *the first place it appears in the first and second sen-*  
8 *tences.*

9           (2) *Subparagraphs (E) and (F) of such clause*  
10 *are redesignated as subparagraphs (F) and (G), re-*  
11 *spectively, and the following new subparagraph is in-*  
12 *serted after subparagraph (D) of such clause:*

13           “(E) *The term ‘small business concern owned*  
14 *and controlled by veterans’ shall mean a small busi-*  
15 *ness concern—*

16           *“(i) which is at least 51 per centum owned*  
17 *by one or more eligible veterans; or, in the case*  
18 *of any publicly owned business, at least 51 per*  
19 *centum of the stock of which is owned by one or*  
20 *more veterans; and*

21           *“(ii) whose management and daily business*  
22 *operations are controlled by such veterans. The*  
23 *contractor shall treat as veterans all individuals*  
24 *who are veterans within the meaning of the term*  
25 *under section 3(q) of the Small Business Act.”.*

1           (3) *Subparagraph (F) of such clause, as redesign-*  
 2           *ated by paragraph (2) of this subsection, is amended*  
 3           *by inserting “small business concern owned and con-*  
 4           *trolled by veterans,” after “small business concern,”*  
 5           *the first place it appears.*

6           (c) *CONFORMING AMENDMENTS.—Section 8(d) of the*  
 7           *Small Business Act (15 U.S.C. 637(d)) is amended by in-*  
 8           *serting “small business concerns owned and controlled by*  
 9           *veterans,” after “small business concerns,” the first place*  
 10          *it appears in each of paragraphs (4)(D), (4)(E), (6)(A),*  
 11          *(6)(C), (6)(F), and (10)(B).*

12   **SEC. 502. PARTICIPATION IN FEDERAL PROCUREMENT.**

13          (a) *GOVERNMENT-WIDE PARTICIPATION GOALS.—Sec-*  
 14          *tion 15(g)(1) of the Small Business Act (15 U.S.C.*  
 15          *644(g)(1)) is amended—*

16               (1) *in the first sentence, by inserting “small*  
 17               *business concerns owned and controlled by service dis-*  
 18               *abled veterans,” after “small business concerns,” the*  
 19               *first place it appears;*

20               (2) *by inserting after the second sentence, the fol-*  
 21               *lowing: “The Government-wide goal for participation*  
 22               *by small business concerns owned and controlled by*  
 23               *service-disabled veterans shall be established at not*  
 24               *less than 3 percent of the total value of all prime con-*

1        *tract and subcontract awards for each fiscal year.”;*  
 2        *and*

3            *(3) in the second to last sentence, by inserting*  
 4        *“small business concerns owned and controlled by*  
 5        *service-disabled veterans,” after “small business con-*  
 6        *cerns,” the first place it appears.*

7        *(b) AGENCY PARTICIPATION GOALS.—Section 15 of the*  
 8        *Small Business Act (15 U.S.C. 644(g)(2)) is amended—*

9            *(1) in the first sentence, by inserting “by small*  
 10        *business concerns owned and controlled by service-dis-*  
 11        *abled veterans,” after “small business concerns,”; the*  
 12        *first place it appears;*

13            *(2) in the second sentence, by inserting “small*  
 14        *business concerns owned and controlled by service-dis-*  
 15        *abled veterans,” after “small business concerns,” the*  
 16        *first place it appears; and*

17            *(3) in the fourth sentence, by inserting “small*  
 18        *business concerns owned and controlled by service-dis-*  
 19        *abled veterans, by” after “including participation*  
 20        *by”.*

## 21        **TITLE VI—REPORTS AND DATA** 22        **COLLECTION**

### 23        **SEC. 601. REPORTING REQUIREMENTS.**

24        *(a) REPORTS TO SMALL BUSINESS ADMINISTRA-*  
 25        *TION.—Section 15(h)(1) of the Small Business Act (15*

1 *U.S.C. 644(h)(1)) is amended by inserting “small business*  
 2 *concerns owned and controlled by veterans (including serv-*  
 3 *ice-disabled veterans),” after “small business concerns,” the*  
 4 *first place it appears.*

5 *(b) REPORTS TO THE PRESIDENT AND THE CON-*  
 6 *GRESS.—Section 15(h)(2) of the Small Business Act (15*  
 7 *U.S.C. 644(h)(2)) is amended—*

8 *(1) by inserting “and the Congress” before the*  
 9 *period at the end of first sentence; and*

10 *(2) in each of subparagraphs (A), (D), and (E),*  
 11 *by inserting “small business concerns owned and con-*  
 12 *trolled by service-disabled veterans,” after “small*  
 13 *business concerns,” the first place it appears.*

14 **SEC. 602. REPORT ON SMALL BUSINESS AND COMPETITION.**

15 *Section 303(e) of the Small Business Economic Policy*  
 16 *Act of 1980 (15 U.S.C. 631b(e)) is amended—*

17 *(1) in paragraph (1), by striking “and” after the*  
 18 *semicolon;*

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

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

22 *“(3) small business concerns owned and con-*  
 23 *trolled by veterans, as defined in section 3(q) of the*  
 24 *Small Business Act (15 U.S.C. 632(q)), and small*



1        *business concerns owned and controlled by service-dis-*  
2        *abled veterans, as defined in such section 3(q).”.*

3        **SEC. 603. ANNUAL REPORT OF THE ADMINISTRATOR.**

4        *The Administrator of the Small Business Administra-*  
5        *tion shall transmit annually to the Committees on Small*  
6        *Business and Veterans Affairs of the House of Representa-*  
7        *tives and the Senate a report on the needs of small business*  
8        *concerns owned and controlled by veterans and small busi-*  
9        *ness concerns owned and controlled by service-disabled vet-*  
10       *erans, which shall include information on—*

11                *(1) the availability of Small Business Adminis-*  
12                *tration programs for such small business concerns*  
13                *and the degree of utilization of such programs by such*  
14                *small business concerns during the preceding 12-*  
15                *month period, including statistical information on*  
16                *such utilization as compared to the small business*  
17                *community as a whole;*

18                *(2) the percentage and dollar value of Federal*  
19                *contracts awarded to such small business concerns*  
20                *during the preceding 12-month period, based on the*  
21                *data collected pursuant to section 604(d); and*

22                *(3) proposals to improve the access of such small*  
23                *business concerns to the assistance made available by*  
24                *the United States.*

1 **SEC. 604. DATA AND INFORMATION COLLECTION.**

2       (a) *INFORMATION ON FEDERAL PROCUREMENT PRAC-*  
3 *TICES.—The Administrator of the Small Business Adminis-*  
4 *tration shall, for each fiscal year—*

5           (1) *collect information concerning the procure-*  
6 *ment practices and procedures of each department*  
7 *and agency of the United States having procurement*  
8 *authority;*

9           (2) *publish and disseminate such information to*  
10 *procurement officers in all Federal agencies; and*

11           (3) *make such information available to any*  
12 *small business concern requesting such information.*

13       (b) *IDENTIFICATION OF SMALL BUSINESS CONCERNS*  
14 *OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the*  
15 *Secretary of Veterans Affairs shall, in consultation with the*  
16 *Assistant Secretary of Labor for Veterans' Employment and*  
17 *Training and the Administrator of the Small Business Ad-*  
18 *ministration, identify small business concerns owned and*  
19 *controlled by veterans in the United States. The Secretary*  
20 *shall inform each small business concern identified under*  
21 *this paragraph that information on Federal procurement*  
22 *is available from the Administrator.*

23       (c) *SELF-EMPLOYMENT OPPORTUNITIES.—The Sec-*  
24 *retary of Labor, the Secretary of Veterans Affairs, and the*  
25 *Administrator of the Small Business Administration shall*  
26 *enter into a memorandum of understanding to provide for*

1 coordination of vocational rehabilitation services, technical  
 2 and managerial assistance, and financial assistance to vet-  
 3 erans, including service-disabled veterans, seeking to employ  
 4 themselves by forming or expanding small business con-  
 5 cerns. The memorandum of understanding shall include rec-  
 6 ommendations for expanding existing programs or estab-  
 7 lishing new programs to provide such services or assistance  
 8 to such veterans.

9 (d) *DATA COLLECTION REQUIRED.*—*The Federal Pro-*  
 10 *curement Data System described in section 6(d)(4)(A) of*  
 11 *the Office of Federal Procurement Policy Act (41 U.S.C.*  
 12 *405(d)(4)(A)) shall be modified to collect data regarding the*  
 13 *percentage and dollar value of prime contracts and sub-*  
 14 *contracts awarded to small business concerns owned and*  
 15 *controlled by veterans and small business concerns owned*  
 16 *and controlled by service-disabled veterans.*

## 17 **TITLE VII—MISCELLANEOUS**

## 18 **PROVISIONS**

### 19 **SEC. 701. ADMINISTRATOR'S ORDER.**

20 *The Administrator of the Small Business Administra-*  
 21 *tion shall strengthen and reissue the Administrator's order*  
 22 *regarding the third sentence of section 4(b)(1) of the Small*  
 23 *Business Act (15 U.S.C. 633(b)(1)), relating to non-*  
 24 *discrimination and special considerations for veterans, and*

1 *take all necessary steps to ensure that its provisions are*  
2 *fully and vigorously implemented.*

3 **SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF**  
4 **ADVOCACY.**

5 *Section 202 of Public Law 94–305 (15 U.S.C. 634b)*  
6 *is amended—*

7 *(1) in paragraph (10), by striking “and” at the*  
8 *end;*

9 *(2) in paragraph (11), by striking the period at*  
10 *the end and inserting “; and”; and*

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

12 *“(12) evaluate the efforts of each department and*  
13 *agency of the United States, and of private industry,*  
14 *to assist small business concerns owned and controlled*  
15 *by veterans, as defined in section 3(q) of the Small*  
16 *Business Act (15 U.S.C. 632(q)), and small business*  
17 *concerns owned and controlled by serviced-disabled*  
18 *veterans, as defined in such section 3(q), and to pro-*  
19 *vide statistical information on the utilization of such*  
20 *programs by such small business concerns, and to*  
21 *make appropriate recommendations to the Adminis-*  
22 *trator of the Small Business Administration and to*  
23 *the Congress in order to promote the establishment*  
24 *and growth of those small business concerns.”.*

1 **SEC. 703. STUDY OF FIXED-ASSET SMALL BUSINESS LOANS.**

2 (a) *IN GENERAL.*—*The Comptroller General shall con-*  
3 *duct a study on whether there would exist any additional*  
4 *risk or cost to the United States if—*

5 (1) *up to 10 percent of the loans guaranteed*  
6 *under chapter 37 of title 38, United States Code, were*  
7 *made for the acquisition or construction of fixed as-*  
8 *sets used in a trade or business rather than for the*  
9 *construction or purchase of residential buildings; and*

10 (2) *such loans for acquisition or construction of*  
11 *fixed assets were for a term of not more than 10 years*  
12 *and the terms regarding eligibility, loan limits, inter-*  
13 *est, fees, and down payment were the same as for*  
14 *other loans guaranteed under such chapter.*

15 (b) *REPORT.*—

16 (1) *IN GENERAL.*—*Not later than 180 days after*  
17 *the enactment of this Act, the Comptroller General*  
18 *shall transmit the report described in subsection (a)*  
19 *to the Committees on Veterans' Affairs and the Com-*  
20 *mittees on Small Business of the House of Represent-*  
21 *atives and the Senate.*

22 (2) *CONTENTS OF REPORT.*—*The report required*  
23 *by paragraph (1) shall specifically address the fol-*  
24 *lowing:*

1           (A) *With respect to the change in the vet-*  
2           *erans' housing loan program contemplated under*  
3           *subsection (a):*

4                 (i) *The increase or decrease in admin-*  
5                 *istrative costs to the Department of Veterans*  
6                 *Affairs.*

7                 (ii) *The increase or decrease in the de-*  
8                 *gree of exposure of the United States as the*  
9                 *guarantor of the loans.*

10                (iii) *The increase or decrease in the*  
11                *Federal subsidy rate that would be possible.*

12                (iv) *Any increase in the interest rate*  
13                *or fees charged to the borrower or lender*  
14                *that would be required to maintain present*  
15                *program costs.*

16           (B) *Information regarding the delinquency*  
17           *rates, default rates, length of time required for*  
18           *recovery after default, for fixed-asset business*  
19           *loans, of a size and duration comparable to those*  
20           *contemplated under subsection (a), made avail-*

- 1           *able in the private market or under section 503*
- 2           *of the Small Business Investment Act of 1958.*

Attest:

*Secretary.*

106TH CONGRESS  
1ST SESSION

**H. R. 1568**

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**AMENDMENT**