

106TH CONGRESS  
2D SESSION

# H. R. 5667

To provide for reauthorization of small business loan and other programs,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2000

Mr. TALENT (for himself and Ms. VELAZQUEZ) introduced the following bill;  
which was referred to the Committee on Small Business

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## A BILL

To provide for reauthorization of small business loan and  
other programs, and for other purposes.

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

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

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Small Business Reauthorization Act of 2000”.

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

Sec. 1. Short title; table of contents.

### TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Extension of SBIR program.

- Sec. 104. Annual report.
- Sec. 105. Third phase assistance.
- Sec. 106. Report on programs for annual performance plan.
- Sec. 107. Output and outcome data.
- Sec. 108. National Research Council reports.
- Sec. 109. Federal agency expenditures for the SBIR program.
- Sec. 110. Policy directive modifications.
- Sec. 111. Federal and State technology partnership program.
- Sec. 112. Mentoring networks.
- Sec. 113. Simplified reporting requirements.
- Sec. 114. Rural outreach program extension.

#### TITLE II—BUSINESS LOAN PROGRAMS

- Sec. 201. Short title.
- Sec. 202. Levels of participation.
- Sec. 203. Loan amounts.
- Sec. 204. Interest on defaulted loans.
- Sec. 205. Prepayment of loans.
- Sec. 206. Guarantee fees.
- Sec. 207. Lease terms.
- Sec. 208. Appraisals for loans secured by real property.
- Sec. 209. Sale of guaranteed loans made for export purposes.
- Sec. 210. Microloan program.

#### TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

- Sec. 301. Short title.
- Sec. 302. Women-owned businesses.
- Sec. 303. Maximum debenture size.
- Sec. 304. Fees.
- Sec. 305. Premier certified lenders program.
- Sec. 306. Sale of certain defaulted loans.
- Sec. 307. Loan liquidation.

#### TITLE IV—CORRECTIONS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

- Sec. 401. Short title.
- Sec. 402. Definitions.
- Sec. 403. Investment in small business investment companies.
- Sec. 404. Subsidy fees.
- Sec. 405. Distributions.
- Sec. 406. Conforming amendment.

#### TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

- Sec. 501. Short title.
- Sec. 502. Reauthorization of small business programs.
- Sec. 503. Additional reauthorizations.
- Sec. 504. Cosponsorship.

#### TITLE VI—HUBZONE PROGRAM

##### Subtitle A—HUBZones in Native America

- Sec. 601. Short title.
- Sec. 602. HUBZone small business concern.

- Sec. 603. Qualified HUBZone small business concern.  
 Sec. 604. Other definitions.

Subtitle B—Other HUBZone Provisions

- Sec. 611. Definitions.  
 Sec. 612. Eligible contracts.  
 Sec. 613. HUBZone redesignated areas.  
 Sec. 614. Community development.  
 Sec. 615. Reference corrections.

TITLE VII—NATIONAL WOMEN’S BUSINESS COUNCIL  
 REAUTHORIZATION

- Sec. 701. Short title.  
 Sec. 702. Membership of the Council.  
 Sec. 703. Repeal of procurement project.  
 Sec. 704. Studies and other research.  
 Sec. 705. Authorization of appropriations.

TITLE VIII—MISCELLANEOUS PROVISIONS

- Sec. 801. Loan application processing.  
 Sec. 802. Application of ownership requirements.  
 Sec. 803. Subcontracting preference for veterans.  
 Sec. 804. Small Business Development Center Program funding.  
 Sec. 805. Surety bonds.  
 Sec. 806. Size standards.  
 Sec. 807. Native Hawaiian organizations under section 8(a).  
 Sec. 808. National Veterans Business Development Corporation correction.  
 Sec. 809. Private sector resources for SCORE.  
 Sec. 810. Contract data collection.  
 Sec. 811. Procurement program for women-owned small business concerns.

1 **TITLE I—SMALL BUSINESS INNO-**  
 2 **VATION RESEARCH PROGRAM**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Small Business Inno-  
 5 vation Research Program Reauthorization Act of 2000”.

6 **SEC. 102. FINDINGS.**

7 Congress finds that—

8 (1) the small business innovation research pro-  
 9 gram established under the Small Business Innova-  
 10 tion Development Act of 1982, and reauthorized by  
 11 the Small Business Research and Development En-

1       hancement Act of 1992 (in this title referred to as  
2       the “SBIR program”) is highly successful in involv-  
3       ing small businesses in federally funded research  
4       and development;

5               (2) the SBIR program made the cost-effective  
6       and unique research and development capabilities  
7       possessed by the small businesses of the Nation  
8       available to Federal agencies and departments;

9               (3) the innovative goods and services developed  
10      by small businesses that participated in the SBIR  
11      program have produced innovations of critical impor-  
12      tance in a wide variety of high-technology fields, in-  
13      cluding biology, medicine, education, and defense;

14              (4) the SBIR program is a catalyst in the pro-  
15      motion of research and development, the commer-  
16      cialization of innovative technology, the development  
17      of new products and services, and the continued ex-  
18      cellence of this Nation’s high-technology industries;  
19      and

20              (5) the continuation of the SBIR program will  
21      provide expanded opportunities for one of the Na-  
22      tion’s vital resources, its small businesses, will foster  
23      invention, research, and technology, will create jobs,  
24      and will increase this Nation’s competitiveness in  
25      international markets.

1 **SEC. 103. EXTENSION OF SBIR PROGRAM.**

2 Section 9(m) of the Small Business Act (15 U.S.C.  
3 638(m)) is amended to read as follows:

4 “(m) TERMINATION.—The authorization to carry out  
5 the Small Business Innovation Research Program estab-  
6 lished under this section shall terminate on September 30,  
7 2008.”.

8 **SEC. 104. ANNUAL REPORT.**

9 Section 9(b)(7) of the Small Business Act (15 U.S.C.  
10 638(b)(7)) is amended by striking “and the Committee on  
11 Small Business of the House of Representatives” and in-  
12 serting “, and to the Committee on Science and the Com-  
13 mittee on Small Business of the House of Representa-  
14 tives,”.

15 **SEC. 105. THIRD PHASE ASSISTANCE.**

16 Section 9(e)(4)(C)(i) of the Small Business Act (15  
17 U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and”  
18 and inserting “; or”.

19 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**  
20 **ANCE PLAN.**

21 Section 9(g) of the Small Business Act (15 U.S.C.  
22 638(g)) is amended—

23 (1) in paragraph (7), by striking “and” at the  
24 end;

25 (2) in paragraph (8), by striking the period at  
26 the end and inserting a semicolon; and

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

2 “(9) include, as part of its annual performance  
3 plan as required by subsections (a) and (b) of sec-  
4 tion 1115 of title 31, United States Code, a section  
5 on its SBIR program, and shall submit such section  
6 to the Committee on Small Business of the Senate,  
7 and the Committee on Science and the Committee  
8 on Small Business of the House of Representatives;  
9 and”.

10 **SEC. 107. OUTPUT AND OUTCOME DATA.**

11 (a) COLLECTION.—Section 9(g) of the Small Busi-  
12 ness Act (15 U.S.C. 638(g)), as amended by section 106  
13 of this Act, is further amended by adding at the end the  
14 following:

15 “(10) collect, and maintain in a common format  
16 in accordance with subsection (v), such information  
17 from awardees as is necessary to assess the SBIR  
18 program, including information necessary to main-  
19 tain the database described in subsection (k).”.

20 (b) REPORT TO CONGRESS.—Section 9(b)(7) of the  
21 Small Business Act (15 U.S.C. 638(b)(7)), as amended  
22 by section 104 of this Act, is further amended by inserting  
23 before the period at the end “, including the data on out-  
24 put and outcomes collected pursuant to subsections  
25 (g)(10) and (o)(9), and a description of the extent to

1 which Federal agencies are providing in a timely manner  
2 information needed to maintain the database described in  
3 subsection (k)”.

4 (c) DATABASE.—Section 9(k) of the Small Business  
5 Act (15 U.S.C. 638(k)) is amended to read as follows:

6 “(k) DATABASE.—

7 “(1) PUBLIC DATABASE.—Not later than 180  
8 days after the date of the enactment of the Small  
9 Business Innovation Research Program Reauthoriza-  
10 tion Act of 2000, the Administrator shall develop,  
11 maintain, and make available to the public a search-  
12 able, up-to-date, electronic database that includes—

13 “(A) the name, size, location, and an iden-  
14 tifying number assigned by the Administrator,  
15 of each small business concern that has received  
16 a first phase or second phase SBIR award from  
17 a Federal agency;

18 “(B) a description of each first phase or  
19 second phase SBIR award received by that  
20 small business concern, including—

21 “(i) an abstract of the project funded  
22 by the award, excluding any proprietary in-  
23 formation so identified by the small busi-  
24 ness concern;

1                   “(ii) the Federal agency making the  
2                   award; and

3                   “(iii) the date and amount of the  
4                   award;

5                   “(C) an identification of any business con-  
6                   cern or subsidiary established for the commer-  
7                   cial application of a product or service for  
8                   which an SBIR award is made; and

9                   “(D) information regarding mentors and  
10                  Mentoring Networks, as required by section  
11                  35(d).

12                  “(2) GOVERNMENT DATABASE.—Not later than  
13                  180 days after the date of the enactment of the  
14                  Small Business Innovation Research Program Reau-  
15                  thorization Act of 2000, the Administrator, in con-  
16                  sultation with Federal agencies required to have an  
17                  SBIR program pursuant to subsection (f)(1), shall  
18                  develop and maintain a database to be used solely  
19                  for SBIR program evaluation that—

20                  “(A) contains for each second phase award  
21                  made by a Federal agency—

22                  “(i) information collected in accord-  
23                  ance with paragraph (3) on revenue from  
24                  the sale of new products or services result-

1           ing from the research conducted under the  
2           award;

3           “(ii) information collected in accord-  
4           ance with paragraph (3) on additional in-  
5           vestment from any source, other than first  
6           phase or second phase SBIR or STTR  
7           awards, to further the research and devel-  
8           opment conducted under the award; and

9           “(iii) any other information received  
10          in connection with the award that the Ad-  
11          ministrators, in conjunction with the SBIR  
12          program managers of Federal agencies,  
13          considers relevant and appropriate;

14          “(B) includes any narrative information  
15          that a small business concern receiving a second  
16          phase award voluntarily submits to further de-  
17          scribe the outputs and outcomes of its awards;

18          “(C) includes for each applicant for a first  
19          phase or second phase award that does not re-  
20          ceive such an award—

21                  “(i) the name, size, and location, and  
22                  an identifying number assigned by the Ad-  
23                  ministration;

24                  “(ii) an abstract of the project; and

1                   “(iii) the Federal agency to which the  
2                   application was made;

3                   “(D) includes any other data collected by  
4                   or available to any Federal agency that such  
5                   agency considers may be useful for SBIR pro-  
6                   gram evaluation; and

7                   “(E) is available for use solely for program  
8                   evaluation purposes by the Federal Government  
9                   or, in accordance with policy directives issued  
10                  by the Administration, by other authorized per-  
11                  sons who are subject to a use and nondisclosure  
12                  agreement with the Federal Government cov-  
13                  ering the use of the database.

14                  “(3) UPDATING INFORMATION FOR DATA-  
15                  BASE.—

16                  “(A) IN GENERAL.—A small business con-  
17                  cern applying for a second phase award under  
18                  this section shall be required to update informa-  
19                  tion in the database established under this sub-  
20                  section for any prior second phase award re-  
21                  ceived by that small business concern. In com-  
22                  plying with this paragraph, a small business  
23                  concern may apportion sales or additional in-  
24                  vestment information relating to more than one

1 second phase award among those awards, if it  
2 notes the apportionment for each award.

3 “(B) ANNUAL UPDATES UPON TERMI-  
4 NATION.—A small business concern receiving a  
5 second phase award under this section shall—

6 “(i) update information in the data-  
7 base concerning that award at the termi-  
8 nation of the award period; and

9 “(ii) be requested to voluntarily up-  
10 date such information annually thereafter  
11 for a period of 5 years.

12 “(4) PROTECTION OF INFORMATION.—Informa-  
13 tion provided under paragraph (2) shall be consid-  
14 ered privileged and confidential and not subject to  
15 disclosure pursuant to section 552 of title 5, United  
16 States Code.

17 “(5) RULE OF CONSTRUCTION.—Inclusion of  
18 information in the database under this subsection  
19 shall not be considered to be publication for pur-  
20 poses of subsection (a) or (b) of section 102 of title  
21 35, United States Code.”.

22 **SEC. 108. NATIONAL RESEARCH COUNCIL REPORTS.**

23 (a) STUDY AND RECOMMENDATIONS.—The head of  
24 each agency with a budget of more than \$50,000,000 for  
25 its SBIR program for fiscal year 1999, in consultation

1 with the Small Business Administration, shall, not later  
2 than 6 months after the date of the enactment of this Act,  
3 cooperatively enter into an agreement with the National  
4 Academy of Sciences for the National Research Council  
5 to—

6 (1) conduct a comprehensive study of how the  
7 SBIR program has stimulated technological innova-  
8 tion and used small businesses to meet Federal re-  
9 search and development needs, including—

10 (A) a review of the value to the Federal re-  
11 search agencies of the research projects being  
12 conducted under the SBIR program, and of the  
13 quality of research being conducted by small  
14 businesses participating under the program, in-  
15 cluding a comparison of the value of projects  
16 conducted under the SBIR program to those  
17 funded by other Federal research and develop-  
18 ment expenditures;

19 (B) to the extent practicable, an evaluation  
20 of the economic benefits achieved by the SBIR  
21 program, including the economic rate of return,  
22 and a comparison of the economic benefits, in-  
23 cluding the economic rate of return, achieved by  
24 the SBIR program with the economic benefits,

1 including the economic rate of return, of other  
2 Federal research and development expenditures;

3 (C) an evaluation of the noneconomic bene-  
4 fits achieved by the SBIR program over the life  
5 of the program;

6 (D) a comparison of the allocation for fis-  
7 cal year 2000 of Federal research and develop-  
8 ment funds to small businesses with such allo-  
9 cation for fiscal year 1983, and an analysis of  
10 the factors that have contributed to such alloca-  
11 tion; and

12 (E) an analysis of whether Federal agen-  
13 cies, in fulfilling their procurement needs, are  
14 making sufficient effort to use small businesses  
15 that have completed a second phase award  
16 under the SBIR program; and

17 (2) make recommendations with respect to—

18 (A) measures of outcomes for strategic  
19 plans submitted under section 306 of title 5,  
20 United States Code, and performance plans  
21 submitted under section 1115 of title 31,  
22 United States Code, of each Federal agency  
23 participating in the SBIR program;

24 (B) whether companies who can dem-  
25 onstrate project feasibility, but who have not re-

1           ceived a first phase award, should be eligible for  
2           second phase awards, and the potential impact  
3           of such awards on the competitive selection  
4           process of the program;

5           (C) whether the Federal Government  
6           should be permitted to recoup some or all of its  
7           expenses if a controlling interest in a company  
8           receiving an SBIR award is sold to a foreign  
9           company or to a company that is not a small  
10          business concern;

11          (D) how to increase the use by the Federal  
12          Government in its programs and procurements  
13          of technology-oriented small businesses; and

14          (E) improvements to the SBIR program, if  
15          any are considered appropriate.

16          (b) PARTICIPATION BY SMALL BUSINESS.—

17           (1) IN GENERAL.—In a manner consistent with  
18           law and with National Research Council study  
19           guidelines and procedures, knowledgeable individuals  
20           from the small business community with experience  
21           in the SBIR program shall be included—

22           (A) in any panel established by the Na-  
23           tional Research Council for the purpose of per-  
24           forming the study conducted under this section;  
25           and

1                   (B) among those who are asked by the Na-  
2                   tional Research Council to peer review the  
3                   study.

4                   (2) CONSULTATION.—To ensure that the con-  
5                   cerns of small business are appropriately considered  
6                   under this subsection, the National Research Council  
7                   shall consult with and consider the views of the Of-  
8                   fice of Technology and the Office of Advocacy of the  
9                   Small Business Administration and other interested  
10                  parties, including entities, organizations, and indi-  
11                  viduals actively engaged in enhancing or developing  
12                  the technological capabilities of small business con-  
13                  cerns.

14                  (c) PROGRESS REPORTS.—The National Research  
15                  Council shall provide semiannual progress reports on the  
16                  study conducted under this section to the Committee on  
17                  Science and the Committee on Small Business of the  
18                  House of Representatives, and to the Committee on Small  
19                  Business of the Senate.

20                  (d) REPORT.—The National Research Council shall  
21                  transmit to the heads of agencies entering into an agree-  
22                  ment under this section and to the Committee on Science  
23                  and the Committee on Small Business of the House of  
24                  Representatives, and to the Committee on Small Business  
25                  of the Senate—

1           (1) not later than 3 years after the date of the  
2           enactment of this Act, a report including the results  
3           of the study conducted under subsection (a)(1) and  
4           recommendations made under subsection (a)(2); and  
5           (2) not later than 6 years after that date of the  
6           enactment, an update of such report.

7   **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**  
8                           **PROGRAM.**

9           Section 9(i) of the Small Business Act (15 U.S.C.  
10 638(i)) is amended—

11           (1) by striking “(i) Each Federal” and insert-  
12           ing the following:

13           “(i) ANNUAL REPORTING.—

14           “(1) IN GENERAL.—Each Federal”; and

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

16           “(2) CALCULATION OF EXTRAMURAL BUDG-  
17           ET.—

18           “(A) METHODOLOGY.—Not later than 4  
19           months after the date of the enactment of each  
20           appropriations Act for a Federal agency re-  
21           quired by this section to have an SBIR pro-  
22           gram, the Federal agency shall submit to the  
23           Administrator a report, which shall include a  
24           description of the methodology used for calcu-

1           lating the amount of the extramural budget of  
2           that Federal agency.

3           “(B) ADMINISTRATOR’S ANALYSIS.—The  
4           Administrator shall include an analysis of the  
5           methodology received from each Federal agency  
6           referred to in subparagraph (A) in the report  
7           required by subsection (b)(7).”.

8 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

9           Section 9(j) of the Small Business Act (15 U.S.C.  
10 638(j)) is amended by adding at the end the following:

11           “(3) ADDITIONAL MODIFICATIONS.—Not later  
12           than 120 days after the date of the enactment of the  
13           Small Business Innovation Research Program Reau-  
14           thorization Act of 2000, the Administrator shall  
15           modify the policy directives issued pursuant to this  
16           subsection—

17           “(A) to clarify that the rights provided for  
18           under paragraph (2)(A) apply to all Federal  
19           funding awards under this section, including  
20           the first phase (as described in subsection  
21           (e)(4)(A)), the second phase (as described in  
22           subsection (e)(4)(B)), and the third phase (as  
23           described in subsection (e)(4)(C));

24           “(B) to provide for the requirement of a  
25           succinct commercialization plan with each appli-

1 cation for a second phase award that is moving  
2 toward commercialization;

3 “(C) to require agencies to report to the  
4 Administration, not less frequently than annu-  
5 ally, all instances in which an agency pursued  
6 research, development, or production of a tech-  
7 nology developed by a small business concern  
8 using an award made under the SBIR program  
9 of that agency, and determined that it was not  
10 practicable to enter into a follow-on non-SBIR  
11 program funding agreement with the small  
12 business concern, which report shall include, at  
13 a minimum—

14 “(i) the reasons why the follow-on  
15 funding agreement with the small business  
16 concern was not practicable;

17 “(ii) the identity of the entity with  
18 which the agency contracted to perform  
19 the research, development, or production;  
20 and

21 “(iii) a description of the type of  
22 funding agreement under which the re-  
23 search, development, or production was ob-  
24 tained; and

1           “(D) to implement subsection (v), includ-  
2           ing establishing standardized procedures for the  
3           provision of information pursuant to subsection  
4           (k)(3).”.

5 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
6 **SHIP PROGRAM.**

7           (a) FINDINGS.—Congress finds that—

8                 (1) programs to foster economic development  
9                 among small high-technology firms vary widely  
10                among the States;

11               (2) States that do not aggressively support the  
12                development of small high-technology firms, includ-  
13                ing participation by small business concerns in the  
14                SBIR program, are at a competitive disadvantage in  
15                establishing a business climate that is conducive to  
16                technology development; and

17               (3) building stronger national, State, and local  
18                support for science and technology research in these  
19                disadvantaged States will expand economic opportu-  
20                nities in the United States, create jobs, and increase  
21                the competitiveness of the United States in the  
22                world market.

23           (b) FEDERAL AND STATE TECHNOLOGY PARTNER-  
24 SHIP PROGRAM.—The Small Business Act (15 U.S.C. 631  
25 et seq.) is amended—

1           (1) by redesignating section 34 as section 36;  
2           and

3           (2) by inserting after section 33 the following:

4   **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
5                           **SHIP PROGRAM.**

6           “(a) DEFINITIONS.—In this section and section 35,  
7 the following definitions apply:

8                   “(1) APPLICANT.—The term ‘applicant’ means  
9                   an entity, organization, or individual that submits a  
10                   proposal for an award or a cooperative agreement  
11                   under this section.

12                   “(2) BUSINESS ADVICE AND COUNSELING.—  
13                   The term ‘business advice and counseling’ means  
14                   providing advice and assistance on matters described  
15                   in section 35(c)(2)(B) to small business concerns to  
16                   guide them through the SBIR and STTR program  
17                   process, from application to award and successful  
18                   completion of each phase of the program.

19                   “(3) FAST PROGRAM.—The term ‘FAST pro-  
20                   gram’ means the Federal and State Technology  
21                   Partnership Program established under this section.

22                   “(4) MENTOR.—The term ‘mentor’ means an  
23                   individual described in section 35(c)(2).

24                   “(5) MENTORING NETWORK.—The term ‘Men-  
25                   toring Network’ means an association, organization,

1 coalition, or other entity (including an individual)  
2 that meets the requirements of section 35(c).

3 “(6) RECIPIENT.—The term ‘recipient’ means a  
4 person that receives an award or becomes party to  
5 a cooperative agreement under this section.

6 “(7) SBIR PROGRAM.—The term ‘SBIR pro-  
7 gram’ has the same meaning as in section 9(e)(4).

8 “(8) STATE.—The term ‘State’ means each of  
9 the several States, the District of Columbia, the  
10 Commonwealth of Puerto Rico, the Virgin Islands,  
11 Guam, and American Samoa.

12 “(9) STTR PROGRAM.—The term ‘STTR pro-  
13 gram’ has the same meaning as in section 9(e)(6).

14 “(b) ESTABLISHMENT OF PROGRAM.—The Adminis-  
15 trator shall establish a program to be known as the Fed-  
16 eral and State Technology Partnership Program, the pur-  
17 pose of which shall be to strengthen the technological com-  
18 petitiveness of small business concerns in the States.

19 “(c) GRANTS AND COOPERATIVE AGREEMENTS.—

20 “(1) JOINT REVIEW.—In carrying out the  
21 FAST program under this section, the Adminis-  
22 trator and the SBIR program managers at the Na-  
23 tional Science Foundation and the Department of  
24 Defense shall jointly review proposals submitted by  
25 applicants and may make awards or enter into coop-

1 erative agreements under this section based on the  
2 factors for consideration set forth in paragraph (2),  
3 in order to enhance or develop in a State—

4 “(A) technology research and development  
5 by small business concerns;

6 “(B) technology transfer from university  
7 research to technology-based small business  
8 concerns;

9 “(C) technology deployment and diffusion  
10 benefiting small business concerns;

11 “(D) the technological capabilities of small  
12 business concerns through the establishment or  
13 operation of consortia comprised of entities, or-  
14 ganizations, or individuals, including—

15 “(i) State and local development agen-  
16 cies and entities;

17 “(ii) representatives of technology-  
18 based small business concerns;

19 “(iii) industries and emerging compa-  
20 nies;

21 “(iv) universities; and

22 “(v) small business development cen-  
23 ters; and

24 “(E) outreach, financial support, and tech-  
25 nical assistance to technology-based small busi-

1           ness concerns participating in or interested in  
2           participating in an SBIR program, including  
3           initiatives—

4                   “(i) to make grants or loans to com-  
5                   panies to pay a portion or all of the cost  
6                   of developing SBIR proposals;

7                   “(ii) to establish or operate a Men-  
8                   toring Network within the FAST program  
9                   to provide business advice and counseling  
10                  that will assist small business concerns  
11                  that have been identified by FAST pro-  
12                  gram participants, program managers of  
13                  participating SBIR agencies, the Adminis-  
14                  tration, or other entities that are knowl-  
15                  edgeable about the SBIR and STTR pro-  
16                  grams as good candidates for the SBIR  
17                  and STTR programs, and that would ben-  
18                  efit from mentoring, in accordance with  
19                  section 35;

20                  “(iii) to create or participate in a  
21                  training program for individuals providing  
22                  SBIR outreach and assistance at the State  
23                  and local levels; and

1                   “(iv) to encourage the commercializa-  
2                   tion of technology developed through SBIR  
3                   program funding.

4                   “(2) SELECTION CONSIDERATIONS.—In making  
5                   awards or entering into cooperative agreements  
6                   under this section, the Administrator and the SBIR  
7                   program managers referred to in paragraph (1)—

8                   “(A) may only consider proposals by appli-  
9                   cants that intend to use a portion of the Fed-  
10                  eral assistance provided under this section to  
11                  provide outreach, financial support, or technical  
12                  assistance to technology-based small business  
13                  concerns participating in or interested in par-  
14                  ticipating in the SBIR program; and

15                  “(B) shall consider, at a minimum—

16                  “(i) whether the applicant has dem-  
17                  onstrated that the assistance to be pro-  
18                  vided would address unmet needs of small  
19                  business concerns in the community, and  
20                  whether it is important to use Federal  
21                  funding for the proposed activities;

22                  “(ii) whether the applicant has dem-  
23                  onstrated that a need exists to increase the  
24                  number or success of small high-technology  
25                  businesses in the State, as measured by

1 the number of first phase and second  
2 phase SBIR awards that have historically  
3 been received by small business concerns in  
4 the State;

5 “(iii) whether the projected costs of  
6 the proposed activities are reasonable;

7 “(iv) whether the proposal integrates  
8 and coordinates the proposed activities  
9 with other State and local programs assist-  
10 ing small high-technology firms in the  
11 State; and

12 “(v) the manner in which the appli-  
13 cant will measure the results of the activi-  
14 ties to be conducted.

15 “(3) PROPOSAL LIMIT.—Not more than one  
16 proposal may be submitted for inclusion in the  
17 FAST program under this section to provide services  
18 in any one State in any 1 fiscal year.

19 “(4) PROCESS.—Proposals and applications for  
20 assistance under this section shall be in such form  
21 and subject to such procedures as the Administrator  
22 shall establish.

23 “(d) COOPERATION AND COORDINATION.—In car-  
24 rying out the FAST program under this section, the Ad-  
25 ministrator shall cooperate and coordinate with—

1           “(1) Federal agencies required by section 9 to  
2           have an SBIR program; and

3           “(2) entities, organizations, and individuals ac-  
4           tively engaged in enhancing or developing the tech-  
5           nological capabilities of small business concerns,  
6           including—

7                   “(A) State and local development agencies  
8                   and entities;

9                   “(B) State committees established under  
10                  the Experimental Program to Stimulate Com-  
11                  petitive Research of the National Science Foun-  
12                  dation (as established under section 113 of the  
13                  National Science Foundation Authorization Act  
14                  of 1988 (42 U.S.C. 1862g));

15                  “(C) State science and technology councils;  
16                  and

17                  “(D) representatives of technology-based  
18                  small business concerns.

19           “(e) ADMINISTRATIVE REQUIREMENTS.—

20                   “(1) COMPETITIVE BASIS.—Awards and cooper-  
21                  ative agreements under this section shall be made or  
22                  entered into, as applicable, on a competitive basis.

23                   “(2) MATCHING REQUIREMENTS.—

24                           “(A) IN GENERAL.—The non-Federal  
25                  share of the cost of an activity (other than a

1           planning activity) carried out using an award or  
2           under a cooperative agreement under this sec-  
3           tion shall be—

4                   “(i) 50 cents for each Federal dollar,  
5                   in the case of a recipient that will serve  
6                   small business concerns located in one of  
7                   the 18 States receiving the fewest SBIR  
8                   first phase awards (as described in section  
9                   9(e)(4)(A));

10                   “(ii) except as provided in subpara-  
11                   graph (B), 1 dollar for each Federal dollar,  
12                   in the case of a recipient that will serve  
13                   small business concerns located in one of  
14                   the 16 States receiving the greatest num-  
15                   ber of such SBIR first phase awards; and

16                   “(iii) except as provided in subpara-  
17                   graph (B), 75 cents for each Federal dol-  
18                   lar, in the case of a recipient that will  
19                   serve small business concerns located in a  
20                   State that is not described in clause (i) or  
21                   (ii) that is receiving such SBIR first phase  
22                   awards.

23                   “(B) LOW-INCOME AREAS.—The non-Fed-  
24                   eral share of the cost of the activity carried out  
25                   using an award or under a cooperative agree-

1           ment under this section shall be 50 cents for  
2           each Federal dollar that will be directly allo-  
3           cated by a recipient described in subparagraph  
4           (A) to serve small business concerns located in  
5           a qualified census tract, as that term is defined  
6           in section 42(d)(5)(C)(ii) of the Internal Rev-  
7           enue Code of 1986. Federal dollars not so allo-  
8           cated by that recipient shall be subject to the  
9           matching requirements of subparagraph (A).

10           “(C) TYPES OF FUNDING.—The non-Fed-  
11           eral share of the cost of an activity carried out  
12           by a recipient shall be comprised of not less  
13           than 50 percent cash and not more than 50  
14           percent of indirect costs and in-kind contribu-  
15           tions, except that no such costs or contributions  
16           may be derived from funds from any other Fed-  
17           eral program.

18           “(D) RANKINGS.—For purposes of sub-  
19           paragraph (A), the Administrator shall reeval-  
20           uate the ranking of a State once every 2 fiscal  
21           years, beginning with fiscal year 2001, based on  
22           the most recent statistics compiled by the Ad-  
23           ministrator.

1           “(3) DURATION.—Awards may be made or co-  
2           operative agreements entered into under this section  
3           for multiple years, not to exceed 5 years in total.

4           “(f) REPORTS.—

5           “(1) INITIAL REPORT.—Not later than 120  
6           days after the date of the enactment of the Small  
7           Business Innovation Research Program Reauthoriza-  
8           tion Act of 2000, the Administrator shall prepare  
9           and submit to the Committee on Small Business of  
10          the Senate and the Committee on Science and the  
11          Committee on Small Business of the House of Rep-  
12          resentatives a report, which shall include, with re-  
13          spect to the FAST program, including Mentoring  
14          Networks—

15                 “(A) a description of the structure and  
16                 procedures of the program;

17                 “(B) a management plan for the program;  
18                 and

19                 “(C) a description of the merit-based re-  
20                 view process to be used in the program.

21           “(2) ANNUAL REPORTS.—The Administrator  
22           shall submit an annual report to the Committee on  
23           Small Business of the Senate and the Committee on  
24           Science and the Committee on Small Business of the  
25           House of Representatives regarding—

1           “(A) the number and amount of awards  
2 provided and cooperative agreements entered  
3 into under the FAST program during the pre-  
4 ceding year;

5           “(B) a list of recipients under this section,  
6 including their location and the activities being  
7 performed with the awards made or under the  
8 cooperative agreements entered into; and

9           “(C) the Mentoring Networks and the  
10 mentoring database, as provided for under sec-  
11 tion 35, including—

12                   “(i) the status of the inclusion of  
13 mentoring information in the database re-  
14 quired by section 9(k); and

15                   “(ii) the status of the implementation  
16 and description of the usage of the Men-  
17 toring Networks.

18           “(g) REVIEWS BY INSPECTOR GENERAL.—

19                   “(1) IN GENERAL.—The Inspector General of  
20 the Administration shall conduct a review of—

21                   “(A) the extent to which recipients under  
22 the FAST program are measuring the perform-  
23 ance of the activities being conducted and the  
24 results of such measurements; and

1           “(B) the overall management and effective-  
2           ness of the FAST program.

3           “(2) REPORT.—During the first quarter of fis-  
4           cal year 2004, the Inspector General of the Adminis-  
5           tration shall submit a report to the Committee on  
6           Small Business of the Senate and the Committee on  
7           Science and the Committee on Small Business of the  
8           House of Representatives on the review conducted  
9           under paragraph (1).

10          “(h) PROGRAM LEVELS.—

11           “(1) IN GENERAL.—There is authorized to be  
12           appropriated to carry out the FAST program, in-  
13           cluding Mentoring Networks, under this section and  
14           section 35, \$10,000,000 for each of fiscal years  
15           2001 through 2005.

16           “(2) MENTORING DATABASE.—Of the total  
17           amount made available under paragraph (1) for fis-  
18           cal years 2001 through 2005, a reasonable amount,  
19           not to exceed a total of \$500,000, may be used by  
20           the Administration to carry out section 35(d).

21           “(i) TERMINATION.—The authority to carry out the  
22           FAST program under this section shall terminate on Sep-  
23           tember 30, 2005.”.

24           (c) COORDINATION OF TECHNOLOGY DEVELOPMENT  
25           PROGRAMS.—Section 9 of the Small Business Act (15

1 U.S.C. 638) is amended by adding at the end the fol-  
2 lowing:

3 “(u) COORDINATION OF TECHNOLOGY DEVELOP-  
4 MENT PROGRAMS.—

5 “(1) DEFINITION OF TECHNOLOGY DEVELOP-  
6 MENT PROGRAM.—In this subsection, the term ‘tech-  
7 nology development program’ means—

8 “(A) the Experimental Program to Stimu-  
9 late Competitive Research of the National  
10 Science Foundation, as established under sec-  
11 tion 113 of the National Science Foundation  
12 Authorization Act of 1988 (42 U.S.C. 1862g);

13 “(B) the Defense Experimental Program  
14 to Stimulate Competitive Research of the De-  
15 partment of Defense;

16 “(C) the Experimental Program to Stimu-  
17 late Competitive Research of the Department of  
18 Energy;

19 “(D) the Experimental Program to Stimu-  
20 late Competitive Research of the Environmental  
21 Protection Agency;

22 “(E) the Experimental Program to Stimu-  
23 late Competitive Research of the National Aero-  
24 nautics and Space Administration;

1           “(F) the Institutional Development Award  
2           Program of the National Institutes of Health;  
3           and

4           “(G) the National Research Initiative  
5           Competitive Grants Program of the Department  
6           of Agriculture.

7           “(2) COORDINATION REQUIREMENTS.—Each  
8           Federal agency that is subject to subsection (f) and  
9           that has established a technology development pro-  
10          gram may, in each fiscal year, review for funding  
11          under that technology development program—

12           “(A) any proposal to provide outreach and  
13           assistance to one or more small business con-  
14           cerns interested in participating in the SBIR  
15           program, including any proposal to make a  
16           grant or loan to a company to pay a portion or  
17           all of the cost of developing an SBIR proposal,  
18           from an entity, organization, or individual lo-  
19           cated in—

20           “(i) a State that is eligible to partici-  
21           pate in that program; or

22           “(ii) a State described in paragraph  
23           (3); or

24           “(B) any proposal for the first phase of  
25           the SBIR program, if the proposal, though mer-

1           itorious, is not funded through the SBIR pro-  
2           gram for that fiscal year due to funding re-  
3           straints, from a small business concern located  
4           in—

5                   “(i) a State that is eligible to partici-  
6                   pate in a technology development program;  
7                   or

8                   “(ii) a State described in paragraph  
9                   (3).

10           “(3) ADDITIONALLY ELIGIBLE STATE.—A State  
11           referred to in subparagraph (A)(ii) or (B)(ii) of  
12           paragraph (2) is a State in which the total value of  
13           contracts awarded to small business concerns under  
14           all SBIR programs is less than the total value of  
15           contracts awarded to small business concerns in a  
16           majority of other States, as determined by the Ad-  
17           ministrator in biennial fiscal years, beginning with  
18           fiscal year 2000, based on the most recent statistics  
19           compiled by the Administrator.”.

20 **SEC. 112. MENTORING NETWORKS.**

21           The Small Business Act (15 U.S.C. 631 et seq.) is  
22           amended by inserting after section 34, as added by section  
23           111(b)(2) of this Act, the following:

24 **“SEC. 35. MENTORING NETWORKS.**

25           “(a) FINDINGS.—Congress finds that—

1           “(1) the SBIR and STTR programs create  
2           jobs, increase capacity for technological innovation,  
3           and boost international competitiveness;

4           “(2) increasing the quantity of applications  
5           from all States to the SBIR and STTR programs  
6           would enhance competition for such awards and the  
7           quality of the completed projects; and

8           “(3) mentoring is a natural complement to the  
9           FAST program of reaching out to new companies  
10          regarding the SBIR and STTR programs as an ef-  
11          fective and low-cost way to improve the likelihood  
12          that such companies will succeed in such programs  
13          in developing and commercializing their research.

14          “(b) AUTHORIZATION FOR MENTORING NET-  
15          WORKS.—The recipient of an award or participant in a  
16          cooperative agreement under section 34 may use a reason-  
17          able amount of such assistance for the establishment of  
18          a Mentoring Network under this section.

19          “(c) CRITERIA FOR MENTORING NETWORKS.—A  
20          Mentoring Network established using assistance under  
21          section 34 shall—

22                 “(1) provide business advice and counseling to  
23                 high technology small business concerns located in  
24                 the State or region served by the Mentoring Net-  
25                 work and identified under section 34(c)(1)(E)(ii) as

1 potential candidates for the SBIR or STTR pro-  
2 grams;

3 “(2) identify volunteer mentors who—

4 “(A) are persons associated with a small  
5 business concern that has successfully com-  
6 pleted one or more SBIR or STTR funding  
7 agreements; and

8 “(B) have agreed to guide small business  
9 concerns through all stages of the SBIR or  
10 STTR program process, including providing as-  
11 sistance relating to—

12 “(i) proposal writing;

13 “(ii) marketing;

14 “(iii) Government accounting;

15 “(iv) Government audits;

16 “(v) project facilities and equipment;

17 “(vi) human resources;

18 “(vii) third phase partners;

19 “(viii) commercialization;

20 “(ix) venture capital networking; and

21 “(x) other matters relevant to the

22 SBIR and STTR programs;

23 “(3) have experience working with small busi-  
24 ness concerns participating in the SBIR and STTR  
25 programs;

1           “(4) contribute information to the national  
2 database referred to in subsection (d); and

3           “(5) agree to reimburse volunteer mentors for  
4 out-of-pocket expenses related to service as a mentor  
5 under this section.

6           “(d) MENTORING DATABASE.—The Administrator  
7 shall—

8           “(1) include in the database required by section  
9 9(k)(1), in cooperation with the SBIR, STTR, and  
10 FAST programs, information on Mentoring Net-  
11 works and mentors participating under this section,  
12 including a description of their areas of expertise;

13           “(2) work cooperatively with Mentoring Net-  
14 works to maintain and update the database;

15           “(3) take such action as may be necessary to  
16 aggressively promote Mentoring Networks under this  
17 section; and

18           “(4) fulfill the requirements of this subsection  
19 either directly or by contract.”.

20 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

21           Section 9 of the Small Business Act (15 U.S.C. 638),  
22 as amended by this Act, is further amended by adding  
23 at the end the following:

24           “(v) SIMPLIFIED REPORTING REQUIREMENTS.—The  
25 Administrator shall work with the Federal agencies re-

1 quired by this section to have an SBIR program to stand-  
2 ardize reporting requirements for the collection of data  
3 from SBIR applicants and awardees, including data for  
4 inclusion in the database under subsection (k), taking into  
5 consideration the unique needs of each agency, and to the  
6 extent possible, permitting the updating of previously re-  
7 ported information by electronic means. Such require-  
8 ments shall be designed to minimize the burden on small  
9 businesses.”.

10 **SEC. 114. RURAL OUTREACH PROGRAM EXTENSION.**

11 (a) EXTENSION OF TERMINATION DATE.—Section  
12 501(b)(2) of the Small Business Reauthorization Act of  
13 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended  
14 by striking “2001” and inserting “2005”.

15 (b) EXTENSION OF AUTHORIZATION OF APPROPRIA-  
16 TIONS.—Section 9(s)(2) of the Small Business Act (15  
17 U.S.C. 638(s)(2)) is amended by striking “for fiscal year  
18 1998, 1999, 2000, or 2001” and inserting “for each of  
19 the fiscal years 2000 through 2005,”.

20 **TITLE II—BUSINESS LOAN**  
21 **PROGRAMS**

22 **SEC. 201. SHORT TITLE.**

23 This title may be cited as the “Small Business Loan  
24 Improvement Act of 2000”.

1 **SEC. 202. LEVELS OF PARTICIPATION.**

2 Section 7(a)(2)(A) of the Small Business Act (15  
3 U.S.C. 636(a)(2)(A)) is amended—

4 (1) in paragraph (i) by striking “\$100,000”  
5 and inserting “\$150,000”; and

6 (2) in paragraph (ii)—

7 (A) by striking “80 percent” and inserting  
8 “85 percent”; and

9 (B) by striking “\$100,000” and inserting  
10 “\$150,000”.

11 **SEC. 203. LOAN AMOUNTS.**

12 Section 7(a)(3)(A) of the Small Business Act (15  
13 U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,”  
14 and inserting, “\$1,000,000 (or if the gross loan amount  
15 would exceed \$2,000,000),”.

16 **SEC. 204. INTEREST ON DEFAULTED LOANS.**

17 Section 7(a)(4)(B) of the Small Business Act (15  
18 U.S.C. 636(a)(4)(B)) is amended by adding at the end  
19 the following:

20 “(iii) APPLICABILITY.—Clauses (i)  
21 and (ii) shall not apply to loans made on  
22 or after October 1, 2000.”.

23 **SEC. 205. PREPAYMENT OF LOANS.**

24 Section 7(a)(4) of the Small Business Act (15 U.S.C.  
25 636(a)(4)) is further amended—

1           (1) by striking “(4) INTEREST RATES AND  
2 FEES.—” and inserting “(4) INTEREST RATES AND  
3 PREPAYMENT CHARGES.—”; and

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

5                   “(C) PREPAYMENT CHARGES.—

6                           “(i) IN GENERAL.—A borrower who  
7 prepays any loan guaranteed under this  
8 subsection shall remit to the Administra-  
9 tion a subsidy recoupment fee calculated in  
10 accordance with clause (ii) if—

11                                   “(I) the loan is for a term of not  
12 less than 15 years;

13                                   “(II) the prepayment is vol-  
14 untary;

15                                   “(III) the amount of prepayment  
16 in any calendar year is more than 25  
17 percent of the outstanding balance of  
18 the loan; and

19                                   “(IV) the prepayment is made  
20 within the first 3 years after disburse-  
21 ment of the loan proceeds.

22                                   “(ii) SUBSIDY RECOUPMENT FEE.—  
23 The subsidy recoupment fee charged under  
24 clause (i) shall be—

1                   “(I) 5 percent of the amount of  
2                   prepayment, if the borrower prepays  
3                   during the first year after disburse-  
4                   ment;

5                   “(II) 3 percent of the amount of  
6                   prepayment, if the borrower prepays  
7                   during the second year after disburse-  
8                   ment; and

9                   “(III) 1 percent of the amount of  
10                  prepayment, if the borrower prepays  
11                  during the third year after disburse-  
12                  ment.”.

13 **SEC. 206. GUARANTEE FEES.**

14           Section 7(a)(18) of the Small Business Act (15  
15 U.S.C. 636(a)(18)) is amended to read as follows:

16                   “(18) GUARANTEE FEES.—

17                           “(A) IN GENERAL.—With respect to each  
18                   loan guaranteed under this subsection (other  
19                   than a loan that is repayable in 1 year or less),  
20                   the Administration shall collect a guarantee fee,  
21                   which shall be payable by the participating  
22                   lender, and may be charged to the borrower, as  
23                   follows:

24                                   “(i) A guarantee fee equal to 2 per-  
25                   cent of the deferred participation share of

1 a total loan amount that is not more than  
2 \$150,000.

3 “(ii) A guarantee fee equal to 3 per-  
4 cent of the deferred participation share of  
5 a total loan amount that is more than  
6 \$150,000, but not more than \$700,000.

7 “(iii) A guarantee fee equal to 3.5  
8 percent of the deferred participation share  
9 of a total loan amount that is more than  
10 \$700,000.

11 “(B) RETENTION OF CERTAIN FEES.—  
12 Lenders participating in the programs estab-  
13 lished under this subsection may retain not  
14 more than 25 percent of a fee collected under  
15 subparagraph (A)(i).”.

16 **SEC. 207. LEASE TERMS.**

17 Section 7(a) of the Small Business Act (15 U.S.C.  
18 636(a)) is further amended by adding at the end the fol-  
19 lowing:

20 “(28) LEASING.—In addition to such other  
21 lease arrangements as may be authorized by the Ad-  
22 ministration, a borrower may permanently lease to  
23 one or more tenants not more than 20 percent of  
24 any property constructed with the proceeds of a loan  
25 guaranteed under this subsection, if the borrower

1 permanently occupies and uses not less than 60 per-  
2 cent of the total business space in the property.”.

3 **SEC. 208. APPRAISALS FOR LOANS SECURED BY REAL**  
4 **PROPERTY.**

5 (a) **SMALL BUSINESS ACT.**—Section 7(a) of the  
6 Small Business Act (15 U.S.C. 636(a)) is amended by  
7 adding at the end the following:

8 “(29) **REAL ESTATE APPRAISALS.**—With re-  
9 spect to a loan under this subsection that is secured  
10 by commercial real property, an appraisal of such  
11 property by a State licensed or certified appraiser—

12 “(A) shall be required by the Administra-  
13 tion in connection with any such loan for more  
14 than \$250,000; or

15 “(B) may be required by the Administra-  
16 tion or the lender in connection with any such  
17 loan for \$250,000 or less, if such appraisal is  
18 necessary for appropriate evaluation of credit-  
19 worthiness.”.

20 (b) **SMALL BUSINESS INVESTMENT ACT OF 1958.**—  
21 Section 502(3)(E) of the Small Business Investment Act  
22 of 1958 (15 U.S.C. 696(3)(E)) is amended—

23 (1) by striking “The collateral” and inserting  
24 the following:

1 “(i) IN GENERAL.—The collateral”;

2 and

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

4 “(ii) APPRAISALS.—With respect to  
5 commercial real property provided by the  
6 small business concern as collateral, an ap-  
7 praisal of the property by a State licensed  
8 or certified appraiser—

9 “(I) shall be required by the Ad-  
10 ministration before disbursement of  
11 the loan if the estimated value of that  
12 property is more than \$250,000; or

13 “(II) may be required by the Ad-  
14 ministration or the lender before dis-  
15 bursement of the loan if the estimated  
16 value of that property is \$250,000 or  
17 less, and such appraisal is necessary  
18 for appropriate evaluation of credit-  
19 worthiness.”.

20 **SEC. 209. SALE OF GUARANTEED LOANS MADE FOR EX-**  
21 **PORT PURPOSES.**

22 Section 5(f)(1)(C) of the Small Business Act (15  
23 U.S.C. 634(f)(1)(C)) is amended to read as follows:

1           “(C) each loan, except each loan made under  
2           section 7(a)(14), shall have been fully disbursed to  
3           the borrower prior to any sale.”.

4 **SEC. 210. MICROLOAN PROGRAM.**

5           (a) IN GENERAL.—Section 7(m) of the Small Busi-  
6           ness Act (15 U.S.C. 636(m)) is amended—

7           (1) in paragraphs (1)(B)(iii) and (3)(E), by  
8           striking “\$25,000” each place it appears and insert-  
9           ing “\$35,000”;

10          (2) in paragraphs (1)(A)(iii)(I), (3)(A)(ii), and  
11          (4)(C)(i)(II), by striking “\$7,500” each place it ap-  
12          pears and inserting “\$10,000”;

13          (3) in paragraph (3)(E), by striking “\$15,000”  
14          and inserting “\$20,000”;

15          (4) in paragraph (5)(A)—

16                (A) by striking “25 grants” and inserting  
17                “55 grants”; and

18                (B) by striking “\$125,000” and inserting  
19                “\$200,000”;

20          (5) in paragraph (6)(B), by striking “\$10,000”  
21          and inserting “\$15,000”; and

22          (6) in paragraph (7), by striking subparagraph  
23          (A) and inserting the following:

24                “(A) NUMBER OF PARTICIPANTS.—Under  
25                the program authorized by this subsection, the

1 Administration may fund, on a competitive  
2 basis, not more than 300 intermediaries.”.

3 (b) CONFORMING AMENDMENTS.—Section  
4 7(m)(11)(B) of the Small Business Act (15 U.S.C.  
5 636(m)(11)(B)) is amended by striking “\$25,000” and in-  
6 serting “\$35,000”.

## 7 **TITLE III—CERTIFIED DEVELOP-** 8 **MENT COMPANY PROGRAM**

### 9 **SEC. 301. SHORT TITLE.**

10 This title may be cited as the “Certified Development  
11 Company Program Improvements Act of 2000”.

### 12 **SEC. 302. WOMEN-OWNED BUSINESSES.**

13 Section 501(d)(3)(C) of the Small Business Invest-  
14 ment Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended  
15 by inserting before the comma “or women-owned business  
16 development”.

### 17 **SEC. 303. MAXIMUM DEBENTURE SIZE.**

18 Section 502(2) of the Small Business Investment Act  
19 of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

20 “(2) Loans made by the Administration under  
21 this section shall be limited to \$1,000,000 for each  
22 such identifiable small business concern, except  
23 loans meeting the criteria specified in section  
24 501(d)(3), which shall be limited to \$1,300,000 for  
25 each such identifiable small business concern.”.

1 **SEC. 304. FEES.**

2 Section 503(f) of the Small Business Investment Act  
3 of 1958 (15 U.S.C. 697(f)) is amended to read as follows:

4 “(f) EFFECTIVE DATE.—The fees authorized by sub-  
5 sections (b) and (d) shall apply to financings approved by  
6 the Administration on or after October 1, 1996, but shall  
7 not apply to financings approved by the Administration  
8 on or after October 1, 2003.”.

9 **SEC. 305. PREMIER CERTIFIED LENDERS PROGRAM.**

10 Section 217(b) of the Small Business Administration  
11 Reauthorization and Amendments Act of 1994 (Public  
12 Law 103–403, 15 U.S.C. 697 note) (relating to section  
13 508 of the Small Business Investment Act of 1958) is re-  
14 pealed.

15 **SEC. 306. SALE OF CERTAIN DEFAULTED LOANS.**

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

18 (1) in subsection (a), by striking “On a pilot  
19 program basis, the” and inserting “The”;

20 (2) by redesignating subsections (d) through (i)  
21 as subsections (e) through (j), respectively;

22 (3) in subsection (f) (as redesignated by para-  
23 graph (2)), by striking “subsection (f)” and insert-  
24 ing “subsection (g)”;

1           (4) in subsection (h) (as redesignated by para-  
2           graph (2)), by striking “subsection (f)” and insert-  
3           ing “subsection (g)”; and

4           (5) by inserting after subsection (c) the fol-  
5           lowing:

6           “(d) SALE OF CERTAIN DEFAULTED LOANS.—

7           “(1) NOTICE.—If, upon default in repayment,  
8           the Administration acquires a loan guaranteed under  
9           this section and identifies such loan for inclusion in  
10          a bulk asset sale of defaulted or repurchased loans  
11          or other financings, it shall give prior notice thereof  
12          to any certified development company which has a  
13          contingent liability under this section. The notice  
14          shall be given to the company as soon as possible  
15          after the financing is identified, but not less than 90  
16          days before the date the Administration first makes  
17          any records on such financing available for examina-  
18          tion by prospective purchasers prior to its offering in  
19          a package of loans for bulk sale.

20          “(2) LIMITATIONS.—The Administration shall  
21          not offer any loan described in paragraph (1) as  
22          part of a bulk sale unless it—

23                 “(A) provides prospective purchasers with  
24                 the opportunity to examine the Administration’s  
25                 records with respect to such loan; and

1                   “(B) provides the notice required by para-  
2                   graph (1).”.

3 **SEC. 307. LOAN LIQUIDATION.**

4           (a) LIQUIDATION AND FORECLOSURE.—Title V of  
5 the Small Business Investment Act of 1958 (15 U.S.C.  
6 695 et seq.) is amended by adding at the end the fol-  
7 lowing:

8 **“SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.**

9           “(a) DELEGATION OF AUTHORITY.—In accordance  
10 with this section, the Administration shall delegate to any  
11 qualified State or local development company (as defined  
12 in section 503(e)) that meets the eligibility requirements  
13 of subsection (b)(1) the authority to foreclose and liq-  
14 uidate, or to otherwise treat in accordance with this sec-  
15 tion, defaulted loans in its portfolio that are funded with  
16 the proceeds of debentures guaranteed by the Administra-  
17 tion under section 503.

18           “(b) ELIGIBILITY FOR DELEGATION.—

19                   “(1) REQUIREMENTS.—A qualified State or  
20 local development company shall be eligible for a del-  
21 egation of authority under subsection (a) if—

22                           “(A) the company—

23                                   “(i) has participated in the loan liq-  
24 uidation pilot program established by the  
25 Small Business Programs Improvement

1 Act of 1996 (15 U.S.C. 695 note), as in  
2 effect on the day before promulgation of  
3 final regulations by the Administration im-  
4 plementing this section;

5 “(ii) is participating in the Premier  
6 Certified Lenders Program under section  
7 508; or

8 “(iii) during the 3 fiscal years imme-  
9 diately prior to seeking such a delegation,  
10 has made an average of not less than 10  
11 loans per year that are funded with the  
12 proceeds of debentures guaranteed under  
13 section 503; and

14 “(B) the company—

15 “(i) has one or more employees—

16 “(I) with not less than 2 years of  
17 substantive, decision-making experi-  
18 ence in administering the liquidation  
19 and workout of problem loans secured  
20 in a manner substantially similar to  
21 loans funded with the proceeds of de-  
22 bentures guaranteed under section  
23 503; and

24 “(II) who have completed a train-  
25 ing program on loan liquidation devel-

1                   oped by the Administration in con-  
2                   junction with qualified State and local  
3                   development companies that meet the  
4                   requirements of this paragraph; or

5                   “(ii) submits to the Administration  
6                   documentation demonstrating that the  
7                   company has contracted with a qualified  
8                   third-party to perform any liquidation ac-  
9                   tivities and secures the approval of the  
10                  contract by the Administration with re-  
11                  spect to the qualifications of the contractor  
12                  and the terms and conditions of liquidation  
13                  activities.

14                  “(2) CONFIRMATION.—On request the Adminis-  
15                  tration shall examine the qualifications of any com-  
16                  pany described in subsection (a) to determine if such  
17                  company is eligible for the delegation of authority  
18                  under this section. If the Administration determines  
19                  that a company is not eligible, the Administration  
20                  shall provide the company with the reasons for such  
21                  ineligibility.

22                  “(c) SCOPE OF DELEGATED AUTHORITY.—

23                  “(1) IN GENERAL.—Each qualified State or  
24                  local development company to which the Administra-

1       tion delegates authority under section (a) may with  
2       respect to any loan described in subsection (a)—

3               “(A) perform all liquidation and fore-  
4               closure functions, including the purchase in ac-  
5               cordance with this subsection of any other in-  
6               debtedness secured by the property securing the  
7               loan, in a reasonable and sound manner accord-  
8               ing to commercially accepted practices, pursu-  
9               ant to a liquidation plan approved in advance  
10              by the Administration under paragraph (2)(A);

11              “(B) litigate any matter relating to the  
12              performance of the functions described in sub-  
13              paragraph (A), except that the Administration  
14              may—

15                      “(i) defend or bring any claim if—

16                              “(I) the outcome of the litigation  
17                              may adversely affect the Administra-  
18                              tion’s management of the loan pro-  
19                              gram established under section 502;  
20                              or

21                              “(II) the Administration is enti-  
22                              tled to legal remedies not available to  
23                              a qualified State or local development  
24                              company and such remedies will ben-  
25                              efit either the Administration or the

1 qualified State or local development  
2 company; or

3 “(ii) oversee the conduct of any such  
4 litigation; and

5 “(C) take other appropriate actions to  
6 mitigate loan losses in lieu of total liquidation  
7 or foreclosures, including the restructuring of a  
8 loan in accordance with prudent loan servicing  
9 practices and pursuant to a workout plan ap-  
10 proved in advance by the Administration under  
11 paragraph (2)(C).

12 “(2) ADMINISTRATION APPROVAL.—

13 “(A) LIQUIDATION PLAN.—

14 “(i) IN GENERAL.—Before carrying  
15 out functions described in paragraph  
16 (1)(A), a qualified State or local develop-  
17 ment company shall submit to the Admin-  
18 istration a proposed liquidation plan.

19 “(ii) ADMINISTRATION ACTION ON  
20 PLAN.—

21 “(I) TIMING.—Not later than 15  
22 business days after a liquidation plan  
23 is received by the Administration  
24 under clause (i), the Administration  
25 shall approve or reject the plan.

1                   “(II) NOTICE OF NO DECISION.—

2                   With respect to any plan that cannot  
3                   be approved or denied within the 15-  
4                   day period required by subclause (I),  
5                   the Administration shall within such  
6                   period provide in accordance with sub-  
7                   paragraph (E) notice to the company  
8                   that submitted the plan.

9                   “(iii) ROUTINE ACTIONS.—In carrying  
10                  out functions described in paragraph  
11                  (1)(A), a qualified State or local develop-  
12                  ment company may undertake routine ac-  
13                  tions not addressed in a liquidation plan  
14                  without obtaining additional approval from  
15                  the Administration.

16                  “(B) PURCHASE OF INDEBTEDNESS.—

17                  “(i) IN GENERAL.—In carrying out  
18                  functions described in paragraph (1)(A), a  
19                  qualified State or local development com-  
20                  pany shall submit to the Administration a  
21                  request for written approval before com-  
22                  mitting the Administration to the purchase  
23                  of any other indebtedness secured by the  
24                  property securing a defaulted loan.

1                   “(ii) ADMINISTRATION ACTION ON RE-  
2                   QUEST.—

3                   “(I) TIMING.—Not later than 15  
4                   business days after receiving a request  
5                   under clause (i), the Administration  
6                   shall approve or deny the request.

7                   “(II) NOTICE OF NO DECISION.—  
8                   With respect to any request that can-  
9                   not be approved or denied within the  
10                  15-day period required by subclause  
11                  (I), the Administration shall within  
12                  such period provide in accordance  
13                  with subparagraph (E) notice to the  
14                  company that submitted the request.

15                  “(C) WORKOUT PLAN.—

16                  “(i) IN GENERAL.—In carrying out  
17                  functions described in paragraph (1)(C), a  
18                  qualified State or local development com-  
19                  pany shall submit to the Administration a  
20                  proposed workout plan.

21                  “(ii) ADMINISTRATION ACTION ON  
22                  PLAN.—

23                  “(I) TIMING.—Not later than 15  
24                  business days after a workout plan is  
25                  received by the Administration under

1 clause (i), the Administration shall  
2 approve or reject the plan.

3 “(II) NOTICE OF NO DECISION.—

4 With respect to any workout plan that  
5 cannot be approved or denied within  
6 the 15-day period required by sub-  
7 clause (I), the Administration shall  
8 within such period provide in accord-  
9 ance with subparagraph (E) notice to  
10 the company that submitted the plan.

11 “(D) COMPROMISE OF INDEBTEDNESS.—

12 In carrying out functions described in para-  
13 graph (1)(A), a qualified State or local develop-  
14 ment company may—

15 “(i) consider an offer made by an obli-  
16 gor to compromise the debt for less than  
17 the full amount owing; and

18 “(ii) pursuant to such an offer, re-  
19 lease any obligor or other party contin-  
20 gently liable, if the company secures the  
21 written approval of the Administration.

22 “(E) CONTENTS OF NOTICE OF NO DECI-  
23 SION.—Any notice provided by the Administra-  
24 tion under subparagraph (A)(ii)(II), (B)(ii)(II),  
25 or (C)(ii)(II)—

1 “(i) shall be in writing;

2 “(ii) shall state the specific reason for  
3 the Administration’s inability to act on a  
4 plan or request;

5 “(iii) shall include an estimate of the  
6 additional time required by the Adminis-  
7 tration to act on the plan or request; and

8 “(iv) if the Administration cannot act  
9 because insufficient information or docu-  
10 mentation was provided by the company  
11 submitting the plan or request, shall speci-  
12 fy the nature of such additional informa-  
13 tion or documentation.

14 “(3) CONFLICT OF INTEREST.—In carrying out  
15 functions described in paragraph (1), a qualified  
16 State or local development company shall take no ac-  
17 tion that would result in an actual or apparent con-  
18 flict of interest between the company (or any em-  
19 ployee of the company) and any third party lender,  
20 associate of a third party lender, or any other person  
21 participating in a liquidation, foreclosure, or loss  
22 mitigation action.

23 “(d) SUSPENSION OR REVOCATION OF AUTHOR-  
24 ITY.—The Administration may revoke or suspend a dele-  
25 gation of authority under this section to any qualified

1 State or local development company, if the Administration  
2 determines that the company—

3 “(1) does not meet the requirements of sub-  
4 section (b)(1);

5 “(2) has violated any applicable rule or regula-  
6 tion of the Administration or any other applicable  
7 law; or

8 “(3) fails to comply with any reporting require-  
9 ment that may be established by the Administration  
10 relating to carrying out of functions described in  
11 paragraph (1).

12 “(e) REPORT.—

13 “(1) IN GENERAL.—Based on information pro-  
14 vided by qualified State and local development com-  
15 panies and the Administration, the Administration  
16 shall annually submit to the Committees on Small  
17 Business of the House of Representatives and of the  
18 Senate a report on the results of delegation of au-  
19 thority under this section.

20 “(2) CONTENTS.—Each report submitted under  
21 paragraph (1) shall include the following informa-  
22 tion:

23 “(A) With respect to each loan foreclosed  
24 or liquidated by a qualified State or local devel-  
25 opment company under this section, or for

1 which losses were otherwise mitigated by the  
2 company pursuant to a workout plan under this  
3 section—

4 “(i) the total cost of the project fi-  
5 nanced with the loan;

6 “(ii) the total original dollar amount  
7 guaranteed by the Administration;

8 “(iii) the total dollar amount of the  
9 loan at the time of liquidation, foreclosure,  
10 or mitigation of loss;

11 “(iv) the total dollar losses resulting  
12 from the liquidation, foreclosure, or mitiga-  
13 tion of loss; and

14 “(v) the total recoveries resulting  
15 from the liquidation, foreclosure, or mitiga-  
16 tion of loss, both as a percentage of the  
17 amount guaranteed and the total cost of  
18 the project financed.

19 “(B) With respect to each qualified State  
20 or local development company to which author-  
21 ity is delegated under this section, the totals of  
22 each of the amounts described in clauses (i)  
23 through (v) of subparagraph (A).

24 “(C) With respect to all loans subject to  
25 foreclosure, liquidation, or mitigation under this

1 section, the totals of each of the amounts de-  
2 scribed in clauses (i) through (v) of subpara-  
3 graph (A).

4 “(D) A comparison between—

5 “(i) the information provided under  
6 subparagraph (C) with respect to the 12-  
7 month period preceding the date on which  
8 the report is submitted; and

9 “(ii) the same information with re-  
10 spect to loans foreclosed and liquidated, or  
11 otherwise treated, by the Administration  
12 during the same period.

13 “(E) The number of times that the Admin-  
14 istration has failed to approve or reject a liq-  
15 uidation plan in accordance with subparagraph  
16 (A)(i), a workout plan in accordance with sub-  
17 paragraph (C)(i), or to approve or deny a re-  
18 quest for purchase of indebtedness under sub-  
19 paragraph (B)(i), including specific information  
20 regarding the reasons for the Administration’s  
21 failure and any delays that resulted.”.

22 (b) REGULATIONS.—

23 (1) IN GENERAL.—Not later than 150 days  
24 after the date of the enactment of this Act, the Ad-  
25 ministrator shall issue such regulations as may be

1 necessary to carry out section 510 of the Small  
2 Business Investment Act of 1958, as added by sub-  
3 section (a) of this section.

4 (2) TERMINATION OF PILOT PROGRAM.—Begin-  
5 ning on the date on which final regulations are  
6 issued under paragraph (1), section 204 of the  
7 Small Business Programs Improvement Act of 1996  
8 (15 U.S.C. 695 note) shall cease to have effect.

9 **TITLE IV—CORRECTIONS TO**  
10 **THE SMALL BUSINESS IN-**  
11 **VESTMENT ACT OF 1958**

12 **SEC. 401. SHORT TITLE.**

13 This title may be cited as the “Small Business Invest-  
14 ment Corrections Act of 2000”.

15 **SEC. 402. DEFINITIONS.**

16 (a) SMALL BUSINESS CONCERN.—Section  
17 103(5)(A)(i) of the Small Business Investment Act of  
18 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting  
19 before the semicolon at the end the following: “regardless  
20 of the allocation of control during the investment period  
21 under any investment agreement between the business  
22 concern and the entity making the investment”.

23 (b) LONG TERM.—Section 103 of the Small Business  
24 Investment Act of 1958 (15 U.S.C. 662) is amended—

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

3           (2) in paragraph (16), by striking the period at  
4 the end and inserting “; and”; and

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

6           “(17) the term ‘long term’, when used in con-  
7 nection with equity capital or loan funds invested in  
8 any small business concern or smaller enterprise,  
9 means any period of time not less than 1 year.”.

10 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**  
11 **COMPANIES.**

12           Section 302(b) of the Small Business Investment Act  
13 of 1958 (15 U.S.C. 682(b)) is amended—

14           (1) by striking “(b) Notwithstanding” and in-  
15 serting the following:

16           “(b) FINANCIAL INSTITUTION INVESTMENTS.—

17           “(1) CERTAIN BANKS.—Notwithstanding”; and

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

19           “(2) CERTAIN SAVINGS ASSOCIATIONS.—Not-  
20 withstanding any other provision of law, any Federal  
21 savings association may invest in any one or more  
22 small business investment companies, or in any enti-  
23 ty established to invest solely in small business in-  
24 vestment companies, except that in no event may the  
25 total amount of such investments by any such Fed-

1       eral savings association exceed 5 percent of the cap-  
2       ital and surplus of the Federal savings association.”.

3 **SEC. 404. SUBSIDY FEES.**

4       (a) DEBENTURES.—Section 303(b) of the Small  
5 Business Investment Act of 1958 (15 U.S.C. 683(b)) is  
6 amended by striking “plus an additional charge of 1 per-  
7 cent per annum which shall be paid to and retained by  
8 the Administration” and inserting “plus, for debentures  
9 obligated after September 30, 2000, an additional charge,  
10 in an amount established annually by the Administration,  
11 of not more than 1 percent per year as necessary to reduce  
12 to zero the cost (as defined in section 502 of the Federal  
13 Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Ad-  
14 ministration of purchasing and guaranteeing debentures  
15 under this Act, which shall be paid to and retained by  
16 the Administration”.

17       (b) PARTICIPATING SECURITIES.—Section 303(g)(2)  
18 of the Small Business Investment Act of 1958 (15 U.S.C.  
19 683(g)(2)) is amended by striking “plus an additional  
20 charge of 1 percent per annum which shall be paid to and  
21 retained by the Administration” and inserting “plus, for  
22 participating securities obligated after September 30,  
23 2000, an additional charge, in an amount established an-  
24 nually by the Administration, of not more than 1 percent  
25 per year as necessary to reduce to zero the cost (as defined

1 in section 502 of the Federal Credit Reform Act of 1990  
2 (2 U.S.C. 661a)) to the Administration of purchasing and  
3 guaranteeing participating securities under this Act, which  
4 shall be paid to and retained by the Administration”.

5 **SEC. 405. DISTRIBUTIONS.**

6 Section 303(g)(8) of the Small Business Investment  
7 Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

8 (1) by striking “subchapter s corporation” and  
9 inserting “subchapter S corporation”;

10 (2) by striking “the end of any calendar quarter  
11 based on a quarterly” and inserting “any time dur-  
12 ing any calendar quarter based on an”; and

13 (3) by striking “quarterly distributions for a  
14 calendar year,” and inserting “interim distributions  
15 for a calendar year,”.

16 **SEC. 406. CONFORMING AMENDMENT.**

17 Section 310(c)(4) of the Small Business Investment  
18 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-  
19 ing “five years” and inserting “1 year”.

20 **TITLE V—REAUTHORIZATION OF**  
21 **SMALL BUSINESS PROGRAMS**

22 **SEC. 501. SHORT TITLE.**

23 This title may be cited as the “Small Business Pro-  
24 grams Reauthorization Act of 2000”.

1 **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**  
2 **GRAMS.**

3 Section 20 of the Small Business Act (15 U.S.C. 631  
4 note) is amended by adding at the end the following:

5 “(g) FISCAL YEAR 2001.—

6 “(1) PROGRAM LEVELS.—The following pro-  
7 gram levels are authorized for fiscal year 2001:

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

11 “(i) \$45,000,000 in technical assist-  
12 ance grants as provided in section 7(m);  
13 and

14 “(ii) \$60,000,000 in direct loans, as  
15 provided in 7(m).

16 “(B) For the programs authorized by this  
17 Act, the Administration is authorized to make  
18 \$19,050,000,000 in deferred participation loans  
19 and other financings. Of such sum, the Admin-  
20 istration is authorized to make—

21 “(i) \$14,500,000,000 in general busi-  
22 ness loans as provided in section 7(a);

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

1                   “(iii) \$500,000,000 in loans as pro-  
2                   vided in section 7(a)(21); and

3                   “(iv) \$50,000,000 in loans as pro-  
4                   vided in section 7(m).

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

9                   “(i) \$2,500,000,000 in purchases of  
10                   participating securities; and

11                   “(ii) \$1,500,000,000 in guarantees of  
12                   debentures.

13                   “(D) For the programs authorized by part  
14                   B of title IV of the Small Business Investment  
15                   Act of 1958, the Administration is authorized  
16                   to enter into guarantees not to exceed  
17                   \$4,000,000,000 of which not more than 50 per-  
18                   cent may be in bonds approved pursuant to sec-  
19                   tion 411(a)(3) of that Act.

20                   “(E) The Administration is authorized to  
21                   make grants or enter cooperative agreements  
22                   for a total amount of \$5,000,000 for the Serv-  
23                   ice Corps of Retired Executives program au-  
24                   thorized by section 8(b)(1).

25                   “(2) ADDITIONAL AUTHORIZATIONS.—

1           “(A) There are authorized to be appro-  
2           priated to the Administration for fiscal year  
3           2001 such sums as may be necessary to carry  
4           out the provisions of this Act not elsewhere pro-  
5           vided for, including administrative expenses and  
6           necessary loan capital for disaster loans pursu-  
7           ant to section 7(b), and to carry out title IV of  
8           the Small Business Investment Act of 1958, in-  
9           cluding salaries and expenses of the Adminis-  
10          tration.

11          “(B) Notwithstanding any other provision  
12          of this paragraph, for fiscal year 2001—

13                 “(i) no funds are authorized to be  
14                 used as loan capital for the loan program  
15                 authorized by section 7(a)(21) except by  
16                 transfer from another Federal department  
17                 or agency to the Administration, unless the  
18                 program level authorized for general busi-  
19                 ness loans under paragraph (1)(B)(i) is  
20                 fully funded; and

21                 “(ii) the Administration may not ap-  
22                 prove loans on its own behalf or on behalf  
23                 of any other Federal department or agen-  
24                 cy, by contract or otherwise, under terms  
25                 and conditions other than those specifically

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

6 “(h) FISCAL YEAR 2002.—

7 “(1) PROGRAM LEVELS.—The following pro-  
8 gram levels are authorized for fiscal year 2002:

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

12 “(i) \$60,000,000 in technical assist-  
13 ance grants as provided in section 7(m);  
14 and

15 “(ii) \$80,000,000 in direct loans, as  
16 provided in 7(m).

17 “(B) For the programs authorized by this  
18 Act, the Administration is authorized to make  
19 \$20,050,000,000 in deferred participation loans  
20 and other financings. Of such sum, the Admin-  
21 istration is authorized to make—

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

24 “(ii) \$4,500,000,000 in financings as  
25 provided in section 7(a)(13) of this Act

1 and section 504 of the Small Business In-  
2 vestment Act of 1958;

3 “(iii) \$500,000,000 in loans as pro-  
4 vided in section 7(a)(21); and

5 “(iv) \$50,000,000 in loans as pro-  
6 vided in section 7(m).

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

11 “(i) \$3,500,000,000 in purchases of  
12 participating securities; and

13 “(ii) \$2,500,000,000 in guarantees of  
14 debentures.

15 “(D) For the programs authorized by part  
16 B of title IV of the Small Business Investment  
17 Act of 1958, the Administration is authorized  
18 to enter into guarantees not to exceed  
19 \$5,000,000,000 of which not more than 50 per-  
20 cent may be in bonds approved pursuant to sec-  
21 tion 411(a)(3) of that Act.

22 “(E) The Administration is authorized to  
23 make grants or enter cooperative agreements  
24 for a total amount of \$6,000,000 for the Serv-

1 ice Corps of Retired Executives program au-  
2 thorized by section 8(b)(1).

3 “(2) ADDITIONAL AUTHORIZATIONS.—

4 “(A) There are authorized to be appro-  
5 priated to the Administration for fiscal year  
6 2002 such sums as may be necessary to carry  
7 out the provisions of this Act not elsewhere pro-  
8 vided for, including administrative expenses and  
9 necessary loan capital for disaster loans pursu-  
10 ant to section 7(b), and to carry out title IV of  
11 the Small Business Investment Act of 1958, in-  
12 cluding salaries and expenses of the Adminis-  
13 tration.

14 “(B) Notwithstanding any other provision  
15 of this paragraph, for fiscal year 2002—

16 “(i) no funds are authorized to be  
17 used as loan capital for the loan program  
18 authorized by section 7(a)(21) except by  
19 transfer from another Federal department  
20 or agency to the Administration, unless the  
21 program level authorized for general busi-  
22 ness loans under paragraph (1)(B)(i) is  
23 fully funded; and

24 “(ii) the Administration may not ap-  
25 prove loans on its own behalf or on behalf

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

9 “(i) FISCAL YEAR 2003.—

10 “(1) PROGRAM LEVELS.—The following pro-  
11 gram levels are authorized for fiscal year 2003:

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

15 “(i) \$70,000,000 in technical assist-  
16 ance grants as provided in section 7(m);  
17 and

18 “(ii) \$100,000,000 in direct loans, as  
19 provided in 7(m).

20 “(B) For the programs authorized by this  
21 Act, the Administration is authorized to make  
22 \$21,550,000,000 in deferred participation loans  
23 and other financings. Of such sum, the Admin-  
24 istration is authorized to make—

1           “(i) \$16,000,000,000 in general busi-  
2           ness loans as provided in section 7(a);

3           “(ii) \$5,000,000,000 in financings as  
4           provided in section 7(a)(13) of this Act  
5           and section 504 of the Small Business In-  
6           vestment Act of 1958;

7           “(iii) \$500,000,000 in loans as pro-  
8           vided in section 7(a)(21); and

9           “(iv) \$50,000,000 in loans as pro-  
10          vided in section 7(m).

11          “(C) For the programs authorized by title  
12          III of the Small Business Investment Act of  
13          1958, the Administration is authorized to  
14          make—

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

17               “(ii) \$3,000,000,000 in guarantees of  
18               debentures.

19          “(D) For the programs authorized by part  
20          B of title IV of the Small Business Investment  
21          Act of 1958, the Administration is authorized  
22          to enter into guarantees not to exceed  
23          \$6,000,000,000 of which not more than 50 per-  
24          cent may be in bonds approved pursuant to sec-  
25          tion 411(a)(3) of that Act.

1           “(E) The Administration is authorized to  
2           make grants or enter into cooperative agree-  
3           ments for a total amount of \$7,000,000 for the  
4           Service Corps of Retired Executives program  
5           authorized by section 8(b)(1).

6           “(2) ADDITIONAL AUTHORIZATIONS.—

7           “(A) There are authorized to be appro-  
8           priated to the Administration for fiscal year  
9           2003 such sums as may be necessary to carry  
10          out the provisions of this Act not elsewhere pro-  
11          vided for, including administrative expenses and  
12          necessary loan capital for disaster loans pursu-  
13          ant to section 7(b), and to carry out title IV of  
14          the Small Business Investment Act of 1958, in-  
15          cluding salaries and expenses of the Adminis-  
16          tration.

17          “(B) Notwithstanding any other provision  
18          of this paragraph, for fiscal year 2003—

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

1           ness loans under paragraph (1)(B)(i) is  
2           fully funded; and

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

13 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

14          (a) DRUG-FREE WORKPLACE PROGRAM.—Section 27  
15 of the Small Business Act (15 U.S.C. 654) is amended—

16           (1) in the section heading, by striking “~~drug-~~  
17           ~~free workplace demonstration program~~” and insert-  
18           ing “~~paul d. coverdell drug-free workplace program~~”;  
19           and

20           (2) in subsection (g)(1), by striking  
21           “\$10,000,000 for fiscal years 1999 and 2000” and  
22           inserting “\$5,000,000 for each of fiscal years 2001  
23           through 2003”.

1 (b) HUBZONE PROGRAM.—Section 31 of the Small  
2 Business Act (15 U.S.C. 657a) is amended by adding at  
3 the end the following:

4 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
5 is authorized to be appropriated to carry out the program  
6 established by this section \$10,000,000 for each of fiscal  
7 years 2001 through 2003.”.

8 (c) VERY SMALL BUSINESS CONCERNS PROGRAM.—  
9 Section 304(i) of the Small Business Administration Re-  
10 authorization and Amendments Act of 1994 (Public Law  
11 103–403; 15 U.S.C. 644 note) is amended by striking  
12 “September 30, 2000” and inserting “September 30,  
13 2003”.

14 (d) SOCIALLY AND ECONOMICALLY DISADVANTAGED  
15 BUSINESSES PROGRAM.—Section 7102(c) of the Federal  
16 Acquisition Streamlining Act of 1994 (Public Law 103–  
17 355; 15 U.S.C. 644 note) is amended by striking “Sep-  
18 tember 30, 2000” and inserting “September 30, 2003”.

19 (e) SBDC SERVICES.—Section 21(c)(3)(T) of the  
20 Small Business Act (15 U.S.C. 648(c)(3)(T)) is amended  
21 by striking “2000” and inserting “2003”.

22 **SEC. 504. COSPONSORSHIP.**

23 (a) IN GENERAL.—Section 8(b)(1)(A) of the Small  
24 Business Act (15 U.S.C. 637(b)(1)(A)) is amended to read  
25 as follows:

1 “(1)(A) to provide—

2 “(i) technical, managerial, and informa-  
3 tional aids to small business concerns—

4 “(I) by advising and counseling on  
5 matters in connection with Government  
6 procurement and policies, principles, and  
7 practices of good management;

8 “(II) by cooperating and advising  
9 with—

10 “(aa) voluntary business, profes-  
11 sional, educational, and other non-  
12 profit organizations, associations, and  
13 institutions (except that the Adminis-  
14 tration shall take such actions as it  
15 determines necessary to ensure that  
16 such cooperation does not constitute  
17 or imply an endorsement by the Ad-  
18 ministration of the organization or its  
19 products or services, and shall ensure  
20 that it receives appropriate recogni-  
21 tion in all printed materials); and

22 “(bb) other Federal and State  
23 agencies;

24 “(III) by maintaining a clearinghouse  
25 for information on managing, financing,

1 and operating small business enterprises;

2 and

3 “(IV) by disseminating such informa-  
4 tion, including through recognition events,  
5 and by other activities that the Adminis-  
6 tration determines to be appropriate; and

7 “(ii) through cooperation with a profit-  
8 making concern (referred to in this paragraph  
9 as a ‘cosponsor’), training, information, and  
10 education to small business concerns, except  
11 that the Administration shall—

12 “(I) take such actions as it deter-  
13 mines to be appropriate to ensure that—

14 “(aa) the Administration receives  
15 appropriate recognition and publicity;

16 “(bb) the cooperation does not  
17 constitute or imply an endorsement by  
18 the Administration of any product or  
19 service of the cosponsor;

20 “(cc) unnecessary promotion of  
21 the products or services of the cospon-  
22 sor is avoided; and

23 “(dd) utilization of any one co-  
24 sponsor in a marketing area is mini-  
25 mized; and

1           “(II) develop an agreement, executed  
2           on behalf of the Administration by an em-  
3           ployee of the Administration in Wash-  
4           ington, the District of Columbia, that pro-  
5           vides, at a minimum, that—

6                   “(aa) any printed material to an-  
7                   nounce the cosponsorship or to be dis-  
8                   tributed at the cosponsored activity,  
9                   shall be approved in advance by the  
10                  Administration;

11                  “(bb) the terms and conditions of  
12                  the cooperation shall be specified;

13                  “(cc) only minimal charges may  
14                  be imposed on any small business con-  
15                  cern to cover the direct costs of pro-  
16                  viding the assistance;

17                  “(dd) the Administration may  
18                  provide to the cosponsorship mailing  
19                  labels, but not lists of names and ad-  
20                  dresses of small business concerns  
21                  compiled by the Administration;

22                  “(ee) all printed materials con-  
23                  taining the names of both the Admin-  
24                  istration and the cosponsor shall in-  
25                  clude a prominent disclaimer that the

1 cooperation does not constitute or  
2 imply an endorsement by the Adminis-  
3 tration of any product or service of  
4 the cosponsor; and

5 “(ff) the Administration shall en-  
6 sure that it receives appropriate rec-  
7 ognition in all cosponsorship printed  
8 materials.”.

9 (b) EXTENSION OF COSPONSORSHIP AUTHORITY.—  
10 Section 401(a)(2) of the Small Business Administration  
11 Reauthorization and Amendments Act of 1994 (15 U.S.C.  
12 637 note) is amended by striking “September 30, 2000”  
13 and inserting “September 30, 2003”.

14 **TITLE VI—HUBZONE PROGRAM**  
15 **Subtitle A—HUBZones in Native**  
16 **America**

17 **SEC. 601. SHORT TITLE.**

18 This subtitle may be cited as the “HUBZones in Na-  
19 tive America Act of 2000”.

20 **SEC. 602. HUBZONE SMALL BUSINESS CONCERN.**

21 Section 3(p)(3) of the Small Business Act (15 U.S.C.  
22 632(p)(3)) is amended to read as follows:

23 “(3) HUBZONE SMALL BUSINESS CONCERN.—

24 The term ‘HUBZone small business concern’  
25 means—

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

4           “(B) a small business concern that is—

5                 “(i) an Alaska Native Corporation  
6 owned and controlled by Natives (as deter-  
7 mined pursuant to section 29(e)(1) of the  
8 Alaska Native Claims Settlement Act (43  
9 U.S.C. 1626(e)(1))); or

10                “(ii) a direct or indirect subsidiary  
11 corporation, joint venture, or partnership  
12 of an Alaska Native Corporation qualifying  
13 pursuant to section 29(e)(1) of the Alaska  
14 Native Claims Settlement Act (43 U.S.C.  
15 1626(e)(1)), if that subsidiary, joint ven-  
16 ture, or partnership is owned and con-  
17 trolled by Natives (as determined pursuant  
18 to section 29(e)(2)) of the Alaska Native  
19 Claims Settlement Act (43 U.S.C.  
20 1626(e)(2))); or

21           “(C) a small business concern—

22                 “(i) that is wholly owned by one or  
23 more Indian tribal governments, or by a  
24 corporation that is wholly owned by one or  
25 more Indian tribal governments; or

1           “(ii) that is owned in part by one or  
2           more Indian tribal governments, or by a  
3           corporation that is wholly owned by one or  
4           more Indian tribal governments, if all  
5           other owners are either United States citi-  
6           zens or small business concerns.”.

7 **SEC. 603. QUALIFIED HUBZONE SMALL BUSINESS CON-**  
8 **CERN.**

9           (a) IN GENERAL.—Section 3(p)(5)(A)(i) of the Small  
10 Business Act (15 U.S.C. 632(p)(5)(A)(i)) is amended by  
11 striking subclauses (I) and (II) and inserting the fol-  
12 lowing:

13                           “(I) it is a HUBZone small busi-  
14                           ness concern—

15   “(aa) pursuant to subpara-  
16   graph (A) or (B) of paragraph  
17   (3), and that its principal office  
18   is located in a HUBZone and not  
19   fewer than 35 percent of its em-  
20   ployees reside in a HUBZone; or

21   “(bb) pursuant to paragraph  
22   (3)(C), and not fewer than 35  
23   percent of its employees engaged  
24   in performing a contract awarded  
25   to the small business concern on

1 the basis of a preference provided  
2 under section 31(b) reside within  
3 any Indian reservation governed  
4 by one or more of the tribal gov-  
5 ernment owners, or reside within  
6 any HUBZone adjoining any  
7 such Indian reservation;

8 “(II) the small business concern  
9 will attempt to maintain the applica-  
10 ble employment percentage under sub-  
11 clause (I) during the performance of  
12 any contract awarded to the small  
13 business concern on the basis of a  
14 preference provided under section  
15 31(b); and”.

16 (b) CLARIFYING AMENDMENT.—Section  
17 3(p)(5)(D)(i) of the Small Business Act (15 U.S.C.  
18 632(p)(5)(D)(i)) is amended by inserting “once the Ad-  
19 ministrator has made the certification required by sub-  
20 paragraph (A)(i) regarding a qualified HUBZone small  
21 business concern and has determined that subparagraph  
22 (A)(ii) does not apply to that concern,” before “include”.

23 **SEC. 604. OTHER DEFINITIONS.**

24 Section 3(p) of the Small Business Act (15 U.S.C.  
25 632(p)) is amended by adding at the end the following:

1           “(6) NATIVE AMERICAN SMALL BUSINESS CON-  
2           CERNS.—

3           “(A) ALASKA NATIVE CORPORATION.—The  
4           term ‘Alaska Native Corporation’ has the same  
5           meaning as the term ‘Native Corporation’ in  
6           section 3 of the Alaska Native Claims Settle-  
7           ment Act (43 U.S.C. 1602).

8           “(B) ALASKA NATIVE VILLAGE.—The term  
9           ‘Alaska Native Village’ has the same meaning  
10          as the term ‘Native village’ in section 3 of the  
11          Alaska Native Claims Settlement Act (43  
12          U.S.C. 1602).

13          “(C) INDIAN RESERVATION.—The term  
14          ‘Indian reservation’—

15                 “(i) has the same meaning as the  
16                 term ‘Indian country’ in section 1151 of  
17                 title 18, United States Code, except that  
18                 such term does not include—

19                         “(I) any lands that are located  
20                         within a State in which a tribe did not  
21                         exercise governmental jurisdiction on  
22                         the date of the enactment of this  
23                         paragraph, unless that tribe is recog-  
24                         nized after that date of the enactment  
25                         by either an Act of Congress or pur-

1 suant to regulations of the Secretary  
2 of the Interior for the administrative  
3 recognition that an Indian group ex-  
4 ists as an Indian tribe (part 83 of  
5 title 25, Code of Federal Regulations);  
6 and

7 “(II) lands taken into trust or  
8 acquired by an Indian tribe after the  
9 date of the enactment of this para-  
10 graph if such lands are not located  
11 within the external boundaries of an  
12 Indian reservation or former reserva-  
13 tion or are not contiguous to the lands  
14 held in trust or restricted status on  
15 that date of the enactment; and

16 “(ii) in the State of Oklahoma, means  
17 lands that—

18 “(I) are within the jurisdictional  
19 areas of an Oklahoma Indian tribe (as  
20 determined by the Secretary of the In-  
21 terior); and

22 “(II) are recognized by the Sec-  
23 retary of the Interior as eligible for  
24 trust land status under part 151 of  
25 title 25, Code of Federal Regulations

1 (as in effect on the date of the enact-  
2 ment of this paragraph).”.

3 **Subtitle B—Other HUBZone**  
4 **Provisions**

5 **SEC. 611. DEFINITIONS.**

6 (a) QUALIFIED CENSUS TRACT.—Section 3(p)(4)(A)  
7 of the Small Business Act (15 U.S.C. 632(p)(4)(A)) is  
8 amended by striking “(I)”.

9 (b) QUALIFIED NONMETROPOLITAN COUNTY.—Sec-  
10 tion 3(p)(4) of the Small Business Act (15 U.S.C.  
11 632(p)(4)) is amended by striking subparagraph (B) and  
12 inserting the following:

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

16 “(i) that was not located in a metro-  
17 politan statistical area (as defined in sec-  
18 tion 143(k)(2)(B) of the Internal Revenue  
19 Code of 1986) at the time of the most re-  
20 cent census taken for purposes of selecting  
21 qualified census tracts under section  
22 42(d)(5)(C)(ii) of the Internal Revenue  
23 Code of 1986; and

24 “(ii) in which—

1                   “(I) the median household in-  
2                   come is less than 80 percent of the  
3                   nonmetropolitan State median house-  
4                   hold income, based on the most recent  
5                   data available from the Bureau of the  
6                   Census of the Department of Com-  
7                   merce; or

8                   “(II) the unemployment rate is  
9                   not less than 140 percent of the  
10                  Statewide average unemployment rate  
11                  for the State in which the county is  
12                  located, based on the most recent data  
13                  available from the Secretary of  
14                  Labor.”.

15 **SEC. 612. ELIGIBLE CONTRACTS.**

16                  (a) **COMMODITIES CONTRACTS.**—Section 31(b)(3) of  
17 the Small Business Act (15 U.S.C. 657a(b)(3)) is  
18 amended—

19                   (1) by striking “In any” and inserting the fol-  
20                  lowing:

21                   “(A) **IN GENERAL.**—Subject to subpara-  
22                  graph (B), in any”; and

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

24                   “(B) **PROCUREMENT OF COMMODITIES.**—

25                  For purchases by the Secretary of Agriculture

1 of agricultural commodities, the price evaluation  
2 preference shall be—

3 “(i) 10 percent, for the portion of a  
4 contract to be awarded that is not greater  
5 than 25 percent of the total volume being  
6 procured for each commodity in a single  
7 invitation;

8 “(ii) 5 percent, for the portion of a  
9 contract to be awarded that is greater than  
10 25 percent, but not greater than 40 per-  
11 cent, of the total volume being procured  
12 for each commodity in a single invitation;  
13 and

14 “(iii) zero, for the portion of a con-  
15 tract to be awarded that is greater than 40  
16 percent of the total volume being procured  
17 for each commodity in a single invitation.

18 “(C) TREATMENT OF PREFERENCE.—A  
19 contract awarded to a HUBZone small business  
20 concern under a preference described in sub-  
21 paragraph (B) shall not be counted toward the  
22 fulfillment of any requirement partially set  
23 aside for competition restricted to small busi-  
24 ness concerns.”.

1 (b) DEFINITIONS.—Section 3(p) of the Small Busi-  
2 ness Act (15 U.S.C. 632(p)), as amended by this Act, is  
3 amended—

4 (1) in paragraph (5)(A)(i)(III)—

5 (A) in item (aa), by striking “and” at the  
6 end; and

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

8 “(cc) in the case of a con-  
9 tract for the procurement by the  
10 Secretary of Agriculture of agri-  
11 cultural commodities, none of the  
12 commodity being procured will be  
13 obtained by the prime contractor  
14 through a subcontract for the  
15 purchase of the commodity in  
16 substantially the final form in  
17 which it is to be supplied to the  
18 Government; and”;

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

20 “(7) AGRICULTURAL COMMODITY.—The term  
21 ‘agricultural commodity’ has the same meaning as in  
22 section 102 of the Agricultural Trade Act of 1978  
23 (7 U.S.C. 5602).”.

1 **SEC. 613. HUBZONE REDESIGNATED AREAS.**

2 Section 3(p) of the Small Business Act (15 U.S.C.  
3 632(p)) is amended—

4 (1) in paragraph (1)—

5 (A) in subparagraph (B), by striking “or”  
6 at the end;

7 (B) in subparagraph (C), by striking the  
8 period at the end and inserting “; or”; and

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

10 “(D) redesignated areas.”; and

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

13 “(C) REDESIGNATED AREA.—The term  
14 ‘redesignated area’ means any census tract that  
15 ceases to be qualified under subparagraph (A)  
16 and any nonmetropolitan county that ceases to  
17 be qualified under subparagraph (B), except  
18 that a census tract or a nonmetropolitan county  
19 may be a ‘redesignated area’ only for the 3-year  
20 period following the date on which the census  
21 tract or nonmetropolitan county ceased to be so  
22 qualified.”.

23 **SEC. 614. COMMUNITY DEVELOPMENT.**

24 Section 3(p) of the Small Business Act (15 U.S.C.  
25 632(p)), as amended by this Act, is amended—

26 (1) in paragraph (3)—

1 (A) in subparagraph (B), by striking “or”  
2 at the end;

3 (B) in subparagraph (C), by striking the  
4 period at the end and inserting “; or”; and

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

6 “(D) a small business concern that is—

7 “(i) wholly owned by a community de-  
8 velopment corporation that has received fi-  
9 nancial assistance under part 1 of sub-  
10 chapter A of the Community Economic De-  
11 velopment Act of 1981 (42 U.S.C. 9805 et  
12 seq.); or

13 “(ii) owned in part by one or more  
14 community development corporations, if all  
15 other owners are either United States citi-  
16 zens or small business concerns.”; and

17 (2) in paragraph (5)(A)(i)(I)(aa), by striking  
18 “subparagraph (A) or (B)” and inserting “subpara-  
19 graph (A), (B), or (D)”.

20 **SEC. 615. REFERENCE CORRECTIONS.**

21 (a) SECTION 3.—Section 3(p)(5)(C) of the Small  
22 Business Act (15 U.S.C. 632(p)(5)(C)) is amended by  
23 striking “subclause (IV) and (V) of subparagraph (A)(i)”  
24 and inserting “items (aa) and (bb) of subparagraph  
25 (A)(i)(III)”.

1 (b) SECTION 8.—Section 8(d)(4)(D) of the Small  
2 Business Act (15 U.S.C. 637(d)(4)(D)) is amended by in-  
3 serting “qualified HUBZone small business concerns,”  
4 after “small business concerns,”.

5 **TITLE VII—NATIONAL WOMEN’S**  
6 **BUSINESS COUNCIL REAU-**  
7 **THORIZATION**

8 **SEC. 701. SHORT TITLE.**

9 This title may be cited as the “National Women’s  
10 Business Council Reauthorization Act of 2000”.

11 **SEC. 702. MEMBERSHIP OF THE COUNCIL.**

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

14 (1) in subsection (a), by striking “Not later”  
15 and all that follows through “the President” and in-  
16 serting “The President”;

17 (2) in subsection (b)—

18 (A) by striking “Not later” and all that  
19 follows through “the Administrator” and insert-  
20 ing “The Administrator”; and

21 (B) by striking “the Assistant Adminis-  
22 trator of the Office of Women’s Business Own-  
23 ership and”;

1           (3) in subsection (d), by striking “, except  
2           that” and all that follows through the end of the  
3           subsection and inserting a period; and

4           (4) in subsection (h), by striking “Not later”  
5           and all that follows through “the Administrator”  
6           and inserting “The Administrator”.

7   **SEC. 703. REPEAL OF PROCUREMENT PROJECT.**

8           Section 409 of the Women’s Business Ownership Act  
9           of 1988 (15 U.S.C. 631 note) is repealed.

10   **SEC. 704. STUDIES AND OTHER RESEARCH.**

11           Section 410 of the Women’s Business Ownership Act  
12           of 1988 (15 U.S.C. 631 note) is amended to read as fol-  
13           lows:

14   **“SEC. 409. STUDIES AND OTHER RESEARCH.**

15           “(a) IN GENERAL.—The Council may conduct such  
16           studies and other research relating to the award of Fed-  
17           eral prime contracts and subcontracts to women-owned  
18           businesses, to access to credit and investment capital by  
19           women entrepreneurs, or to other issues relating to  
20           women-owned businesses, as the Council determines to be  
21           appropriate.

22           “(b) CONTRACT AUTHORITY.—In conducting any  
23           study or other research under this section, the Council  
24           may contract with one or more public or private entities.”.

1 **SEC. 705. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 411 of the Women’s Business Ownership Act  
3 of 1988 (15 U.S.C. 631 note) is amended to read as fol-  
4 lows:

5 **“SEC. 410. AUTHORIZATION OF APPROPRIATIONS.**

6 “(a) IN GENERAL.—There is authorized to be appro-  
7 priated to carry out this title \$1,000,000, for each of fiscal  
8 years 2001 through 2003, of which \$550,000 shall be  
9 available in each such fiscal year to carry out section 409.

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

16 **TITLE VIII—MISCELLANEOUS**  
17 **PROVISIONS**

18 **SEC. 801. LOAN APPLICATION PROCESSING.**

19 (a) STUDY.—The Administrator of the Small Busi-  
20 ness Administration shall conduct a study to determine  
21 the average time that the Administration requires to proc-  
22 ess an application for each type of loan or loan guarantee  
23 made under the Small Business Act (15 U.S.C. 631 et  
24 seq.).

25 (b) TRANSMITTAL.—Not later than 1 year after the  
26 date of the enactment of this Act, the Administrator shall

1 transmit to Congress the results of the study conducted  
2 under subsection (a).

3 **SEC. 802. APPLICATION OF OWNERSHIP REQUIREMENTS.**

4 (a) SMALL BUSINESS ACT.—Section 7(a) of the  
5 Small Business Act (15 U.S.C. 636(a)) is amended by  
6 adding at the end the following:

7 “(30) OWNERSHIP REQUIREMENTS.—Owner-  
8 ship requirements to determine the eligibility of a  
9 small business concern that applies for assistance  
10 under any credit program under this Act shall be de-  
11 termined without regard to any ownership interest of  
12 a spouse arising solely from the application of the  
13 community property laws of a State for purposes of  
14 determining marital interests.”

15 (b) SMALL BUSINESS INVESTMENT ACT OF 1958.—  
16 Section 502 of the Small Business Investment Act of 1958  
17 (15 U.S.C. 696) is amended by adding at the end the fol-  
18 lowing:

19 “(6) OWNERSHIP REQUIREMENTS.—Ownership  
20 requirements to determine the eligibility of a small  
21 business concern that applies for assistance under  
22 any credit program under this title shall be deter-  
23 mined without regard to any ownership interest of a  
24 spouse arising solely from the application of the

1 community property laws of a State for purposes of  
2 determining marital interests.”.

3 **SEC. 803. SUBCONTRACTING PREFERENCE FOR VETERANS.**

4 Section 8(d) of the Small Business Act (15 U.S.C.  
5 637(d)) is amended—

6 (1) in paragraph (1), by inserting “small busi-  
7 ness concerns owned and controlled by veterans,”  
8 after “small business concerns,” the first place that  
9 term appears in each of the first and second sen-  
10 tences;

11 (2) in paragraph (3)—

12 (A) in subparagraph (A), by inserting  
13 “small business concerns owned and controlled  
14 by service-disabled veterans,” after “small busi-  
15 ness concerns owned and controlled by vet-  
16 erans,” in each of the first and second sen-  
17 tences; and

18 (B) in subparagraph (F), by inserting  
19 “small business concern owned and controlled  
20 by service-disabled veterans,” after “small busi-  
21 ness concern owned and controlled by vet-  
22 erans,”; and

23 (3) in each of paragraphs (4)(D), (4)(E),  
24 (6)(A), (6)(C), (6)(F), and (10)(B), by inserting  
25 “small business concerns owned and controlled by

1 service-disabled veterans,” after “small business con-  
2 cerns owned and controlled by veterans,”.

3 **SEC. 804. SMALL BUSINESS DEVELOPMENT CENTER PRO-**  
4 **GRAM FUNDING.**

5 (a) AUTHORIZATION.—

6 (1) IN GENERAL.—Section 20(a)(1) of the  
7 Small Business Act (15 U.S.C. 631 note) is amend-  
8 ed by striking “For fiscal year 1985” and all that  
9 follows through “expended.” and inserting the fol-  
10 lowing: “For fiscal year 2000 and each fiscal year  
11 thereafter, there are authorized to be appropriated  
12 such sums as may be necessary and appropriate, to  
13 remain available until expended, and to be available  
14 solely—

15 “(A) to carry out the Small Business Develop-  
16 ment Center Program under section 21, but not to  
17 exceed the annual funding level, as specified in sec-  
18 tion 21(a);

19 “(B) to pay the expenses of the National Small  
20 Business Development Center Advisory Board, as  
21 provided in section 21(i);

22 “(C) to pay the expenses of the information  
23 sharing system, as provided in section 21(e)(8);

24 “(D) to pay the expenses of the association re-  
25 ferred to in section 21(a)(3)(A) for conducting the

1 certification program, as provided in section  
2 21(k)(2); and

3 “(E) to pay the expenses of the Administration,  
4 including salaries of examiners, for conducting ex-  
5 aminations as part of the certification program con-  
6 ducted by the association referred to in section  
7 21(a)(3)(A).”.

8 (2) TECHNICAL AMENDMENT.—Section 20(a) of  
9 the Small Business Act (15 U.S.C. 631 note) is  
10 amended by moving the margins of paragraphs (3)  
11 and (4), including subparagraphs (A) and (B) of  
12 paragraph (4), 2 ems to the left.

13 (b) FUNDING FORMULA.—Section 21(a)(4)(C) of the  
14 Small Business Act (15 U.S.C. 648(a)(4)(C)) is amended  
15 to read as follows:

16 “(C) FUNDING FORMULA.—

17 “(i) IN GENERAL.—Subject to clause (iii),  
18 the amount of a formula grant received by a  
19 State under this subparagraph shall be equal to  
20 an amount determined in accordance with the  
21 following formula:

22 “(I) The annual amount made avail-  
23 able under section 20(a) for the Small  
24 Business Development Center Program,  
25 less any reductions made for expenses au-

1           thorized by clause (v) of this subpara-  
2           graph, shall be divided on a pro rata basis,  
3           based on the percentage of the population  
4           of each State, as compared to the popu-  
5           lation of the United States.

6           “(II) If the pro rata amount cal-  
7           culated under subclause (I) for any State  
8           is less than the minimum funding level  
9           under clause (iii), the Administration shall  
10          determine the aggregate amount necessary  
11          to achieve that minimum funding level for  
12          each such State.

13          “(III) The aggregate amount cal-  
14          culated under subclause (II) shall be de-  
15          ducted from the amount calculated under  
16          subclause (I) for States eligible to receive  
17          more than the minimum funding level. The  
18          deductions shall be made on a pro rata  
19          basis, based on the population of each such  
20          State, as compared to the total population  
21          of all such States.

22          “(IV) The aggregate amount deducted  
23          under subclause (III) shall be added to the  
24          grants of those States that are not eligible  
25          to receive more than the minimum funding

1 level in order to achieve the minimum  
2 funding level for each such State, except  
3 that the eligible amount of a grant to any  
4 State shall not be reduced to an amount  
5 below the minimum funding level.

6 “(ii) GRANT DETERMINATION.—The  
7 amount of a grant that a State is eligible to  
8 apply for under this subparagraph shall be the  
9 amount determined under clause (i), subject to  
10 any modifications required under clause (iii),  
11 and shall be based on the amount available for  
12 the fiscal year in which performance of the  
13 grant commences, but not including amounts  
14 distributed in accordance with clause (iv). The  
15 amount of a grant received by a State under  
16 any provision of this subparagraph shall not ex-  
17 ceed the amount of matching funds from  
18 sources other than the Federal Government, as  
19 required under subparagraph (A).

20 “(iii) MINIMUM FUNDING LEVEL.—The  
21 amount of the minimum funding level for each  
22 State shall be determined for each fiscal year  
23 based on the amount made available for that  
24 fiscal year to carry out this section, as follows:

1           “(I) If the amount made available is  
2           not less than \$81,500,000 and not more  
3           than \$90,000,000, the minimum funding  
4           level shall be \$500,000.

5           “(II) If the amount made available is  
6           less than \$81,500,000, the minimum fund-  
7           ing level shall be the remainder of  
8           \$500,000 minus a percentage of \$500,000  
9           equal to the percentage amount by which  
10          the amount made available is less than  
11          \$81,500,000.

12          “(III) If the amount made available is  
13          more than \$90,000,000, the minimum  
14          funding level shall be the sum of \$500,000  
15          plus a percentage of \$500,000 equal to the  
16          percentage amount by which the amount  
17          made available exceeds \$90,000,000.

18          “(iv) DISTRIBUTIONS.—Subject to clause  
19          (iii), if any State does not apply for, or use, its  
20          full funding eligibility for a fiscal year, the Ad-  
21          ministration shall distribute the remaining  
22          funds as follows:

23                 “(I) If the grant to any State is less  
24                 than the amount received by that State in  
25                 fiscal year 2000, the Administration shall

1 distribute such remaining funds, on a pro  
2 rata basis, based on the percentage of  
3 shortage of each such State, as compared  
4 to the total amount of such remaining  
5 funds available, to the extent necessary in  
6 order to increase the amount of the grant  
7 to the amount received by that State in fis-  
8 cal year 2000, or until such funds are ex-  
9 hausted, whichever first occurs.

10 “(II) If any funds remain after the  
11 application of subclause (I), the remaining  
12 amount may be distributed as supple-  
13 mental grants to any State, as the Admin-  
14 istration determines, in its discretion, to be  
15 appropriate, after consultation with the as-  
16 sociation referred to in subsection  
17 (a)(3)(A).

18 “(v) USE OF AMOUNTS.—

19 “(I) IN GENERAL.—Of the amounts  
20 made available in any fiscal year to carry  
21 out this section—

22 “(aa) not more than \$500,000  
23 may be used by the Administration to  
24 pay expenses enumerated in subpara-

1 graphs (B) through (D) of section  
2 20(a)(1); and

3 “(bb) not more than \$500,000  
4 may be used by the Administration to  
5 pay the examination expenses enumer-  
6 ated in section 20(a)(1)(E).

7 “(II) LIMITATION.—No funds de-  
8 scribed in subclause (I) may be used for  
9 examination expenses under section  
10 20(a)(1)(E) if the usage would reduce the  
11 amount of grants made available under  
12 clause (i)(I) of this subparagraph to less  
13 than \$85,000,000 (after excluding any  
14 amounts provided in appropriations Acts  
15 for specific institutions or for purposes  
16 other than the general small business de-  
17 velopment center program) or would fur-  
18 ther reduce the amount of such grants  
19 below such amount.

20 “(vi) EXCLUSIONS.—Grants provided to a  
21 State by the Administration or another Federal  
22 agency to carry out subsection (a)(6) or  
23 (c)(3)(G), or for supplemental grants set forth  
24 in clause (iv)(II) of this subparagraph, shall not  
25 be included in the calculation of maximum

1 funding for a State under clause (ii) of this  
2 subparagraph.

3 “(vii) AUTHORIZATION OF APPROPRIA-  
4 TIONS.—There is authorized to be appropriated  
5 to carry out this subparagraph \$125,000,000  
6 for each of fiscal years 2001, 2002, and 2003.

7 “(viii) STATE DEFINED.—In this subpara-  
8 graph, the term ‘State’ means each of the sev-  
9 eral States, the District of Columbia, the Com-  
10 monwealth of Puerto Rico, the Virgin Islands,  
11 Guam, and American Samoa.”.

12 **SEC. 805. SURETY BONDS.**

13 (a) CONTRACT AMOUNTS.—Section 411 of the Small  
14 Business Investment Act of 1958 (15 U.S.C. 694b) is  
15 amended—

16 (1) in subsection (a)(1), by striking  
17 “\$1,250,000” and inserting “\$2,000,000”; and

18 (2) in subsection (e)(2), by striking  
19 “\$1,250,000” and inserting “\$2,000,000”.

20 (b) EXTENSION OF CERTAIN AUTHORITY.—Section  
21 207 of the Small Business Administration Reauthorization  
22 and Amendment Act of 1988 (15 U.S.C. 694b note) is  
23 amended by striking “2000” and inserting “2003”.

1 **SEC. 806. SIZE STANDARDS.**

2 (a) **INDUSTRY CLASSIFICATIONS.**—Section 15(a) of  
3 the Small Business Act (15 U.S.C. 644(a)) is amended  
4 in the eighth sentence, by striking “four-digit standard”  
5 and all that follows through “published” and inserting  
6 “definition of a ‘United States industry’ under the North  
7 American Industry Classification System, as established”.

8 (b) **ANNUAL RECEIPTS.**—Section 3(a)(1) of the  
9 Small Business Act (15 U.S.C. 632(a)(1)) is amended by  
10 striking “\$500,000” and inserting “\$750,000”.

11 **SEC. 807. NATIVE HAWAIIAN ORGANIZATIONS UNDER SEC-**  
12 **TION 8(a).**

13 Section 8(a)(15)(A) of the Small Business Act (15  
14 U.S.C. 637(a)(15)(A)) is amended to read as follows:

15 “(A) is a nonprofit corporation that has filed  
16 articles of incorporation with the director (or the  
17 designee thereof) of the Hawaii Department of Com-  
18 merce and Consumer Affairs, or any successor agen-  
19 cy,”.

20 **SEC. 808. NATIONAL VETERANS BUSINESS DEVELOPMENT**  
21 **CORPORATION CORRECTION.**

22 Section 33(k) of the Small Business Act (15 U.S.C.  
23 657e(k)) is amended—

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

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

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

5                     “(B) \$4,000,000 for fiscal year 2002;

6                     “(C) \$2,000,000 for fiscal year 2003; and

7                     “(D) \$2,000,000 for fiscal year 2004.”;

8           (2) in paragraph (2)(A), by striking “2001”  
9           each place it appears and inserting “2002”; and

10           (3) in paragraph (2)(B), by striking “2002 or  
11           2003” and inserting “2003 or 2004”.

12 **SEC. 809. PRIVATE SECTOR RESOURCES FOR SCORE.**

13           Section 8(b)(1)(B) of the Small Business Act (15  
14 U.S.C. 637(b)(1)(B)) is amended by adding at the end  
15 the following: “Notwithstanding any other provision of  
16 law, SCORE may solicit cash and in-kind contributions  
17 from the private sector to be used to carry out its func-  
18 tions under this Act, and may use payments made by the  
19 Administration pursuant to this subparagraph for such so-  
20 licitation.”.

21 **SEC. 810. CONTRACT DATA COLLECTION.**

22           Section 15 of the Small Business Act (15 U.S.C. 644)  
23 is amended by adding at the end the following new sub-  
24 section:

1       “(p) DATABASE, ANALYSIS, AND ANNUAL REPORT  
2 WITH RESPECT TO BUNDLED CONTRACTS.—

3           “(1) BUNDLED CONTRACT DEFINED.—In this  
4 subsection, the term ‘bundled contract’ has the  
5 meaning given such term in section 3(o)(1).

6           “(2) DATABASE.—

7           “(A) IN GENERAL.—Not later than 180  
8 days after the date of the enactment of this  
9 subsection, the Administrator of the Small  
10 Business Administration shall develop and shall  
11 thereafter maintain a database containing data  
12 and information regarding—

13                   “(i) each bundled contract awarded by  
14 a Federal agency; and

15                   “(ii) each small business concern that  
16 has been displaced as a prime contractor  
17 as a result of the award of such a contract.

18           “(3) ANALYSIS.—For each bundled contract  
19 that is to be recompeted as a bundled contract, the  
20 Administrator shall determine—

21           “(A) the amount of savings and benefits  
22 (in accordance with subsection (e)) achieved  
23 under the bundling of contract requirements;  
24 and

1           “(B) whether such savings and benefits  
2 will continue to be realized if the contract re-  
3 mains bundled, and whether such savings and  
4 benefits would be greater if the procurement re-  
5 quirements were divided into separate solicita-  
6 tions suitable for award to small business con-  
7 cerns.

8           “(4) ANNUAL REPORT ON CONTRACT BUN-  
9 DLING.—

10           “(A) IN GENERAL.—Not later than 1 year  
11 after the date of the enactment of this para-  
12 graph, and annually in March thereafter, the  
13 Administration shall transmit a report on con-  
14 tract bundling to the Committees on Small  
15 Business of the House of Representatives and  
16 the Senate.

17           “(B) CONTENTS.—Each report trans-  
18 mitted under subparagraph (A) shall include—

19           “(i) data on the number, arranged by  
20 industrial classification, of small business  
21 concerns displaced as prime contractors as  
22 a result of the award of bundled contracts  
23 by Federal agencies; and

24           “(ii) a description of the activities  
25 with respect to previously bundled con-

1 tracts of each Federal agency during the  
2 preceding year, including—

3 “(I) data on the number and  
4 total dollar amount of all contract re-  
5 quirements that were bundled; and

6 “(II) with respect to each bun-  
7 dled contract, data or information  
8 on—

9 “(aa) the justification for  
10 the bundling of contract require-  
11 ments;

12 “(bb) the cost savings real-  
13 ized by bundling the contract re-  
14 quirements over the life of the  
15 contract;

16 “(cc) the extent to which  
17 maintaining the bundled status  
18 of contract requirements is pro-  
19 jected to result in continued cost  
20 savings;

21 “(dd) the extent to which  
22 the bundling of contract require-  
23 ments complied with the con-  
24 tracting agency’s small business  
25 subcontracting plan, including

1 the total dollar value awarded to  
2 small business concerns as sub-  
3 contractors and the total dollar  
4 value previously awarded to small  
5 business concerns as prime con-  
6 tractors; and

7 “(ee) the impact of the bun-  
8 dling of contract requirements on  
9 small business concerns unable to  
10 compete as prime contractors for  
11 the consolidated requirements  
12 and on the industries of such  
13 small business concerns, includ-  
14 ing a description of any changes  
15 to the proportion of any such in-  
16 dustry that is composed of small  
17 business concerns.

18 “(5) ACCESS TO DATA.—

19 “(A) FEDERAL PROCUREMENT DATA SYS-  
20 TEM.—To assist in the implementation of this  
21 section, the Administration shall have access to  
22 information collected through the Federal Pro-  
23 curement Data System.

24 “(B) AGENCY PROCUREMENT DATA  
25 SOURCES.—To assist in the implementation of

1 this section, the head of each contracting agen-  
2 cy shall provide, upon request of the Adminis-  
3 tration, procurement information collected  
4 through existing agency data collection  
5 sources.”.

6 **SEC. 811. PROCUREMENT PROGRAM FOR WOMEN-OWNED**  
7 **SMALL BUSINESS CONCERNS.**

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

10 “(m) **PROCUREMENT PROGRAM FOR WOMEN-OWNED**  
11 **SMALL BUSINESS CONCERNS.—**

12 “(1) **DEFINITIONS.—**In this subsection, the fol-  
13 lowing definitions apply:

14 “(A) **CONTRACTING OFFICER.—**The term  
15 ‘contracting officer’ has the meaning given such  
16 term in section 27(f)(5) of the Office of Fed-  
17 eral Procurement Policy Act (41 U.S.C.  
18 423(f)(5)).

19 “(B) **SMALL BUSINESS CONCERN OWNED**  
20 **AND CONTROLLED BY WOMEN.—**The term  
21 ‘small business concern owned and controlled by  
22 women’ has the meaning given such term in  
23 section 3(n), except that ownership shall be de-  
24 termined without regard to any community  
25 property law.

1           “(2) AUTHORITY TO RESTRICT COMPETITION.—

2           In accordance with this subsection, a contracting of-  
3           ficer may restrict competition for any contract for  
4           the procurement of goods or services by the Federal  
5           Government to small business concerns owned and  
6           controlled by women, if—

7                   “(A) each of the concerns is not less than  
8                   51 percent owned by one or more women who  
9                   are economically disadvantaged (and such own-  
10                  ership is determined without regard to any  
11                  community property law);

12                  “(B) the contracting officer has a reason-  
13                  able expectation that two or more small busi-  
14                  ness concerns owned and controlled by women  
15                  will submit offers for the contract;

16                  “(C) the contract is for the procurement of  
17                  goods or services with respect to an industry  
18                  identified by the Administrator pursuant to  
19                  paragraph (3);

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

22                          “(i) \$5,000,000, in the case of a con-  
23                          tract assigned an industrial classification  
24                          code for manufacturing; or

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

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

6                   “(F) each of the concerns—

7                   “(i) is certified by a Federal agency,  
8                   a State government, or a national certi-  
9                   fying entity approved by the Adminis-  
10                  trator, as a small business concern owned  
11                  and controlled by women; or

12                  “(ii) certifies to the contracting officer  
13                  that it is a small business concern owned  
14                  and controlled by women and provides ade-  
15                  quate documentation, in accordance with  
16                  standards established by the Administra-  
17                  tion, to support such certification.

18                  “(3) WAIVER.—With respect to a small busi-  
19                  ness concern owned and controlled by women, the  
20                  Administrator may waive subparagraph (2)(A) if the  
21                  Administrator determines that the concern is in an  
22                  industry in which small business concerns owned  
23                  and controlled by women are substantially underrep-  
24                  resented.

1           “(4) IDENTIFICATION OF INDUSTRIES.—The  
2 Administrator shall conduct a study to identify in-  
3 dustries in which small business concerns owned and  
4 controlled by women are underrepresented with re-  
5 spect to Federal procurement contracting.

6           “(5) ENFORCEMENT; PENALTIES.—

7           “(A) VERIFICATION OF ELIGIBILITY.—In  
8 carrying out this subsection, the Administrator  
9 shall establish procedures relating to—

10           “(i) the filing, investigation, and dis-  
11 position by the Administration of any chal-  
12 lenge to the eligibility of a small business  
13 concern to receive assistance under this  
14 subsection (including a challenge, filed by  
15 an interested party, relating to the veracity  
16 of a certification made or information pro-  
17 vided to the Administration by a small  
18 business concern under paragraph (2)(F));  
19 and

20           “(ii) verification by the Administrator  
21 of the accuracy of any certification made  
22 or information provided to the Administra-  
23 tion by a small business concern under  
24 paragraph (2)(F).

1           “(B) EXAMINATIONS.—The procedures es-  
2           tablished under subparagraph (A) may provide  
3           for program examinations (including random  
4           program examinations) by the Administrator of  
5           any small business concern making a certifi-  
6           cation or providing information to the Adminis-  
7           trator under paragraph (2)(F).

8           “(C) PENALTIES.—In addition to the pen-  
9           alties described in section 16(d), any small busi-  
10          ness concern that is determined by the Admin-  
11          istrator to have misrepresented the status of  
12          that concern as a small business concern owned  
13          and controlled by women for purposes of this  
14          subsection, shall be subject to—

15                   “(i) section 1001 of title 18, United  
16                   States Code; and

17                   “(ii) sections 3729 through 3733 of  
18                   title 31, United States Code.

19          “(6) PROVISION OF DATA.—Upon the request  
20          of the Administrator, the head of any Federal de-  
21          partment or agency shall promptly provide to the  
22          Administrator such information as the Adminis-  
23          trator determines to be necessary to carry out this  
24          subsection.”.

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