

107TH CONGRESS
1ST SESSION

H. R. 1010

To provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2001

Mr. UDALL of New Mexico (for himself, Mrs. KELLY, Mrs. NAPOLITANO, and Mr. UDALL of Colorado) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business and
5 Farm Energy Emergency Relief Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) a significant number of small businesses in
2 the United States, non-farm as well as agricultural
3 producers, use heating oil, natural gas, propane, ker-
4 osene, or electricity to heat their facilities and for
5 other purposes;

6 (2) a significant number of small businesses in
7 the United States sell, distribute, market, or other-
8 wise engage in commerce directly related to heating
9 oil, natural gas, propane, and kerosene; and

10 (3) sharp and significant increases in the price
11 of heating oil, natural gas, propane, or kerosene—

12 (A) disproportionately harm small busi-
13 nesses dependent on those fuels or that use,
14 sell, or distribute those fuels in the ordinary
15 course of their business, and can cause them
16 substantial economic injury;

17 (B) can negatively affect the national econ-
18 omy and regional economies;

19 (C) have occurred in the winters of 1983–
20 1984, 1988–1989, 1996–1997, and 1999–2000;
21 and

22 (D) can be caused by a host of factors, in-
23 cluding global or regional supply difficulties,
24 weather conditions, insufficient inventories, re-
25 finery capacity, transportation, and competitive

1 structures in the markets, causes that are often
2 unforeseeable to those who own and operate
3 small businesses.

4 **SEC. 3. SMALL BUSINESS ENERGY EMERGENCY DISASTER**
5 **LOAN PROGRAM.**

6 (a) IN GENERAL.—Section 7(b) of the Small Busi-
7 ness Act (15 U.S.C. 636(b)) is amended by inserting after
8 paragraph (3) the following:

9 “(4)(A) In this paragraph—

10 “(i) the term ‘heating fuel’ means heating
11 oil, natural gas, propane, or kerosene; and

12 “(ii) the term ‘sharp and significant in-
13 crease’ shall have the meaning given that term
14 by the Administrator, in consultation with the
15 Secretary of Energy.

16 “(B) The Administration may make such loans,
17 either directly or in cooperation with banks or other
18 lending institutions through agreements to partici-
19 pate on an immediate or deferred basis, to assist a
20 small business concern that has suffered or that is
21 likely to suffer substantial economic injury as the re-
22 sult of a sharp and significant increase in the price
23 of heating fuel or electricity.

1 “(C) Any loan or guarantee extended pursuant
2 to this paragraph shall be made at the same interest
3 rate as economic injury loans under paragraph (2).

4 “(D) No loan may be made under this para-
5 graph, either directly or in cooperation with banks
6 or other lending institutions through agreements to
7 participate on an immediate or deferred basis, if the
8 total amount outstanding and committed to the bor-
9 rower under this subsection would exceed
10 \$1,500,000, unless such applicant constitutes a
11 major source of employment in its surrounding area,
12 as determined by the Administration, in which case
13 the Administration, in its discretion, may waive the
14 \$1,500,000 limitation.

15 “(E) For purposes of assistance under this
16 paragraph—

17 “(i) a declaration of a disaster area based
18 on conditions specified in this paragraph shall
19 be required, and shall be made by the President
20 or the Administrator; or

21 “(ii) if no declaration has been made pur-
22 suant to clause (i), the Governor of a State in
23 which a sharp and significant increase in the
24 price of heating fuel or electricity has occurred
25 may certify to the Administration that small

1 business concerns have suffered economic injury
2 as a result of such increase and are in need of
3 financial assistance which is not available on
4 reasonable terms in that State, and upon re-
5 ceipt of such certification, the Administration
6 may make such loans as would have been avail-
7 able under this paragraph if a disaster declara-
8 tion had been issued.

9 “(F) Notwithstanding any other provision of
10 law, loans made under this paragraph may be used
11 by a small business concern described in subpara-
12 graph (B) to convert from the use of heating fuel or
13 electricity to a renewable or alternative energy
14 source, including agriculture and urban waste, geo-
15 thermal energy, solar energy, wind energy, and fuel
16 cells.”.

17 (b) CONFORMING AMENDMENTS RELATING TO
18 HEATING FUEL AND ELECTRICITY.—Section 3(k) of the
19 Small Business Act (15 U.S.C. 632(k)) is amended—

20 (1) by inserting “, sharp and significant in-
21 creases in the price of heating fuel or electricity,”
22 after “civil disorders”; and

23 (2) by inserting “other” before “economic”.

1 **SEC. 4. AGRICULTURAL PRODUCER EMERGENCY LOANS.**

2 Section 321(a) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1961(a)) is amended—

4 (1) in the first sentence—

5 (A) by striking “operations have” and in-
6 serting “operations (i) have”; and

7 (B) by inserting before “: *Provided*,” the
8 following: “, or (ii)(I) are owned or operated by
9 such an applicant that is also a small business
10 concern (as defined in section 3 of the Small
11 Business Act (15 U.S.C. 632)), and (II) have
12 suffered or are likely to suffer substantial eco-
13 nomic injury as the result of a sharp and sig-
14 nificant increase in energy costs or input costs
15 from energy sources occurring on or after June
16 1, 2000 in connection with an energy emer-
17 gency declared by the President or the Sec-
18 retary”;

19 (2) in the third sentence, by inserting before
20 the period at the end the following: “or by an energy
21 emergency declared by the President or the Sec-
22 retary”; and

23 (3) in the fourth sentence—

24 (A) by inserting “or energy emergency”
25 after “natural disaster” each place it appears;
26 and

1 (B) by inserting “or declaration” after
2 “emergency designation”.

3 **SEC. 5. GUIDELINES.**

4 Not later than 30 days after the date of enactment
5 of this Act, the Administrator of the Small Business Ad-
6 ministration and the Secretary of Agriculture shall each
7 issue such guidelines as the Administrator and the Sec-
8 retary, as applicable, determines to be necessary to carry
9 out this Act and the amendments made by this Act.

10 **SEC. 6. REPORTS.**

11 (a) SMALL BUSINESS.—Not later than 18 months
12 after the date of final publication by the Administrator
13 of the Small Business Administration of the guidelines
14 issued under section 5, the Administrator shall submit to
15 the Committee on Small Business of the Senate and the
16 Committee on Small Business of the House of Representa-
17 tives, a report on the effectiveness of the program estab-
18 lished under section 7(b)(4) of the Small Business Act,
19 as added by this Act, including—

20 (1) the number of small businesses that applied
21 to participate in the program and the number of
22 those that received loans under the program;

23 (2) the dollar value of those loans;

24 (3) the States in which the small business con-
25 cerns that participated in the program are located;

1 (4) the type of heating fuel or energy that
2 caused the sharp and significant increase in the cost
3 for the participating small business concerns; and

4 (5) recommendations for improvements to the
5 program, if any.

6 (b) AGRICULTURE.—Not later than 18 months after
7 the date of final publication by the Secretary of Agri-
8 culture of the guidelines issued under section 5, the Sec-
9 retary shall submit to the Committees on Small Business
10 and Agriculture, Nutrition, and Forestry of the Senate
11 and the Committees on Small Business and Agriculture
12 of the House of Representatives, a report on the effective-
13 ness of the program established under section 321(a) of
14 the Consolidated Farm and Rural Development Act, as
15 amended by this Act, together with recommendations for
16 improvements to the program, if any.

17 **SEC. 7. EFFECTIVE DATE.**

18 (a) SMALL BUSINESS.—The amendments made by
19 this Act shall apply during the 2-year period beginning
20 on the date of final publication of guidelines under section
21 5 by the Administrator, with respect to assistance under
22 section 7(b)(4) of the Small Business Act (15 U.S.C.
23 636(b)), as added by this Act, to economic injury suffered
24 or likely to be suffered as the result of—

1 (1) sharp and significant increases in the price
2 of heating fuel occurring on or after November 1,
3 2000; or

4 (2) sharp and significant increases in the price
5 of electricity occurring on or after June 1, 2000.

6 (b) AGRICULTURE.—The amendments made by this
7 Act shall apply during the 2-year period beginning on the
8 date of final publication of guidelines under section 5 by
9 the Secretary of Agriculture, with respect to assistance
10 under section 321(a) of the Consolidated Farm and Rural
11 Development Act (7 U.S.C. 1961(a)), as amended by this
12 Act, to economic injury suffered or likely to be suffered
13 as the result of sharp and significant increases in energy
14 costs or input costs from energy sources occurring on or
15 after June 1, 2000.

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