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106TH CONGRESS
1ST Session

H. R. 1568

[Report No. 106-136]

AN ACT

To provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.

AUGUST 4, 1999

Reported with an amendment

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 IN THE SENATE OF THE UNITED STATES

JUNE 30, 1999

Received; read twice and referred to the Committee on Small Business

AUGUST 4, 1999

Reported by Mr. BOND, with an amendment

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

AN ACT

To provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans Entrepre-
5 neurship and Small Business Development Act of 1999”.

6 **SEC. 2. TABLE OF CONTENTS.**

See: 1. Short title.

See: 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. Delta 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
5 Forces have been and continue to be vital to the
6 small business enterprises of the United States.

1 (2) In serving the United States, veterans often
2 faced great risks to preserve the American dream of
3 freedom and prosperity.

4 (3) The United States has done too little to as-
5 sist veterans, particularly service-disabled veterans,
6 in playing a greater role in the economy of the
7 United States by forming and expanding small busi-
8 ness enterprises.

9 (4) Medical advances and new medical tech-
10 nologies have made it possible for service-disabled
11 veterans to play a much more active role in the for-
12 mation and expansion of small business enterprises
13 in the United States.

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

19 **SEC. 102. PURPOSE.**

20 The purpose of this Act is to expand existing and es-
21 tablish new assistance programs for veterans who own or
22 operate small businesses. This Act accomplishes this pur-
23 pose by—

24 (1) expanding the eligibility for certain small
25 business assistance programs to include veterans;

1 ~~(2)~~ directing certain departments and agencies
2 of the United States to take actions that enhance
3 small business assistance to veterans; and

4 ~~(3)~~ establishing new institutions to provide
5 small business assistance to veterans or to support
6 the institutions that provide such assistance.

7 **SEC. 103. DEFINITIONS.**

8 ~~(a)~~ SMALL BUSINESS ACT.—Section ~~3~~ of the Small
9 Business Act (~~15 U.S.C. 632~~) is amended by adding at
10 the end the following:

11 ~~“(q)~~ DEFINITIONS RELATING TO VETERANS.—In
12 this Act, the following definitions apply:

13 ~~“(1)~~ SERVICE-DISABLED VETERAN.—The term
14 ‘service-disabled veteran’ means a veteran with a
15 disability that is service-connected (as defined in sec-
16 tion ~~101(16)~~ of title ~~38~~, United States Code).

17 ~~“(2)~~ SMALL BUSINESS CONCERN OWNED AND
18 CONTROLLED BY SERVICE-DISABLED VETERANS.—
19 The term ‘small business concern owned and con-
20 trolled by service-disabled veterans’ means a small
21 business concern—

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

1 is owned by one or more service-disabled vet-
2 erans; and

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

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

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

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

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

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

4 **TITLE II—VETERANS BUSINESS**
 5 **DEVELOPMENT**

6 **SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE**
 7 **SMALL BUSINESS ADMINISTRATION.**

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

10 (1) in the fifth sentence, by striking “four Asso-
 11 ciate Administrators” and inserting “five Associate
 12 Administrators”; and

13 (2) by inserting after the fifth sentence the fol-
 14 lowing: “One such Associate Administrator shall be
 15 the Associate Administrator for Veterans Business
 16 Development, who shall administer the Office of Vet-
 17 erans Business Development established under sec-
 18 tion 32.”.

19 (b) OFFICE OF VETERANS BUSINESS DEVELOP-
 20 MENT; ASSOCIATE ADMINISTRATOR.—The Small Business
 21 Act (15 U.S.C. 631 et seq.) is further amended—

22 (1) by redesignating section 32 as section 34;
 23 and

24 (2) by inserting after section 31 the following:

1 ~~“SEC. 32. VETERANS PROGRAMS.~~

2 ~~“(a) OFFICE OF VETERANS BUSINESS DEVELOP-~~
3 ~~MENT.—There is established in the Administration an Of-~~
4 ~~fice of Veterans Business Development, which shall be ad-~~
5 ~~ministered by the Associate Administrator for Veterans~~
6 ~~Business Development (in this section referred to as the~~
7 ~~‘Associate Administrator’) appointed under section~~
8 ~~4(b)(1).~~

9 ~~“(b) ASSOCIATE ADMINISTRATOR FOR VETERANS~~
10 ~~BUSINESS DEVELOPMENT.—The Associate~~
11 ~~Administrator—~~

12 ~~“(1) shall be an appointee in the Senior Execu-~~
13 ~~tive Service;~~

14 ~~“(2) shall be responsible for the formulation,~~
15 ~~execution, and promotion of policies and programs of~~
16 ~~the Administration that provide assistance to small~~
17 ~~business concerns owned and controlled by veterans~~
18 ~~and small business concerns owned and controlled by~~
19 ~~service-disabled veterans. The Associate Adminis-~~
20 ~~trator shall act as an ombudsman for full consider-~~
21 ~~ation of veterans in all programs of the Administra-~~
22 ~~tion; and~~

23 ~~“(3) shall report to and be responsible directly~~
24 ~~to the Administrator.”.~~

1 **SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT**
2 **CORPORATION.**

3 The Small Business Act (15 U.S.C. 631 et seq.) is
4 further amended by adding after section 32 (as added by
5 this Act) the following:

6 **“SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT**
7 **CORPORATION.**

8 “(a) **ESTABLISHMENT.**—There is established a feder-
9 ally chartered corporation to be known as the National
10 Veterans Business Development Corporation (in this sec-
11 tion referred to as the ‘Corporation’) which shall be incor-
12 porated under the laws of the District of Columbia and
13 which shall have the powers granted in this section.

14 “(b) **PURPOSES OF THE CORPORATION.**—The pur-
15 poses of the Corporation shall be—

16 “(1) to expand the provision of and improve ac-
17 cess to technical assistance regarding entrepreneur-
18 ship for the Nation’s veterans; and

19 “(2) to assist veterans, including service-dis-
20 abled veterans, with the formation and expansion of
21 small business concerns by working with and orga-
22 nizing public and private resources, including those
23 of the Small Business Administration, the Depart-
24 ment of Veterans Affairs, the Department of Labor,
25 the Department of Commerce, the Department of
26 Defense, the Service Corps of Retired Executives

1 (described in section 8(b)(1)(B) of this Act); the
2 Small Business Development Centers (described in
3 section 21 of this Act); and the business develop-
4 ment staffs of each department and agency of the
5 United States.

6 “(c) BOARD OF DIRECTORS.—

7 “(1) IN GENERAL.—The management of the
8 Corporation shall be vested in a Board of Directors
9 composed of nine voting members and three non-
10 voting ex officio members.

11 “(2) APPOINTMENT OF VOTING MEMBERS.—

12 The President shall appoint United States citizens
13 to be voting members of the Board of Directors as
14 follows:

15 “(A) One from a list of individuals nomi-
16 nated by the chairman of the Committee on
17 Small Business of the House of Representa-
18 tives.

19 “(B) One from a list of individuals nomi-
20 nated by the chairman of the Committee on
21 Small Business of the Senate.

22 “(C) One from a list of individuals nomi-
23 nated by the ranking minority member of the
24 Committee on Small Business of the House of
25 Representatives.

1 “(D) One from a list of individuals nomi-
2 nated by the ranking minority members of the
3 Committee on Small Business of the Senate.

4 “(E) One from a list of individuals nomi-
5 nated by the chairman of the Committee on
6 Veterans’ Affairs of the House of Representa-
7 tives.

8 “(F) One from a list of individuals nomi-
9 nated by the chairman of the Committee on
10 Veterans’ Affairs of the Senate.

11 “(G) One from a list of individuals nomi-
12 nated by the ranking minority member of the
13 Committee on Veterans’ Affairs of the House of
14 Representatives.

15 “(H) One from a list of individuals nomi-
16 nated the ranking minority member of the
17 Committee on Veterans’ Affairs of the Senate.

18 “(I) One of the President’s own choosing.

19 “(3) EX OFFICIO MEMBERS.—The Adminis-
20 trator of the Small Business Administration, the
21 Secretary of Defense, and the Secretary of Veterans
22 Affairs shall serve as the nonvoting ex officio mem-
23 bers of the Board of Directors.

24 “(4) CHAIRPERSON.—The members of the
25 Board of Directors appointed under paragraph (2)

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

3 ~~“(5) 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 caney occurring before the expiration of the
18 term for which the member’s predecessor was
19 appointed shall be appointed only for the re-
20 mainder of the term. A member may serve after
21 the expiration of that member’s term until a
22 successor has taken office.

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

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

6 “(7) 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 serv-
9 ing as a member of the Board of Directors or during
10 the 2-year period preceding such service.

11 “(8) IMPARTIALITY AND NONDISCRIMINA-
12 TION.—The Board of Directors shall administer the
13 affairs of the Corporation fairly and impartially and
14 without discrimination.

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

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

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

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

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

4 “(3) To make contracts or grants.

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

7 “(5) To appoint, through the actions of its
8 Board of Directors, officers and employees of the
9 Corporation, to define their duties and responsibil-
10 ities, fix their compensations, and to dismiss at will
11 such officers or employees.

12 “(6) To prescribe, through the actions of its
13 Board of Directors, bylaws not inconsistent with
14 Federal law and the law of the State of incorpora-
15 tion, regulating the manner in which its general
16 business may be conducted and the manner in which
17 the privileges granted to it by law may be exercised.

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

23 “(8) To solicit, receive, and disburse funds from
24 private, Federal, State and local organizations.

1 “(9) To accept and employ or dispose of in fur-
2 therance of the purposes of this section any money
3 or property, real, personal, or mixed, tangible or in-
4 tangible, received by gift, devise, bequest, or other-
5 wise.

6 “(10) To accept voluntary and uncompensated
7 services.

8 “(e) CORPORATE FUNDS.—

9 “(1) DEPOSIT OF FUNDS.—The Board of Di-
10 rectors shall deposit all funds of the Corporation in
11 federally chartered and insured depository institu-
12 tions until such funds are disbursed under para-
13 graph (2).

14 “(2) DISBURSEMENT OF FUNDS.—Funds of the
15 Corporation may be disbursed only for purposes that
16 are—

17 “(A) approved by the Board of Directors
18 by a recorded vote with a quorum present; and

19 “(B) in accordance with the purposes of
20 the Corporation as specified in subsection (b).

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

1 “(g) ANNUAL REPORT.—On or before October 1 of
2 each year, the Board of Directors shall transmit a report
3 to the President and the Congress describing the activities
4 and accomplishments of the Corporation for the preceding
5 year and the Corporation’s findings regarding the efforts
6 of Federal, State and private organizations to assist vet-
7 erans in the formation and expansion of small business
8 concerns.

9 “(h) ASSUMPTION OF DUTIES OF ADVISORY COM-
10 MITTEE.—On October 1, 2004, the Corporation estab-
11 lished under this section shall assume the duties, respon-
12 sibilities, and authority of the Advisory Committee on Vet-
13 erans Affairs established under section 203 of this Act.

14 “(i) USE OF MAILS.—The Corporation may use the
15 United States mails in the same manner and under the
16 same conditions as the departments and agencies of the
17 United States.

18 “(j) PROFESSIONAL CERTIFICATION ADVISORY
19 BOARD.—

20 “(1) IN GENERAL.—Acting through the Board
21 of Directors, the Corporation shall establish a Pro-
22 fessional Certification Advisory Board to create uni-
23 form guidelines and standards for the professional
24 certification of members of the Armed Services to
25 aid in their efficient and orderly transition to civilian

1 occupations and professions and to remove potential
2 barriers in the areas of licensure and certification.

3 ~~“(2) MEMBERSHIP.—~~The members of the Advi-
4 sory Board shall serve without compensation, shall
5 meet in the District of Columbia no less than quar-
6 terly, and shall be appointed by the Board of Direc-
7 tors as follows:

8 ~~“(A) PRIVATE SECTOR MEMBERS.—~~The
9 Corporation shall appoint not less than seven
10 members for terms of 2 years to represent pri-
11 vate sector organizations and associations, in-
12 cluding the American Association of Community
13 Colleges, the Society for Human Resource Man-
14 agers, the Coalition for Professional Certifi-
15 cation, the Council on Licensure and Enforce-
16 ment, and the American Legion.

17 ~~“(B) PUBLIC SECTOR MEMBERS.—~~The
18 Corporation shall invite public sector members
19 to serve at the discretion of their departments
20 or agencies and shall—

21 ~~“(i) encourage the participation of the~~
22 ~~Under Secretary of Defense for Personnel~~
23 ~~and Readiness;~~

24 ~~“(ii) encourage the participation of~~
25 ~~two officers from each branch of the~~

1 Armed Forces to represent the Training
2 Commands of their branch; and

3 “(iii) seek the participation and guid-
4 ance of the Assistant Secretary of Labor
5 for Veterans’ Employment and Training.

6 ~~“(k) AUTHORIZATION OF APPROPRIATIONS.—~~

7 ~~“(1) IN GENERAL.—~~There are authorized to be
8 appropriated to the Corporation to carry out this
9 section the following amounts:

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

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

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

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

14 ~~“(2) PRIVATIZATION.—~~The Corporation shall
15 institute and implement a plan to raise private funds
16 and become a self-sustaining corporation.”.

17 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**
18 **AFFAIRS.**

19 (a) ~~IN GENERAL.—~~There is established an advisory
20 committee to be known as the “Advisory Committee on
21 Veterans Business Affairs” (in this section referred to as
22 the “Committee”), which shall serve as an independent
23 source of advice and policy recommendations to—

1 (1) the Administrator of the Small Business
2 Administration (in this section referred to as the
3 “Administrator”);

4 (2) the Associate Administrator for Veterans
5 Business Development of the Small Business Admin-
6 istration;

7 (3) the Congress;

8 (4) the President; and

9 (5) other United States policymakers.

10 (b) MEMBERSHIP.—

11 (1) IN GENERAL.—The Committee shall be
12 composed of 15 members, of whom—

13 (A) eight shall be veterans who are owners
14 of small business concerns (within the meaning
15 of the term under section 3 of the Small Busi-
16 ness Act (15 U.S.C. 632)); and

17 (B) seven shall be representatives of vet-
18 erans organizations.

19 (2) APPOINTMENT.—

20 (A) IN GENERAL.—The members of the
21 Committee shall be appointed by the Adminis-
22 trator in accordance with this section.

23 (B) INITIAL APPOINTMENTS.—Not later
24 than 90 days after the date of enactment of

1 this Act, the Administrator shall appoint the
2 initial members of the Committee.

3 ~~(3) POLITICAL AFFILIATION.—~~Not more than
4 eight members of the Committee shall be of the
5 same political party as the President.

6 ~~(4) PROHIBITION ON FEDERAL EMPLOY-~~
7 ~~MENT.—~~

8 ~~(A) IN GENERAL.—~~Except as provided in
9 subsection ~~(B)~~, no member of the Committee
10 may serve as an officer or employee of the
11 United States.

12 ~~(B) EXCEPTION.—~~A member of the Com-
13 mittee who accepts a position as an officer or
14 employee of the United States after the date of
15 the member's appointment to the Committee
16 may continue to serve on the Committee for not
17 more than 30 days after such acceptance.

18 ~~(5) TERM OF SERVICE.—~~

19 ~~(A) IN GENERAL.—~~Subject to subpara-
20 graph ~~(B)~~, the term of service of each member
21 of the Committee shall be 3 years.

22 ~~(B) TERMS OF INITIAL APPOINTEES.—~~As
23 designated by the Administrator at the time of
24 appointment, of the members first appointed—

1 (i) six shall be appointed for a term of
2 4 years; and

3 (ii) five shall be appointed for a term
4 of 5 years.

5 (6) VACANCIES.—The Administrator shall fill
6 any vacancies on the membership of the Committee
7 not later than 30 days after the date on which such
8 vacancy occurs.

9 (7) CHAIRPERSON.—

10 (A) IN GENERAL.—The members of the
11 Committee shall elect one of the members to be
12 Chairperson of the Committee.

13 (B) VACANCIES IN OFFICE OF CHAIR-
14 PERSON.—Any vacancy in the office of the
15 Chairperson of the Committee shall be filled by
16 the Committee at the first meeting of the Com-
17 mittee following the date on which the vacancy
18 occurs.

19 (c) DUTIES.—The duties of the Committee shall be
20 the following:

21 (1) Review, coordinate, and monitor plans and
22 programs developed in the public and private sec-
23 tors, that affect the ability of small business con-
24 cerns owned and controlled by veterans to obtain
25 capital and credit and to access markets.

1 (2) Promote the collection of business informa-
2 tion and survey data as they relate to veterans and
3 small business concerns owned and controlled by vet-
4 erans.

5 (3) Monitor and promote plans, programs, and
6 operations of the departments and agencies of the
7 United States that may contribute to the formation
8 and growth of small business concerns owned and
9 controlled by veterans.

10 (4) Develop and promote initiatives, policies,
11 programs, and plans designed to foster small busi-
12 ness concerns owned and controlled by veterans.

13 (5) In cooperation with the National Veterans
14 Business Development Corporation, develop a com-
15 prehensive plan, to be updated annually, for joint
16 public-private sector efforts to facilitate growth and
17 development of small business concerns owned and
18 controlled by veterans.

19 (d) POWERS.—

20 (1) HEARINGS.—Subject to subsection (e), the
21 Committee may hold such hearings, sit and act at
22 such times and places, take such testimony, and re-
23 ceive such evidence as the Committee considers ad-
24 visable to carry out its duties.

1 (2) INFORMATION FROM FEDERAL AGENCIES.—

2 Upon request of the Chairperson of the Committee,
3 the head of any department or agency of the United
4 States shall furnish such information to the Com-
5 mittee as the Committee considers to be necessary to
6 carry out its duties.

7 (3) USE OF MAILS.—The Committee may use
8 the United States mails in the same manner and
9 under the same conditions as other departments and
10 agencies of the United States.

11 (4) GIFTS.—The Committee may accept, use,
12 and dispose of gifts or donations of services or prop-
13 erty.

14 (e) MEETINGS.—

15 (1) IN GENERAL.—The Committee shall meet,
16 not less than three times per year, at the call of the
17 Chairperson or at the request of the Administrator.

18 (2) LOCATION.—Each meeting of the full Com-
19 mittee shall be held at the headquarters of the Small
20 Business Administration located in Washington, Dis-
21 trict of Columbia. The Administrator shall provide
22 suitable meeting facilities and such administrative
23 support as may be necessary for each full meeting
24 of the Committee.

1 (3) ~~TASK GROUPS.~~—The Committee may, from
2 time to time, establish temporary task groups as
3 may be necessary in order to carry out its duties.

4 (f) ~~COMPENSATION AND EXPENSES.~~—

5 (1) ~~NO COMPENSATION.~~—Members of the Com-
6 mittee shall serve without compensation for their
7 service to the Committee.

8 (2) ~~EXPENSES.~~—The members of the Com-
9 mittee shall be reimbursed for travel and subsistence
10 expenses in accordance with section 5703 of title 5,
11 United States Code.

12 (g) ~~REPORT.~~—Not later than 30 days after the end
13 of each fiscal year beginning after the date of enactment
14 of this section, the Committee shall transmit to the Con-
15 gress and the President a report describing the activities
16 of the Committee and any recommendations developed by
17 the Committee for the promotion of small business con-
18 cerns owned and controlled by veterans.

19 (h) ~~TERMINATION.~~—The Committee shall terminate
20 its business on September 30, 2004.

21 **TITLE III—TECHNICAL** 22 **ASSISTANCE**

23 **SEC. 301. SCORE PROGRAM.**

24 (a) ~~IN GENERAL.~~—The Administrator of the Small
25 Business Administration shall enter into a memorandum

1 of understanding with the Service Core of Retired Execu-
2 tives (described in section 8(b)(1)(B) of the Small Busi-
3 ness Act (15 U.S.C. 637(b)(1)(B)) and in this section re-
4 ferred to as “SCORE”) to provide for the following:

5 (1) The appointment by SCORE in its national
6 office of an individual to act as National Veterans
7 Business Coordinator, whose duties shall relate ex-
8 clusively to veterans business matters, and who shall
9 be responsible for the establishment and administra-
10 tion of a program to coordinate counseling and
11 training regarding entrepreneurship to veterans
12 through the chapters of SCORE throughout the
13 United States.

14 (2) The assistance of SCORE in the estab-
15 lishing and maintaining a toll-free telephone number
16 and an Internet website to provide access for vet-
17 erans to information about the counseling and train-
18 ing regarding entrepreneurship available to veterans
19 through SCORE.

20 (3) The collection of statistics concerning serv-
21 ices provided by SCORE to veterans, including serv-
22 ice-disabled veterans, for inclusion in each annual
23 report published by the Administrator under section
24 4(b)(2)(B) of the Small Business Act (15 U.S.C.
25 633(b)(2)(B)).

1 (b) ~~RESOURCES.~~—The Administrator shall provide to
2 ~~SCORE~~ such resources as the Administrator determines
3 necessary for ~~SCORE~~ to carry out the requirements of the
4 memorandum of understanding specified in paragraph (1).

5 **SEC. 302. ENTREPRENEURIAL ASSISTANCE.**

6 Not later than 180 days after the date of enactment
7 of this Act, the Secretary of Veterans Affairs, the Admin-
8 istrator of the Small Business Administration, and the
9 head of the association formed pursuant to section
10 21(a)(3)(A) of the Small Business Act (15 U.S.C.
11 648(a)(3)(A)) shall enter into a memorandum of under-
12 standing with respect to entrepreneurial assistance to vet-
13 erans, including service-disabled veterans, through Small
14 Business Development Centers (described in section 21 of
15 the Small Business Act (15 U.S.C. 648)) and facilities of
16 the Department of Veterans Affairs. Such assistance shall
17 include the following:

18 (1) Conducting of studies and research, and the
19 distribution of information generated by such studies
20 and research, on the formation, management, fi-
21 nancing, marketing, and operation of small business
22 concerns by veterans.

23 (2) Provision of training and counseling to vet-
24 erans concerning the formation, management, fi-

1 nancing, marketing, and operation of small business
2 concerns.

3 ~~(3) Provision of management and technical as-~~
4 sistance to the owners and operators of small busi-
5 ness concerns regarding international markets, the
6 promotion of exports, and the transfer of technology.

7 ~~(4) Provision of assistance and information to~~
8 veterans regarding procurement opportunities with
9 Federal, State, and local agencies, especially such
10 agencies funded in whole or in part with Federal
11 funds.

12 ~~(5) Establishment of an information clearing-~~
13 house to collect and distribute information, including
14 by electronic means, on the assistance programs of
15 Federal, State, and local governments, and of the
16 private sector, including information on office loca-
17 tions, key personnel, telephone numbers, mail and
18 electronic addresses, and contracting and subcon-
19 tracting opportunities.

20 ~~(6) Provision of Internet or other distance~~
21 learning academic instruction for veterans in busi-
22 ness subjects, including accounting, marketing, and
23 business fundamentals.

24 ~~(7) Compilation of a list of small business con-~~
25 cerns owned and controlled by service-disabled vet-

1 erans that provide products or services that could be
2 procured by the United States and delivery of such
3 list to each department and agency of the United
4 States. Such list shall be delivered in hard copy and
5 electronic form and shall include the name and ad-
6 dress of each such small business concern and the
7 products or services that it provides.

8 **SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT AS-**
9 **SISTANCE FOR MILITARY RESERVISTS'**
10 **SMALL BUSINESSES.**

11 (a) IN GENERAL.—Section 8 of the Small Business
12 Act (15 U.S.C. 637) is amended by adding at the end the
13 following:

14 “(1) MANAGEMENT ASSISTANCE FOR SMALL BUSI-
15 NESSES AFFECTED BY MILITARY OPERATIONS.—The Ad-
16 ministration shall utilize, as appropriate, its entrepre-
17 neurial development and management assistance pro-
18 grams, including programs involving State or private sec-
19 tor partners, to provide business counseling and training
20 to any small business concern adversely affected by the
21 deployment of units of the Armed Forces of the United
22 States in support of a period of military conflict (as de-
23 fined in section 7(n)(1)).”.

24 (b) ENHANCED PUBLICITY DURING OPERATION AL-
25 LIED FORCE.—For the duration of Operation Allied Force

1 and for 120 days thereafter, the Administration shall en-
 2 hance its publicity of the availability of assistance provided
 3 pursuant to the amendment made by this section, includ-
 4 ing information regarding the appropriate local office at
 5 which affected small businesses may seek such assistance.

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

11 **TITLE IV—FINANCIAL** 12 **ASSISTANCE**

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

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

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

19 “(1) who has a physical, mental, or emotional
 20 impairment, defect, ailment, disease, or disability of
 21 a permanent nature which in any way limits the se-
 22 lection of any type of employment for which the per-
 23 son would otherwise be qualified or qualifiable; or

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

1 (b) AUTHORIZATION TO MAKE LOANS.—Section
 2 7(a)(10) of the Small Business Act (15 U.S.C.
 3 636(a)(10)) is amended—

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

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

8 **SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERV-**
 9 **ISTS.**

10 (a) REPAYMENT DEFERRAL FOR ACTIVE DUTY RE-
 11 SERVISTS.—Section 7 of the Small Business Act (15
 12 U.S.C. 636) is amended by adding at the end the fol-
 13 lowing:

14 “(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RE-
 15 SERVISTS.—

16 “(1) DEFINITIONS.—In this subsection:

17 “(A) ELIGIBLE RESERVIST.—The term ‘el-
 18 igible reservist’ means a member of a reserve
 19 component of the Armed Forces ordered to ac-
 20 tive duty during a period of military conflict.

21 “(B) ESSENTIAL EMPLOYEE.—The term
 22 ‘essential employee’ means an individual who is
 23 employed by a small business concern and
 24 whose managerial or technical expertise is crit-

1 ical to the successful day-to-day operations of
2 that small business concern.

3 “(C) PERIOD OF MILITARY CONFLICT.—

4 The term ‘period of military conflict’ means—

5 “(i) a period of war declared by the
6 Congress;

7 “(ii) a period of national emergency
8 declared by the Congress or by the Presi-
9 dent; or

10 “(iii) a period of a contingency oper-
11 ation, as defined in section 101(a) of title
12 10, United States Code.

13 “(D) QUALIFIED BORROWER.—The term
14 ‘qualified borrower’ means—

15 “(i) an individual who is an eligible
16 reservist and who received a direct loan
17 under subsection (a) or (b) before being
18 ordered to active duty; or

19 “(ii) a small business concern that re-
20 ceived a direct loan under subsection (a) or
21 (b) before an eligible reservist, who is an
22 essential employee, was ordered to active
23 duty.

24 “(2) DEFERRAL OF DIRECT LOANS.—

1 “(A) IN GENERAL.—The Administration
2 shall, upon written request, defer repayment of
3 principal and interest due on a direct loan made
4 under subsection (a) or (b), if such loan was in-
5 curred by a qualified borrower.

6 “(B) PERIOD OF DEFERRAL.—The period
7 of deferral for repayment under this paragraph
8 shall begin on the date on which the eligible re-
9 servist is ordered to active duty and shall termi-
10 nate on the date that is 180 days after the date
11 such eligible reservist is discharged or released
12 from active duty.

13 “(C) INTEREST RATE REDUCTION DURING
14 DEFERRAL.—Notwithstanding any other provi-
15 sion of law, during the period of deferral de-
16 scribed in subparagraph (B), the Administra-
17 tion may, in its discretion, reduce the interest
18 rate on any loan qualifying for a deferral under
19 this paragraph.

20 “(3) DEFERRAL OF LOAN GUARANTEES AND
21 OTHER FINANCINGS.—The Administration shall—

22 “(A) encourage intermediaries partici-
23 pating in the program under subsection (m) to
24 defer repayment of a loan made with proceeds
25 made available under that subsection, if such

1 loan was incurred by a small business concern
2 that is eligible to apply for assistance under
3 subsection (b)(3); and

4 “(B) not later than 30 days after the date
5 of enactment of this subsection, establish guide-
6 lines to—

7 “(i) encourage lenders and other
8 intermediaries to defer repayment of, or
9 provide other relief relating to, loan guar-
10 antees under subsection (a) and financings
11 under section 504 of the Small Business
12 Investment Act of 1958 that were incurred
13 by small business concerns that are eligible
14 to apply for assistance under subsection
15 (b)(3), and loan guarantees provided under
16 subsection (m) if the intermediary provides
17 relief to a small business concern under
18 this paragraph; and

19 “(ii) implement a program to provide
20 for the deferral of repayment or other re-
21 lief to any intermediary providing relief to
22 a small business borrower under this para-
23 graph.”.

24 (b) DISASTER LOAN ASSISTANCE FOR MILITARY RE-
25 SERVISTS’ SMALL BUSINESSES.—Section 7(b) of the

1 Small Business Act (15 U.S.C. 636(b)) is amended by in-
2 serting after the undesignated paragraph that begins with
3 “*Provided, That no loan*”, the following:

4 “(3)(A) In this paragraph—

5 “(i) the term ‘essential employee’ means
6 an individual who is employed by a small busi-
7 ness concern and whose managerial or technical
8 expertise is critical to the successful day-to-day
9 operations of that small business concern;

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

13 “(iii) the term ‘substantial economic in-
14 jury’ means an economic harm to a business
15 concern that results in the inability of the busi-
16 ness concern—

17 “(I) to meet its obligations as they
18 mature;

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

21 “(III) to market, produce, or provide
22 a product or service ordinarily marketed,
23 produced, or provided by the business con-
24 cern.

1 “(B) The Administration may make such dis-
2 aster loans (either directly or in cooperation with
3 banks or other lending institutions through agree-
4 ments to participate on an immediate or deferred
5 basis) to assist a small business concern that has
6 suffered or that is likely to suffer substantial eco-
7 nomic injury as the result of an essential employee
8 of such small business concern being ordered to ac-
9 tive military duty during a period of military con-
10 flict.

11 “(C) A small business concern described in sub-
12 paragraph (B) shall be eligible to apply for assist-
13 ance under this paragraph during the period begin-
14 ning on the date on which the essential employee is
15 ordered to active duty and ending on the date that
16 is 90 days after the date on which such essential
17 employee is discharged or released from active duty.

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

21 “(E) No loan may be made under this para-
22 graph, either directly or in cooperation with banks
23 or other lending institutions through agreements to
24 participate on an immediate or deferred basis, if the
25 total amount outstanding and committed to the bor-

1 power under this subsection would exceed
2 \$1,500,000, unless such applicant constitutes a
3 major source of employment in its surrounding area,
4 as determined by the Administration, in which case
5 the Administration, in its discretion, may waive the
6 \$1,500,000 limitation.

7 “(F) For purposes of assistance under this
8 paragraph, no declaration of a disaster area shall be
9 required.”

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

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

22 (e) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as provided in para-
24 graph (2), the amendments made by this section

1 shall take effect on the date of the enactment of this
2 section.

3 ~~(2) DISASTER LOANS.~~—The amendments made
4 by subsection (b) shall apply to economic injury suf-
5 fered or likely to be suffered as the result of a period
6 of military conflict occurring or ending on or after
7 March 24, 1999.

8 **SEC. 403. MICROLOAN PROGRAM.**

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

13 **SEC. 404. DELTA LOAN PROGRAM.**

14 Section 7(a)(21)(A) Small Business Act (15 U.S.C.
15 636(a)(21)(A)) is amended in subclause (ii) by inserting
16 “or a veteran” after “qualified individual”.

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

18 Section 501(d)(3) of the Small Business Investment
19 Act (15 U.S.C. 695(d)(3)) is amended—

20 (1) by redesignating subparagraphs (E), (F),
21 and (G) as subparagraphs (F), (G), and (H), respec-
22 tively; and

23 (2) by inserting after subparagraph (D) the fol-
24 lowing:

1 “(E) expansion of small business concerns
 2 owned and controlled by veterans, as defined in
 3 section 3(q) of the Small Business Act (15
 4 U.S.C. 632(q)), especially service-disabled vet-
 5 erans, as defined in such section 3(q).”.

6 **TITLE V—PROCUREMENT** 7 **ASSISTANCE**

8 **SEC. 501. SUBCONTRACTING.**

9 (a) STATEMENT OF POLICY.—Section 8(d)(1) of the
 10 Small Business Act (15 U.S.C. 637(d)(1)) is amended by
 11 inserting “small business concerns owned and controlled
 12 by service-disabled veterans,” after “small business con-
 13 cerns,” the first place it appears in the first and second
 14 sentences.

15 (b) CONTRACT CLAUSE.—The contract clause speci-
 16 fied in section 8(d)(3) of the Small Business Act (15
 17 U.S.C. 637(d)(3)) is amended as follows:

18 (1) Subparagraph (A) of such clause is amend-
 19 ed by inserting “small business concerns owned and
 20 controlled by veterans,” after “small business con-
 21 cerns,” the first place it appears in the first and sec-
 22 ond sentences.

23 (2) Subparagraphs (E) and (F) of such clause
 24 are redesignated as subparagraphs (F) and (G), re-

1 spectively, and the following new subparagraph is in-
2 serted after subparagraph (D) of such clause:

3 “(E) The term ‘small business concern owned
4 and controlled by veterans’ shall mean a small busi-
5 ness concern—

6 “(i) which is at least 51 per centum owned
7 by one or more eligible veterans; or, in the case
8 of any publicly owned business, at least 51 per
9 centum of the stock of which is owned by one
10 or more veterans; and

11 “(ii) whose management and daily business
12 operations are controlled by such veterans. The
13 contractor shall treat as veterans all individuals
14 who are veterans within the meaning of the
15 term under section 3(q) of the Small Business
16 Act.”.

17 (3) Subparagraph (F) of such clause, as reded-
18 esignated by paragraph (2) of this subsection, is
19 amended by inserting “small business concern owned
20 and controlled by veterans,” after “small business
21 concern,” the first place it appears.

22 (c) CONFORMING AMENDMENTS.—Section 8(d) of
23 the Small Business Act (15 U.S.C. 637(d)) is further
24 amended by inserting “small business concerns owned and
25 controlled by veterans,” after “small business concerns,”

1 the first place it appears in paragraphs (4)(D), (4)(E),
2 (6)(A), (6)(C), (6)(F), and (10)(B).

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

4 (a) GOVERNMENT-WIDE PARTICIPATION GOALS.—
5 Subsection (g)(1) of section 15 of the Small Business Act
6 (15 U.S.C. 644) is amended—

7 (1) in the first sentence, by inserting “small
8 business concerns owned and controlled by service
9 disabled veterans,” after “small business concerns,”
10 the first place it appears;

11 (2) by inserting after the second sentence, the
12 following: “The Government-wide goal for participa-
13 tion by small business concerns owned and con-
14 trolled by service-disabled veterans shall be estab-
15 lished at not less than 5 percent of the total value
16 of all prime contract and subcontract awards for
17 each fiscal year.”; and

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

22 (b) AGENCY PARTICIPATION GOALS.—Subsection
23 (g)(2) of section 15 of the Small Business Act (15 U.S.C.
24 644) is amended—

1 (1) in the first sentence, by inserting “by small
2 business concerns owned and controlled by service-
3 disabled veterans,” after “small business concerns,”;
4 the first place it appears;

5 (2) in the second sentence, by inserting “small
6 business concerns owned and controlled by service-
7 disabled veterans,” after “small business concerns,”
8 the first place it appears; and

9 (3) in the fourth sentence, by inserting “small
10 business concerns owned and controlled by service-
11 disabled veterans, by” after “including participation
12 by”.

13 **TITLE VI—REPORTS AND DATA** 14 **COLLECTION**

15 **SEC. 601. REPORTING REQUIREMENTS.**

16 (a) **REPORTS TO SMALL BUSINESS ADMINISTRA-**
17 **TION.**—Subsection (h)(1) of section 15 of the Small Busi-
18 ness Act (15 U.S.C. 644) is amended by inserting “small
19 business concerns owned and controlled by veterans (in-
20 cluding service-disabled veterans),” after “small business
21 concerns,” the first place it appears.

22 (b) **REPORTS TO THE PRESIDENT AND THE CON-**
23 **GRESS.**—Subsection (h)(2) of section 15 of the Small
24 Business Act (15 U.S.C. 644) is amended—

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

3 (2) in subparagraphs (A), (D), and (E), by in-
4 serting “small business concerns owned and con-
5 trolled by service-disabled veterans,” after “small
6 business concerns,” the first place it appears.

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

8 Section 303(e) of the Small Business Economic Pol-
9 icy Act of 1980 (15 U.S.C. 631b(e)) is amended—

10 (1) in paragraph (1), by striking “and” after
11 the semicolon;

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

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

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

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

21 The Administrator of the Small Business Administra-
22 tion shall transmit annually to the Committees on Small
23 Business and Veterans Affairs of the House of Represent-
24 atives and the Senate a report on the needs of small busi-
25 ness concerns owned and controlled by veterans and small

1 business concerns owned and controlled by service-disabled
2 veterans, which shall include information on—

3 (1) the availability of Small Business Adminis-
4 tration programs for such small business concerns
5 and the degree of utilization of such programs by
6 such small business concerns during the preceding
7 12-month period, including statistical information on
8 such utilization as compared to the small business
9 community as a whole;

10 (2) the percentage and dollar value of Federal
11 contracts awarded to such small business concerns
12 during the preceding 12-month period; and

13 (3) proposals to improve the access of such
14 small business concerns to the assistance made avail-
15 able by the United States.

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

17 (a) **INFORMATION ON FEDERAL PROCUREMENT**
18 **PRACTICES.**—The Administrator of the Small Business
19 Administration shall, for each fiscal year—

20 (1) collect information concerning the procure-
21 ment practices and procedures of each department
22 and agency of the United States having procurement
23 authority;

24 (2) publish and disseminate such information to
25 procurement officers in all Federal agencies; and

1 (3) make such information available to any
2 small business concern requesting such information.

3 (b) IDENTIFICATION OF SMALL BUSINESS CONCERNS
4 OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the
5 Secretary of Veterans Affairs shall, in consultation with
6 the Assistant Secretary of Labor for Veterans' Employ-
7 ment and Training and the Administrator of the Small
8 Business Administration, identify small business concerns
9 owned and controlled by veterans in the United States.
10 The Secretary shall inform each small business concern
11 identified under this paragraph that information on Fed-
12 eral procurement is available from the Administrator.

13 (c) SELF-EMPLOYMENT OPPORTUNITIES.—The Sec-
14 retary of Labor, the Secretary of Veterans Affairs, and
15 the Administrator of the Small Business Administration
16 shall enter into a memorandum of understanding to pro-
17 vide for coordination of vocational rehabilitation services,
18 technical and managerial assistance, and financial assist-
19 ance to veterans, including service-disabled veterans, seek-
20 ing to employ themselves by forming or expanding small
21 business concerns. The memorandum of understanding
22 shall include recommendations for expanding existing pro-
23 grams or establishing new programs to provide such serv-
24 ices or assistance to such veterans.

1 **TITLE VII—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 701. ADMINISTRATOR'S ORDER.**

4 The Administrator of the Small Business Administra-
5 tion shall strengthen and reissue the Administrator's order
6 regarding the third sentence of section 4(b)(1) of the
7 Small Business Act (15 U.S.C. 633(b)(1)), relating to
8 nondiscrimination and special considerations for veterans,
9 and take all necessary steps to ensure that its provisions
10 are fully and vigorously implemented.

11 **SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF**
12 **ADVOCACY.**

13 Section 202 of Public Law 94-305 (15 U.S.C. 634b)
14 is amended—

15 (1) in paragraph (10), by striking “and” at the
16 end;

17 (2) in paragraph (11), by striking the period at
18 the end and inserting “; and”; and

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

20 “(12) evaluate the efforts of each department
21 and agency of the United States, and of private in-
22 dustry, to assist small business concerns owned and
23 controlled by veterans, as defined in section 3(q) of
24 the Small Business Act (15 U.S.C. 632(q)), and
25 small business concerns owned and controlled by

1 serviced-disabled veterans, as defined in such section
2 3(q), and to provide statistical information on the
3 utilization of such programs by such small business
4 concerns, and to make appropriate recommendations
5 to the Administrator of the Small Business Adminis-
6 tration and to the Congress in order to promote the
7 establishment and growth of those small business
8 concerns.”.

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

10 (a) **IN GENERAL.**—The Comptroller General shall
11 conduct a study on whether there would exist any addi-
12 tional risk or cost to the United States if—

13 (1) up to 10 percent of the loans guaranteed
14 under chapter 37 of title 38, United States Code,
15 were made for the acquisition or construction of
16 fixed assets used in a trade or business rather than
17 for the construction or purchase of residential build-
18 ings; and

19 (2) such loans for acquisition or construction of
20 fixed assets were for a term of not more than 10
21 years and the terms regarding eligibility, loan limits,
22 interest, fees, and down payment were the same as
23 for other loans guaranteed under such chapter.

24 (b) **REPORT.**—

1 (1) ~~IN GENERAL.~~—Not later than 180 days
2 after the enactment of this Act, the Comptroller
3 General shall transmit the report described in sub-
4 section (a) to the Committees on Veterans' Affairs
5 and the Committees on Small Business of the House
6 of Representatives and the Senate.

7 (2) ~~CONTENTS OF REPORT.~~—The report re-
8 quired by paragraph (1) shall specifically address
9 the following:

10 (A) ~~With respect to the change in the vet-~~
11 ~~erans' housing loan program contemplated~~
12 ~~under subsection (a):~~

13 (i) ~~The increase or decrease in admin-~~
14 ~~istrative costs to the Department of Vet-~~
15 ~~erans Affairs.~~

16 (ii) ~~The increase or decrease in the~~
17 ~~degree of exposure of the United States as~~
18 ~~the guarantor of the loans.~~

19 (iii) ~~The increase or decrease in the~~
20 ~~Federal subsidy rate that would be pos-~~
21 ~~sible.~~

22 (iv) ~~Any increase in the interest rate~~
23 ~~or fees charged to the borrower or lender~~
24 ~~that would be required to maintain present~~
25 ~~program costs.~~

1 ~~(B) Information regarding the delinquency~~
 2 ~~rates, default rates, length of time required for~~
 3 ~~recovery after default, for fixed-asset business~~
 4 ~~loans, of a size and duration comparable to~~
 5 ~~those contemplated under subsection (a), made~~
 6 ~~available in the private market or under section~~
 7 ~~503 of the Small Business Investment Act.~~

8 **SECTION 1. SHORT TITLE.**

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

11 **SEC. 2. TABLE OF CONTENTS.**

12 *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 reserv-
ists’ 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.*

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

15 (4) *Medical advances and new medical tech-*
16 *nologies have made it possible for service-disabled vet-*
17 *erans to play a much more active role in the forma-*

1 *tion and expansion of small business enterprises in*
2 *the United States.*

3 *(5) The United States must provide additional*
4 *assistance and support to veterans to better equip*
5 *them to form and expand small business enterprises,*
6 *thereby enabling them to realize the American dream*
7 *that they fought to protect.*

8 **SEC. 102. PURPOSE.**

9 *The purpose of this Act is to expand existing and es-*
10 *tablish new assistance programs for veterans who own or*
11 *operate small businesses. This Act accomplishes this purpose*
12 *by—*

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

15 *(2) directing certain departments and agencies of*
16 *the United States to take actions that enhance small*
17 *business assistance to veterans; and*

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

21 **SEC. 103. DEFINITIONS.**

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

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

3 “(1) *SERVICE-DISABLED VETERAN.*—*The term*
4 *‘service-disabled veteran’ means a veteran with a dis-*
5 *ability that is service-connected (as defined in section*
6 *101(16) of title 38, United States Code).*

7 “(2) *SMALL BUSINESS CONCERN OWNED AND*
8 *CONTROLLED BY SERVICE-DISABLED VETERANS.*—*The*
9 *term ‘small business concern owned and controlled by*
10 *service-disabled veterans’ means a small business*
11 *concern—*

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

18 “(B) *the management and daily business*
19 *operations of which are controlled by one or*
20 *more service-disabled veterans or, in the case of*
21 *a veteran with permanent and severe disability,*
22 *the spouse or permanent caregiver of such vet-*
23 *eran.*

24 “(3) *SMALL BUSINESS CONCERN OWNED AND*
25 *CONTROLLED BY VETERANS.*—*The term ‘small busi-*

1 *ness concern owned and controlled by veterans’ means*
2 *a small business concern—*

3 *“(A) not less than 51 percent of which is*
4 *owned by one or more veterans or, in the case of*
5 *any publicly owned business, not less than 51*
6 *percent of the stock of which is owned by one or*
7 *more veterans; and*

8 *“(B) the management and daily business*
9 *operations of which are controlled by one or*
10 *more veterans.*

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

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

17 **TITLE II—VETERANS BUSINESS**
18 **DEVELOPMENT**

19 **SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE**
20 **SMALL BUSINESS ADMINISTRATION.**

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

23 *(1) in the fifth sentence, by striking “four Asso-*
24 *ciate Administrators” and inserting “five Associate*
25 *Administrators”; and*

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

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

9 (1) *by redesignating section 32 as section 34;*
 10 *and*

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

12 **“SEC. 32. VETERANS PROGRAMS.**

13 “(a) *OFFICE OF VETERANS BUSINESS DEVELOP-*
 14 *MENT.—There is established in the Administration an Of-*
 15 *fice of Veterans Business Development, which shall be ad-*
 16 *ministered by the Associate Administrator for Veterans*
 17 *Business Development (in this section referred to as the ‘As-*
 18 *sociate Administrator’)* appointed under section 4(b)(1).

19 “(b) *ASSOCIATE ADMINISTRATOR FOR VETERANS*
 20 *BUSINESS DEVELOPMENT.—The Associate*
 21 *Administrator—*

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

24 “(2) *shall be responsible for the formulation, exe-*
 25 *cution, and promotion of policies and programs of the*

1 *Administration that provide assistance to small busi-*
 2 *ness concerns owned and controlled by veterans and*
 3 *small business concerns owned and controlled by serv-*
 4 *ice-disabled veterans. The Associate Administrator*
 5 *shall act as an ombudsman for full consideration of*
 6 *veterans in all programs of the Administration; and*
 7 *“(3) shall report to and be responsible directly to*
 8 *the Administrator.”.*

9 **SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT**
 10 **CORPORATION.**

11 *(a) IN GENERAL.—The Small Business Act (15 U.S.C.*
 12 *631 et seq.) is amended by inserting after section 32 (as*
 13 *added by this Act) the following:*

14 **“SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT**
 15 **CORPORATION.**

16 *“(a) ESTABLISHMENT.—There is established a feder-*
 17 *ally chartered corporation to be known as the National Vet-*
 18 *erans Business Development Corporation (in this section re-*
 19 *ferred to as the ‘Corporation’) which shall be incorporated*
 20 *under the laws of the District of Columbia and which shall*
 21 *have the powers granted in this section.*

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

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

4 “(2) to assist veterans, including service-disabled
5 veterans, with the formation and expansion of small
6 business concerns by working with and organizing
7 public and private resources, including those of the
8 Small Business Administration, the Department of
9 Veterans Affairs, the Department of Labor, the De-
10 partment of Commerce, the Department of Defense,
11 the Service Corps of Retired Executives (described in
12 section 8(b)(1)(B) of this Act), the Small Business
13 Development Centers (described in section 21 of this
14 Act), and the business development staffs of each de-
15 partment and agency of the United States.

16 “(c) BOARD OF DIRECTORS.—

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

21 “(2) APPOINTMENT OF VOTING MEMBERS.—The
22 Administrator shall, after considering a list of can-
23 didates which shall be proposed by the Chairmen of
24 the Committees on Small Business and Veterans’ Af-
25 fairs of the House of Representatives and the Senate,

1 *appoint United States citizens to be voting members*
2 *of the Board of Directors as follows:*

3 “(A) *One from a list of individuals nomi-*
4 *nated by the chairman of the Committee on*
5 *Small Business of the House of Representatives.*

6 “(B) *One from a list of individuals nomi-*
7 *nated by the chairman of the Committee on*
8 *Small Business of the Senate.*

9 “(C) *One from a list of individuals nomi-*
10 *nated by the ranking minority member of the*
11 *Committee on Small Business of the House of*
12 *Representatives.*

13 “(D) *One from a list of individuals nomi-*
14 *nated by the ranking minority members of the*
15 *Committee on Small Business of the Senate.*

16 “(E) *One from a list of individuals nomi-*
17 *nated by the chairman of the Committee on Vet-*
18 *erans’ Affairs of the House of Representatives.*

19 “(F) *One from a list of individuals nomi-*
20 *nated by the chairman of the Committee on Vet-*
21 *erans’ Affairs of the Senate.*

22 “(G) *One from a list of individuals nomi-*
23 *nated by the ranking minority member of the*
24 *Committee on Veterans’ Affairs of the House of*
25 *Representatives.*

1 “(H) One from a list of individuals nomi-
2 nated the ranking minority member of the Com-
3 mittee on Veterans’ Affairs of the Senate.

4 “(I) One of the Administrator’s own choos-
5 ing.

6 “(3) *EX OFFICIO MEMBERS.*—The Administrator
7 of the Small Business Administration, the Secretary
8 of Defense, and the Secretary of Veterans Affairs shall
9 serve as the nonvoting *ex officio* members of the Board
10 of Directors.

11 “(4) *INITIAL APPOINTMENTS.*—The initial mem-
12 bers of the Board of Directors shall be appointed not
13 later than 60 days after the date of enactment of this
14 Act.

15 “(5) *CHAIRPERSON.*—The members of the Board
16 of Directors appointed under paragraph (2) shall
17 elect one such member to serve as chairperson of the
18 Board of Directors for a term of 2 years.

19 “(6) *TERMS OF APPOINTED MEMBERS.*—

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

1 “(B) *TERMS OF INITIAL APPOINTEES.*—As
2 *designated by the Administrator at the time of*
3 *appointment, of the members first appointed—*

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

6 “(ii) *three shall be for a term of 4*
7 *years.*

8 “(C) *UNEXPIRED TERMS.*—*Any member of*
9 *the Board of Directors appointed to fill a va-*
10 *cancy occurring before the expiration of the term*
11 *for which the member’s predecessor was ap-*
12 *pointed shall be appointed only for the remain-*
13 *der of the term. A member may serve after the*
14 *expiration of that member’s term until a suc-*
15 *cessor has taken office.*

16 “(7) *VACANCIES.*—*Any vacancy on the Board of*
17 *Directors shall be filled in the manner in which the*
18 *original appointment was made. In the case of a va-*
19 *cancy in the office of the Administrator of the Small*
20 *Business Administration or the Secretary of Veterans*
21 *Affairs, and pending the appointment of a successor,*
22 *an acting appointee for such vacancy may serve as*
23 *an ex officio member.*

24 “(8) *INELIGIBILITY FOR OTHER OFFICES.*—*No*
25 *voting member of the Board of Directors may be an*

1 *officer or employee of the United States while serving*
2 *as a member of the Board of Directors or during the*
3 *2-year period preceding such service.*

4 “(9) *IMPARTIALITY AND NONDISCRIMINATION.*—
5 *The Board of Directors shall administer the affairs of*
6 *the Corporation fairly and impartially and without*
7 *discrimination.*

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

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

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

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

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

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

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

24 “(5) *To appoint, through the actions of its Board*
25 *of Directors, officers and employees of the Corpora-*

1 *tion, to define their duties and responsibilities, fix*
2 *their compensations, and to dismiss at will such offi-*
3 *cers or employees.*

4 *“(6) To prescribe, through the actions of its*
5 *Board of Directors, bylaws not inconsistent with Fed-*
6 *eral law and the law of the State of incorporation,*
7 *regulating the manner in which its general business*
8 *may be conducted and the manner in which the privi-*
9 *leges granted to it by law may be exercised.*

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

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

16 *“(9) To accept and employ or dispose of in fur-*
17 *therance of the purposes of this section any money or*
18 *property, real, personal, or mixed, tangible or intan-*
19 *gible, received by gift, devise, bequest, or otherwise.*

20 *“(10) To accept voluntary and uncompensated*
21 *services.*

22 *“(e) CORPORATE FUNDS.—*

23 *“(1) DEPOSIT OF FUNDS.—The Board of Direc-*
24 *tors shall deposit all funds of the Corporation in fed-*

1 *erally chartered and insured depository institutions*
2 *until such funds are disbursed under paragraph (2).*

3 *“(2) DISBURSEMENT OF FUNDS.—Funds of the*
4 *Corporation may be disbursed only for purposes that*
5 *are—*

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

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

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

15 *“(g) ANNUAL REPORT.—On or before October 1 of each*
16 *year, the Board of Directors shall transmit a report to the*
17 *President and the Congress describing the activities and ac-*
18 *complishments of the Corporation for the preceding year*
19 *and the Corporation’s findings regarding the efforts of Fed-*
20 *eral, State and private organizations to assist veterans in*
21 *the formation and expansion of small business concerns.*

22 *“(h) ASSUMPTION OF DUTIES OF ADVISORY COM-*
23 *MITTEE.—On October 1, 2004, the Corporation established*
24 *under this section shall assume the duties, responsibilities,*

1 *and authority of the Advisory Committee on Veterans Af-*
2 *fairs established under section 203 of this Act.*

3 “(i) *USE OF MAILS.—The Corporation may use the*
4 *United States mails in the same manner and under the*
5 *same conditions as the departments and agencies of the*
6 *United States.*

7 “(j) *PROFESSIONAL CERTIFICATION ADVISORY*
8 *BOARD.—*

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

17 “(2) *MEMBERSHIP.—The members of the Advi-*
18 *sory Board shall serve without compensation, shall*
19 *meet in the District of Columbia no less than quar-*
20 *terly, and shall be appointed by the Board of Direc-*
21 *tors as follows:*

22 “(A) *PRIVATE SECTOR MEMBERS.—The*
23 *Corporation shall appoint not less than seven*
24 *members for terms of 2 years to represent private*
25 *sector organizations and associations, including*

1 *the American Association of Community Col-*
2 *leges, the Society for Human Resource Managers,*
3 *the Coalition for Professional Certification, the*
4 *Council on Licensure and Enforcement, and the*
5 *American Legion.*

6 “(B) *PUBLIC SECTOR MEMBERS.—The Cor-*
7 *poration shall invite public sector members to*
8 *serve at the discretion of their departments or*
9 *agencies and shall—*

10 “(i) *encourage the participation of the*
11 *Under Secretary of Defense for Personnel*
12 *and Readiness;*

13 “(ii) *encourage the participation of*
14 *two officers from each branch of the Armed*
15 *Forces to represent the Training Commands*
16 *of their branch; and*

17 “(iii) *seek the participation and guid-*
18 *ance of the Assistant Secretary of Labor for*
19 *Veterans’ Employment and Training.*

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

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

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

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

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

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

3 “(2) *MATCHING REQUIREMENT.*—

4 “(A) *FISCAL YEAR 2001.*—The amount made
5 available to the Corporation for fiscal year 2001
6 may not exceed twice the amount that the Cor-
7 poration certifies that it will provide for that fis-
8 cal year from sources other than the Federal
9 Government.

10 “(B) *SUBSEQUENT FISCAL YEARS.*—The
11 amount made available to the Corporation for
12 fiscal year 2002 or 2003 may not exceed the
13 amount that the Corporation certifies that it will
14 provide for that fiscal year from sources other
15 than the Federal Government.

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

19 “(b) *GAO REPORT.*—Not later than 180 days after the
20 last day of the second fiscal year beginning after the date
21 on which the initial members of the Board of Directors of
22 the National Veterans Business Development Corporation
23 are appointed under section 33(c) of the Small Business
24 Act (as added by this section), the Comptroller General of
25 the United States shall evaluate the effectiveness of the Na-

1 *tional Veterans Business Development Corporation in car-*
2 *rying out the purposes under section 33(b) of the Small*
3 *Business Act (as added by this section), and submit to Con-*
4 *gress a report on the results of that evaluation.*

5 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**
6 **AFFAIRS.**

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

12 (1) *the Administrator of the Small Business Ad-*
13 *ministration (in this section referred to as the “Ad-*
14 *ministrator”);*

15 (2) *the Associate Administrator for Veterans*
16 *Business Development of the Small Business Admin-*
17 *istration;*

18 (3) *the Congress;*

19 (4) *the President; and*

20 (5) *other United States policymakers.*

21 (b) *MEMBERSHIP.*—

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

24 (A) *eight shall be veterans who are owners*
25 *of small business concerns (within the meaning*

1 *of the term under section 3 of the Small Business*
2 *Act (15 U.S.C. 632)); and*

3 *(B) seven shall be representatives of veterans*
4 *organizations.*

5 (2) *APPOINTMENT.—*

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

9 (B) *INITIAL APPOINTMENTS.—Not later*
10 *than 90 days after the date of enactment of this*
11 *Act, the Administrator shall appoint the initial*
12 *members of the Committee.*

13 (3) *POLITICAL AFFILIATION.—Not more than*
14 *eight members of the Committee shall be of the same*
15 *political party as the President.*

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

17 (A) *IN GENERAL.—Except as provided in*
18 *subparagraph (B), no member of the Committee*
19 *may serve as an officer or employee of the*
20 *United States.*

21 (B) *EXCEPTION.—A member of the Com-*
22 *mittee who accepts a position as an officer or*
23 *employee of the United States after the date of*
24 *the member's appointment to the Committee may*

1 *continue to serve on the Committee for not more*
2 *than 30 days after such acceptance.*

3 (5) *TERM OF SERVICE.—*

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

7 (B) *TERMS OF INITIAL APPOINTEES.—As*
8 *designated by the Administrator at the time of*
9 *appointment, of the members first appointed—*

10 (i) *six shall be appointed for a term of*
11 *4 years; and*

12 (ii) *five shall be appointed for a term*
13 *of 5 years.*

14 (6) *VACANCIES.—The Administrator shall fill*
15 *any vacancies on the membership of the Committee*
16 *not later than 30 days after the date on which such*
17 *vacancy occurs.*

18 (7) *CHAIRPERSON.—*

19 (A) *IN GENERAL.—The members of the*
20 *Committee shall elect one of the members to be*
21 *Chairperson of the Committee.*

22 (B) *VACANCIES IN OFFICE OF CHAIR-*
23 *PERSON.—Any vacancy in the office of the*
24 *Chairperson of the Committee shall be filled by*
25 *the Committee at the first meeting of the Com-*

1 *mittee following the date on which the vacancy*
2 *occurs.*

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

5 *(1) Review, coordinate, and monitor plans and*
6 *programs developed in the public and private sectors,*
7 *that affect the ability of small business concerns*
8 *owned and controlled by veterans to obtain capital*
9 *and credit and to access markets.*

10 *(2) Promote the collection of business informa-*
11 *tion and survey data as they relate to veterans and*
12 *small business concerns owned and controlled by vet-*
13 *erans.*

14 *(3) Monitor and promote plans, programs, and*
15 *operations of the departments and agencies of the*
16 *United States that may contribute to the formation*
17 *and growth of small business concerns owned and*
18 *controlled by veterans.*

19 *(4) Develop and promote initiatives, policies,*
20 *programs, and plans designed to foster small business*
21 *concerns owned and controlled by veterans.*

22 *(5) In cooperation with the National Veterans*
23 *Business Development Corporation, develop a com-*
24 *prehensive plan, to be updated annually, for joint*
25 *public-private sector efforts to facilitate growth and*

1 *development of small business concerns owned and*
2 *controlled by veterans.*

3 *(d) POWERS.—*

4 *(1) HEARINGS.—Subject to subsection (e), the*
5 *Committee may hold such hearings, sit and act at*
6 *such times and places, take such testimony, and re-*
7 *ceive such evidence as the Committee considers advis-*
8 *able to carry out its duties.*

9 *(2) INFORMATION FROM FEDERAL AGENCIES.—*

10 *Upon request of the Chairperson of the Committee, the*
11 *head of any department or agency of the United*
12 *States shall furnish such information to the Com-*
13 *mittee as the Committee considers to be necessary to*
14 *carry out its duties.*

15 *(3) USE OF MAILS.—The Committee may use the*
16 *United States mails in the same manner and under*
17 *the same conditions as other departments and agen-*
18 *cies of the United States.*

19 *(4) GIFTS.—The Committee may accept, use,*
20 *and dispose of gifts or donations of services or prop-*
21 *erty.*

22 *(e) MEETINGS.—*

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

1 (2) *LOCATION.*—*Each meeting of the full Com-*
2 *mittee shall be held at the headquarters of the Small*
3 *Business Administration located in Washington, Dis-*
4 *trict of Columbia. The Administrator shall provide*
5 *suitable meeting facilities and such administrative*
6 *support as may be necessary for each full meeting of*
7 *the Committee.*

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

11 (f) *COMPENSATION AND EXPENSES.*—

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

15 (2) *EXPENSES.*—*The members of the Committee*
16 *shall be reimbursed for travel and subsistence expenses*
17 *in accordance with section 5703 of title 5, United*
18 *States Code.*

19 (g) *REPORT.*—*Not later than 30 days after the end of*
20 *each fiscal year beginning after the date of enactment of*
21 *this section, the Committee shall transmit to the Congress*
22 *and the President a report describing the activities of the*
23 *Committee and any recommendations developed by the*
24 *Committee for the promotion of small business concerns*
25 *owned and controlled by veterans.*

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

3 **TITLE III—TECHNICAL**
4 **ASSISTANCE**

5 **SEC. 301. SCORE PROGRAM.**

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

12 (1) *The appointment by SCORE in its national*
13 *office of an individual to act as National Veterans*
14 *Business Coordinator, whose duties shall relate exclu-*
15 *sively to veterans business matters, and who shall be*
16 *responsible for the establishment and administration*
17 *of a program to coordinate counseling and training*
18 *regarding entrepreneurship to veterans through the*
19 *chapters of SCORE throughout the United States.*

20 (2) *The assistance of SCORE in the establishing*
21 *and maintaining a toll-free telephone number and an*
22 *Internet website to provide access for veterans to in-*
23 *formation about the counseling and training regard-*
24 *ing entrepreneurship available to veterans through*
25 *SCORE.*

1 (3) *The collection of statistics concerning services*
2 *provided by SCORE to veterans, including service-*
3 *disabled veterans, for inclusion in each annual report*
4 *published by the Administrator under section*
5 *4(b)(2)(B) of the Small Business Act (15 U.S.C.*
6 *633(b)(2)(B)).*

7 (b) *RESOURCES.—The Administrator shall provide to*
8 *SCORE such resources as the Administrator determines*
9 *necessary for SCORE to carry out the requirements of the*
10 *memorandum of understanding specified in paragraph (1).*

11 **SEC. 302. ENTREPRENEURIAL ASSISTANCE.**

12 *Not later than 180 days after the date of enactment*
13 *of this Act, the Secretary of Veterans Affairs, the Adminis-*
14 *trator of the Small Business Administration, and the head*
15 *of the association formed pursuant to section 21(a)(3)(A)*
16 *of the Small Business Act (15 U.S.C. 648(a)(3)(A)) shall*
17 *enter into a memorandum of understanding with respect*
18 *to entrepreneurial assistance to veterans, including service-*
19 *disabled veterans, through Small Business Development*
20 *Centers (described in section 21 of the Small Business Act*
21 *(15 U.S.C. 648)) and facilities of the Department of Vet-*
22 *erans Affairs. Such assistance shall include the following:*

23 (1) *Conducting of studies and research, and the*
24 *distribution of information generated by such studies*
25 *and research, on the formation, management, financ-*

1 *ing, marketing, and operation of small business con-*
2 *cerns by veterans.*

3 *(2) Provision of training and counseling to vet-*
4 *erans concerning the formation, management, financ-*
5 *ing, marketing, and operation of small business con-*
6 *cerns.*

7 *(3) Provision of management and technical as-*
8 *sistance to the owners and operators of small business*
9 *concerns regarding international markets, the pro-*
10 *motion of exports, and the transfer of technology.*

11 *(4) Provision of assistance and information to*
12 *veterans regarding procurement opportunities with*
13 *Federal, State, and local agencies, especially such*
14 *agencies funded in whole or in part with Federal*
15 *funds.*

16 *(5) Establishment of an information clearing-*
17 *house to collect and distribute information, including*
18 *by electronic means, on the assistance programs of*
19 *Federal, State, and local governments, and of the pri-*
20 *vate sector, including information on office locations,*
21 *key personnel, telephone numbers, mail and electronic*
22 *addresses, and contracting and subcontracting oppor-*
23 *tunities.*

24 *(6) Provision of Internet or other distance learn-*
25 *ing academic instruction for veterans in business sub-*

1 jects, including accounting, marketing, and business
2 fundamentals.

3 (7) *Compilation of a list of small business con-*
4 *cerns owned and controlled by service-disabled vet-*
5 *erans that provide products or services that could be*
6 *procured by the United States and delivery of such*
7 *list to each department and agency of the United*
8 *States. Such list shall be delivered in hard copy and*
9 *electronic form and shall include the name and ad-*
10 *dress of each such small business concern and the*
11 *products or services that it provides.*

12 **SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT AS-**
13 **SISTANCE FOR MILITARY RESERVISTS' SMALL**
14 **BUSINESSES.**

15 (a) *IN GENERAL.*—Section 8 of the Small Business Act
16 (15 U.S.C. 637) is amended by adding at the end the fol-
17 lowing:

18 “(l) *MANAGEMENT ASSISTANCE FOR SMALL BUSI-*
19 *NESSES AFFECTED BY MILITARY OPERATIONS.*—The Ad-
20 *ministration shall utilize, as appropriate, its entrepre-*
21 *neurial development and management assistance programs,*
22 *including programs involving State or private sector part-*
23 *ners, to provide business counseling and training to any*
24 *small business concern adversely affected by the deployment*
25 *of units of the Armed Forces of the United States in support*

1 of a period of military conflict (as defined in section
2 7(n)(1)).”.

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

10 (c) *GUIDELINES.*—Not later than 30 days after the
11 date of enactment of this section, the Administrator of the
12 Small Business Administration shall issue such guidelines
13 as the Administrator determines to be necessary to carry
14 out this section and the amendment made by this section.

15 **TITLE IV—FINANCIAL**

16 **ASSISTANCE**

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

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

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

23 “(1) who has a physical, mental, or emotional
24 impairment, defect, ailment, disease, or disability of
25 a permanent nature which in any way limits the se-

1 lection of any type of employment for which the per-
2 son would otherwise be qualified or qualifiable; or

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

4 (b) *AUTHORIZATION TO MAKE LOANS.*—Section
5 7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10))
6 is amended—

7 (1) by inserting “guaranteed” after “provide”;

8 and

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

11 **SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERV-**
12 **ISTS.**

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

16 “(n) *REPAYMENT DEFERRED FOR ACTIVE DUTY RE-*
17 *SERVISTS.*—

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

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

23 “(B) *ESSENTIAL EMPLOYEE.*—The term ‘es-
24 sential employee’ means an individual who is
25 employed by a small business concern and whose

1 *managerial or technical expertise is critical to*
2 *the successful day-to-day operations of that small*
3 *business concern.*

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

6 “(i) *a period of war declared by the*
7 *Congress;*

8 “(ii) *a period of national emergency*
9 *declared by the Congress or by the Presi-*
10 *dent; or*

11 “(iii) *a period of a contingency oper-*
12 *ation, as defined in section 101(a) of title*
13 *10, United States Code.*

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

16 “(i) *an individual who is an eligible*
17 *reservist and who received a direct loan*
18 *under subsection (a) or (b) before being or-*
19 *dered to active duty; or*

20 “(ii) *a small business concern that re-*
21 *ceived a direct loan under subsection (a) or*
22 *(b) before an eligible reservist, who is an es-*
23 *sential employee, was ordered to active*
24 *duty.*

25 “(2) *DEFERRAL OF DIRECT LOANS.*—

1 “(A) *IN GENERAL.*—*The Administration*
2 *shall, upon written request, defer repayment of*
3 *principal and interest due on a direct loan made*
4 *under subsection (a) or (b), if such loan was in-*
5 *curring by a qualified borrower.*

6 “(B) *PERIOD OF DEFERRAL.*—*The period of*
7 *deferral for repayment under this paragraph*
8 *shall begin on the date on which the eligible re-*
9 *servist is ordered to active duty and shall termi-*
10 *nate on the date that is 180 days after the date*
11 *such eligible reservist is discharged or released*
12 *from active duty.*

13 “(C) *INTEREST RATE REDUCTION DURING*
14 *DEFERRAL.*—*Notwithstanding any other provi-*
15 *sion of law, during the period of deferral de-*
16 *scribed in subparagraph (B), the Administration*
17 *may, in its discretion, reduce the interest rate on*
18 *any loan qualifying for a deferral under this*
19 *paragraph.*

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

22 “(A) *encourage intermediaries participating*
23 *in the program under subsection (m) to defer re-*
24 *payment of a loan made with proceeds made*
25 *available under that subsection, if such loan was*

1 incurred by a small business concern that is eli-
2 gible to apply for assistance under subsection
3 (b)(3); and

4 “(B) not later than 30 days after the date
5 of enactment of this subsection, establish guide-
6 lines to—

7 “(i) encourage lenders and other inter-
8 mediaries to defer repayment of, or provide
9 other relief relating to, loan guarantees
10 under subsection (a) and financings under
11 section 504 of the Small Business Invest-
12 ment Act of 1958 that were incurred by
13 small business concerns that are eligible to
14 apply for assistance under subsection (b)(3),
15 and loan guarantees provided under sub-
16 section (m) if the intermediary provides re-
17 lief to a small business concern under this
18 paragraph; and

19 “(ii) implement a program to provide
20 for the deferral of repayment or other relief
21 to any intermediary providing relief to a
22 small business borrower under this para-
23 graph.”.

24 (b) *DISASTER LOAN ASSISTANCE FOR MILITARY RE-*
25 *SERVISTS’ SMALL BUSINESSES.*—Section 7(b) of the Small

1 *Business Act (15 U.S.C. 636(b)) is amended by inserting*
2 *after the undesignated paragraph that begins with “Pro-*
3 *vided, That no loan”, the following:*

4 “(3)(A) *In this paragraph—*

5 “(i) *the term ‘essential employee’ means an*
6 *individual who is employed by a small business*
7 *concern and whose managerial or technical ex-*
8 *pertise is critical to the successful day-to-day op-*
9 *erations of that small business concern;*

10 “(ii) *the term ‘period of military conflict’*
11 *has the meaning given the term in subsection*
12 *(n)(1); and*

13 “(iii) *the term ‘substantial economic injury’*
14 *means an economic harm to a business concern*
15 *that results in the inability of the business*
16 *concern—*

17 “(I) *to meet its obligations as they ma-*
18 *ture;*

19 “(II) *to pay its ordinary and nec-*
20 *essary operating expenses; or*

21 “(III) *to market, produce, or provide a*
22 *product or service ordinarily marketed, pro-*
23 *duced, or provided by the business concern.*

24 “(B) *The Administration may make such dis-*
25 *aster loans (either directly or in cooperation with*

1 *banks or other lending institutions through agree-*
2 *ments to participate on an immediate or deferred*
3 *basis) to assist a small business concern that has suf-*
4 *fered or that is likely to suffer substantial economic*
5 *injury as the result of an essential employee of such*
6 *small business concern being ordered to active mili-*
7 *tary duty during a period of military conflict.*

8 *“(C) A small business concern described in sub-*
9 *paragraph (B) shall be eligible to apply for assistance*
10 *under this paragraph during the period beginning on*
11 *the date on which the essential employee is ordered to*
12 *active duty and ending on the date that is 90 days*
13 *after the date on which such essential employee is dis-*
14 *charged or released from active duty.*

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

18 *“(E) No loan may be made under this para-*
19 *graph, either directly or in cooperation with banks or*
20 *other lending institutions through agreements to par-*
21 *ticipate on an immediate or deferred basis, if the*
22 *total amount outstanding and committed to the bor-*
23 *rower under this subsection would exceed \$1,500,000,*
24 *unless such applicant constitutes a major source of*
25 *employment in its surrounding area, as determined*

1 *by the Administration, in which case the Administra-*
2 *tion, in its discretion, may waive the \$1,500,000 lim-*
3 *itation.*

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

7 *(c) ENHANCED PUBLICITY DURING OPERATION AL-*
8 *LIED FORCE.—For the duration of Operation Allied Force*
9 *and for 120 days thereafter, the Administration shall en-*
10 *hance its publicity of the availability of assistance provided*
11 *pursuant to the amendments made by this section, includ-*
12 *ing information regarding the appropriate local office at*
13 *which affected small businesses may seek such assistance.*

14 *(d) GUIDELINES.—Not later than 30 days after the*
15 *date of enactment of this section, the Administrator of the*
16 *Small Business Administration shall issue such guidelines*
17 *as the Administrator determines to be necessary to carry*
18 *out this section and the amendments made by this section.*

19 *(e) EFFECTIVE DATES.—*

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

23 *(2) DISASTER LOANS.—The amendments made*
24 *by subsection (b) shall apply to economic injury suf-*
25 *fered or likely to be suffered as the result of a period*

1 **TITLE V—PROCUREMENT**
2 **ASSISTANCE**

3 **SEC. 501. SUBCONTRACTING.**

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

9 (b) *CONTRACT CLAUSE.*—The contract clause specified
10 in section 8(d)(3) of the *Small Business Act (15 U.S.C.*
11 *637(d)(3))* is amended as follows:

12 (1) *Subparagraph (A) of such clause is amended*
13 *by inserting “small business concerns owned and con-*
14 *trolled by veterans,” after “small business concerns,”*
15 *the first place it appears in the first and second sen-*
16 *tences.*

17 (2) *Subparagraphs (E) and (F) of such clause*
18 *are redesignated as subparagraphs (F) and (G), re-*
19 *spectively, and the following new subparagraph is in-*
20 *serted after subparagraph (D) of such clause:*

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

24 “(i) *which is at least 51 per centum owned*
25 *by one or more eligible veterans; or, in the case*

1 of any publicly owned business, at least 51 per
2 centum of the stock of which is owned by one
3 or more veterans; and

4 “(i) whose management and daily business
5 operations are controlled by such veterans. The
6 contractor shall treat as veterans all individuals
7 who are veterans within the meaning of the term
8 under section 3(q) of the Small Business Act.”.

9 (3) Subparagraph (F) of such clause, as redesignig-
10 nated by paragraph (2) of this subsection, is amended
11 by inserting “small business concern owned and con-
12 trolled by veterans,” after “small business concern,”
13 the first place it appears.

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

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

21 (a) **GOVERNMENT-WIDE PARTICIPATION GOALS.**—Sec-
22 tion 15(g)(1) of the Small Business Act (15 U.S.C.
23 644(g)(1)) is amended—

24 (1) in the first sentence, by inserting “small
25 business concerns owned and controlled by service dis-

1 *abled veterans,” after “small business concerns,” the*
2 *first place it appears;*

3 *(2) by inserting after the second sentence, the fol-*
4 *lowing: “The Government-wide goal for participation*
5 *by small business concerns owned and controlled by*
6 *service-disabled veterans shall be established at not*
7 *less than 3 percent of the total value of all prime con-*
8 *tract and subcontract awards for each fiscal year.”;*
9 *and*

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

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

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

24 *(3) in the fourth sentence, by inserting “small*
25 *business concerns owned and controlled by service-dis-*

1 abled veterans, by” after “including participation
2 by”.

3 **TITLE VI—REPORTS AND DATA**
4 **COLLECTION**

5 **SEC. 601. REPORTING REQUIREMENTS.**

6 (a) *REPORTS TO SMALL BUSINESS ADMINISTRA-*
7 *TION.—Section 15(h)(1) of the Small Business Act (15*
8 *U.S.C. 644(h)(1)) is amended by inserting “small business*
9 *concerns owned and controlled by veterans (including serv-*
10 *ice-disabled veterans),” after “small business concerns,” the*
11 *first place it appears.*

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

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

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

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

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

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

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

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

4 “(3) *small business concerns owned and con-*
5 *trolled by veterans, as defined in section 3(q) of the*
6 *Small Business Act (15 U.S.C. 632(q)), and small*
7 *business concerns owned and controlled by service-dis-*
8 *abled veterans, as defined in such section 3(q).”.*

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

10 *The Administrator of the Small Business Administra-*
11 *tion shall transmit annually to the Committees on Small*
12 *Business and Veterans Affairs of the House of Representa-*
13 *tives and the Senate a report on the needs of small business*
14 *concerns owned and controlled by veterans and small busi-*
15 *ness concerns owned and controlled by service-disabled vet-*
16 *erans, which shall include information on—*

17 (1) *the availability of Small Business Adminis-*
18 *tration programs for such small business concerns*
19 *and the degree of utilization of such programs by such*
20 *small business concerns during the preceding 12-*
21 *month period, including statistical information on*
22 *such utilization as compared to the small business*
23 *community as a whole;*

24 (2) *the percentage and dollar value of Federal*
25 *contracts awarded to such small business concerns*

1 *during the preceding 12-month period, based on the*
2 *data collected pursuant to section 604(d); and*

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

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

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

10 *(1) collect information concerning the procure-*
11 *ment practices and procedures of each department*
12 *and agency of the United States having procurement*
13 *authority;*

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

16 *(3) make such information available to any*
17 *small business concern requesting such information.*

18 *(b) IDENTIFICATION OF SMALL BUSINESS CONCERNS*
19 *OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the*
20 *Secretary of Veterans Affairs shall, in consultation with the*
21 *Assistant Secretary of Labor for Veterans' Employment and*
22 *Training and the Administrator of the Small Business Ad-*
23 *ministration, identify small business concerns owned and*
24 *controlled by veterans in the United States. The Secretary*
25 *shall inform each small business concern identified under*

1 *this paragraph that information on Federal procurement*
2 *is available from the Administrator.*

3 (c) *SELF-EMPLOYMENT OPPORTUNITIES.*—*The Sec-*
4 *retary of Labor, the Secretary of Veterans Affairs, and the*
5 *Administrator of the Small Business Administration shall*
6 *enter into a memorandum of understanding to provide for*
7 *coordination of vocational rehabilitation services, technical*
8 *and managerial assistance, and financial assistance to vet-*
9 *erans, including service-disabled veterans, seeking to employ*
10 *themselves by forming or expanding small business con-*
11 *cerns. The memorandum of understanding shall include rec-*
12 *ommendations for expanding existing programs or estab-*
13 *lishing new programs to provide such services or assistance*
14 *to such veterans.*

15 (d) *DATA COLLECTION REQUIRED.*—*The Federal Pro-*
16 *curement Data System described in section 6(d)(4)(A) of*
17 *the Office of Federal Procurement Policy Act (41 U.S.C.*
18 *405(d)(4)(A)) shall be modified to collect data regarding the*
19 *percentage and dollar value of prime contracts and sub-*
20 *contracts awarded to small business concerns owned and*
21 *controlled by veterans and small business concerns owned*
22 *and controlled by service-disabled veterans.*

1 **TITLE VII—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 701. ADMINISTRATOR’S ORDER.**

4 *The Administrator of the Small Business Administra-*
5 *tion shall strengthen and reissue the Administrator’s order*
6 *regarding the third sentence of section 4(b)(1) of the Small*
7 *Business Act (15 U.S.C. 633(b)(1)), relating to non-*
8 *discrimination and special considerations for veterans, and*
9 *take all necessary steps to ensure that its provisions are*
10 *fully and vigorously implemented.*

11 **SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF**
12 **ADVOCACY.**

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

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

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

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

20 *“(12) evaluate the efforts of each department and*
21 *agency of the United States, and of private industry,*
22 *to assist small business concerns owned and controlled*
23 *by veterans, as defined in section 3(q) of the Small*
24 *Business Act (15 U.S.C. 632(q)), and small business*
25 *concerns owned and controlled by serviced-disabled*

1 *veterans, as defined in such section 3(q), and to pro-*
2 *vide statistical information on the utilization of such*
3 *programs by such small business concerns, and to*
4 *make appropriate recommendations to the Adminis-*
5 *trator of the Small Business Administration and to*
6 *the Congress in order to promote the establishment*
7 *and growth of those small business concerns.”.*

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

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

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

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

22 *(b) REPORT.—*

23 *(1) IN GENERAL.—Not later than 180 days after*
24 *the enactment of this Act, the Comptroller General*
25 *shall transmit the report described in subsection (a)*

1 *to the Committees on Veterans' Affairs and the Com-*
2 *mittees on Small Business of the House of Represent-*
3 *atives and the Senate.*

4 (2) *CONTENTS OF REPORT.*—*The report required*
5 *by paragraph (1) shall specifically address the fol-*
6 *lowing:*

7 (A) *With respect to the change in the vet-*
8 *erans' housing loan program contemplated under*
9 *subsection (a):*

10 (i) *The increase or decrease in admin-*
11 *istrative costs to the Department of Veterans*
12 *Affairs.*

13 (ii) *The increase or decrease in the de-*
14 *gree of exposure of the United States as the*
15 *guarantor of the loans.*

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

18 (iv) *Any increase in the interest rate*
19 *or fees charged to the borrower or lender*
20 *that would be required to maintain present*
21 *program costs.*

22 (B) *Information regarding the delinquency*
23 *rates, default rates, length of time required for*
24 *recovery after default, for fixed-asset business*
25 *loans, of a size and duration comparable to those*

1 *contemplated under subsection (a), made avail-*
2 *able in the private market or under section 503*
3 *of the Small Business Investment Act of 1958.*