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S. 2862

[Report No. 111-341]

To amend the Small Business Act to improve the Office of International Trade, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2009

Ms. SNOWE (for herself, Ms. LANDRIEU, Mrs. SHAHEEN, Mr. BAYH, Mr. CARDIN, Mr. COCHRAN, Ms. KLOBUCHAR, Mr. KERRY, Mr. BURRIS, Mrs. BOXER, Mr. MERKLEY, Mr. SPECTER, Mr. UDALL of New Mexico, and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

SEPTEMBER 29, 2010

Reported by Ms. LANDRIEU, without amendment

A BILL

To amend the Small Business Act to improve the Office of International Trade, 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 Export
5 Enhancement and International Trade Act of 2009”.

1 **SEC. 2. DEFINITIONS.**

2 (a) DEFINITIONS.—In this Act—

3 (1) the terms “Administration” and “Adminis-
4 trator” mean the Small Business Administration
5 and the Administrator thereof, respectively;

6 (2) the term “Associate Administrator” means
7 the Associate Administrator for International Trade
8 appointed under section 22(a)(2) of the Small Busi-
9 ness Act, as amended by this Act;

10 (3) the term “Export Assistance Center” means
11 a one-stop shop referred to in section 2301(b)(8) of
12 the Omnibus Trade and Competitiveness Act of
13 1988 (15 U.S.C. 4721(b)(8));

14 (4) the term “rural small business concern”
15 means a small business concern located in a rural
16 area, as that term is defined in section 1393(a)(2)
17 of the Internal Revenue Code of 1986; and

18 (5) the term “small business concern” has the
19 meaning given that term under section 3 of the
20 Small Business Act (15 U.S.C. 632).

21 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

22 (1) DEFINITIONS.—Section 3 of the Small
23 Business Act (15 U.S.C. 632) is amended by adding
24 at the end the following:

25 “(t) SMALL BUSINESS DEVELOPMENT CENTER.—In
26 this Act, the term ‘small business development center’

1 means a small business development center described in
2 section 21.

3 “(u) REGION OF THE ADMINISTRATION.—In this
4 Act, the term ‘region of the Administration’ means the
5 geographic area served by a regional office of the Adminis-
6 tration established under section 4(a).”.

7 (2) CONFORMING AMENDMENT.—Section
8 4(b)(3)(B)(x) of the Small Business Act (15 U.S.C.
9 633(b)(3)(B)(x)) is amended by striking “Adminis-
10 tration district and region” and inserting “district
11 and region of the Administration”.

12 **SEC. 3. OFFICE OF INTERNATIONAL TRADE.**

13 (a) ESTABLISHMENT.—Section 22 of the Small Busi-
14 ness Act (15 U.S.C. 649) is amended—

15 (1) by striking “SEC. 22. (a) There” and in-
16 serting the following:

17 **“SEC. 22. OFFICE OF INTERNATIONAL TRADE.**

18 “(a) ESTABLISHMENT.—

19 “(1) OFFICE.—There”; and

20 (2) in subsection (a)—

21 (A) in paragraph (1), as so designated, by
22 striking the period and inserting “for the pri-
23 mary purposes of increasing—

24 “(A) the number of small business con-
25 cerns that export; and

1 “(B) the volume of exports by small busi-
2 ness concerns.”; and

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

4 “(2) ASSOCIATE ADMINISTRATOR.—The head of
5 the Office shall be the Associate Administrator for
6 International Trade, who shall be responsible to the
7 Administrator.”.

8 (b) AUTHORITY FOR ADDITIONAL ASSOCIATE AD-
9 MINISTRATOR.—Section 4(b)(1) of the Small Business Act
10 (15 U.S.C. 633(b)(1)) is amended—

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

14 (2) by adding at the end the following: “One
15 such Associate Administrator shall be the Associate
16 Administrator for International Trade, who shall be
17 the head of the Office of International Trade estab-
18 lished under section 22.”.

19 (c) DISCHARGE OF INTERNATIONAL TRADE RESPON-
20 SIBILITIES OF ADMINISTRATION.—Section 22 of the Small
21 Business Act (15 U.S.C. 649) is amended by adding at
22 the end the following:

23 “(h) DISCHARGE OF INTERNATIONAL TRADE RE-
24 SPONSIBILITIES OF ADMINISTRATION.—The Adminis-
25 trator shall ensure that—

1 “(1) the responsibilities of the Administration
2 regarding international trade are carried out by the
3 Associate Administrator;

4 “(2) the Associate Administrator has sufficient
5 resources to carry out such responsibilities; and

6 “(3) the Associate Administrator has direct su-
7 pervision and control over—

8 “(A) the staff of the Office; and

9 “(B) any employee of the Administration
10 whose principal duty station is an Export As-
11 sistance Center, or any successor entity.”.

12 (d) ROLE OF ASSOCIATE ADMINISTRATOR IN CAR-
13 RYING OUT INTERNATIONAL TRADE POLICY.—Section
14 2(b)(1) of the Small Business Act (15 U.S.C. 631(b)(1))
15 is amended in the matter preceding subparagraph (A)—

16 (1) by inserting “the Administrator of” before
17 “the Small Business Administration”; and

18 (2) by inserting “through the Associate Admin-
19 istrator for International Trade, and” before “in co-
20 operation with”.

21 (e) IMPLEMENTATION DATE.—Not later than 90
22 days after the date of enactment of this Act, the Adminis-
23 trator of the Small Business Administration shall appoint
24 an Associate Administrator for International Trade under

1 section 22(a) of the Small Business Act (15 U.S.C.
2 649(a)), as added by this section.

3 **SEC. 4. DUTIES OF THE OFFICE OF INTERNATIONAL TRADE.**

4 (a) AMENDMENTS TO SECTION 22.—Section 22 of
5 the Small Business Act (15 U.S.C. 649) is amended—

6 (1) by striking subsection (b) and inserting the
7 following:

8 “(b) TRADE DISTRIBUTION NETWORK.—The Asso-
9 ciate Administrator, working in close cooperation with the
10 Secretary of Commerce, the United States Trade Rep-
11 resentative, the Export-Import Bank of the United States,
12 the Overseas Private Investment Corporation, and other
13 relevant Federal agencies, small business development
14 centers engaged in export promotion efforts, Export As-
15 sistance Centers, regional and district offices of the Ad-
16 ministration, the small business community, and relevant
17 State and local export promotion programs, shall—

18 “(1) maintain a distribution network, using re-
19 gional and district offices of the Administration, the
20 small business development center network, net-
21 works of women’s business centers, the Service
22 Corps of Retired Executives authorized by section
23 8(b)(1), and Export Assistance Centers, for pro-
24 grams relating to—

25 “(A) trade promotion;

1 “(B) trade finance;

2 “(C) trade adjustment assistance;

3 “(D) trade remedy assistance; and

4 “(E) trade data collection;

5 “(2) aggressively market the programs de-
6 scribed in paragraph (1) and disseminate informa-
7 tion, including computerized marketing data, to
8 small business concerns on exporting trends, market-
9 specific growth, industry trends, and international
10 prospects for exports;

11 “(3) promote export assistance programs
12 through the district and regional offices of the Ad-
13 ministration, the small business development center
14 network, Export Assistance Centers, the network of
15 women’s business centers, chapters of the Service
16 Corps of Retired Executives, State and local export
17 promotion programs, and partners in the private
18 sector; and

19 “(4) give preference in hiring or approving the
20 transfer of any employee into the Office or to a posi-
21 tion described in subsection (c)(9) to otherwise
22 qualified applicants who are fluent in a language in
23 addition to English, to—

24 “(A) accompany small business concerns
25 on foreign trade missions; and

1 “(B) translate documents, interpret con-
2 versations, and facilitate multilingual trans-
3 actions, including by providing referral lists for
4 translation services, if required.”;

5 (2) in subsection (c)—

6 (A) by striking “(c) The Office” and in-
7 serting the following:

8 “(c) PROMOTION OF SALES OPPORTUNITIES.—The
9 Associate Administrator”;

10 (B) by redesignating paragraphs (1)
11 through (8) as paragraphs (2) through (9), re-
12 spectively;

13 (C) by inserting before paragraph (2), as
14 so redesignated, the following:

15 “(1) establish annual goals for the Office relat-
16 ing to—

17 “(A) enhancing the exporting capability of
18 small business concerns and small manufactur-
19 ers;

20 “(B) facilitating technology transfers;

21 “(C) enhancing programs and services to
22 assist small business concerns and small manu-
23 facturers to compete effectively and efficiently
24 against foreign entities;

1 “(D) increasing the ability of small busi-
2 ness concerns to access capital;

3 “(E) disseminating information concerning
4 Federal, State, and private programs and initia-
5 tives; and

6 “(F) ensuring that the interests of small
7 business concerns are adequately represented in
8 trade negotiations;”;

9 (D) in paragraph (2), as so redesignated,
10 by striking “mechanism for” and all that fol-
11 lows through “(D) assisting” and inserting the
12 following: “mechanism for—

13 “(A) identifying subsectors of the small
14 business community with strong export poten-
15 tial;

16 “(B) identifying areas of demand in for-
17 eign markets;

18 “(C) prescreening foreign buyers for com-
19 mercial and credit purposes; and

20 “(D) assisting”;

21 (E) in paragraph (3), as so redesignated,
22 by striking “assist small businesses in the for-
23 mation and utilization of” and inserting “assist
24 small business concerns in forming and using”;

25 (F) in paragraph (4), as so redesignated—

1 (i) by striking “local” and inserting
2 “district”;

3 (ii) by striking “existing”;

4 (iii) by striking “Small Business De-
5 velopment Center network” and inserting
6 “small business development center net-
7 work”; and

8 (iv) by striking “Small Business De-
9 velopment Center Program” and inserting
10 “small business development center pro-
11 gram”;

12 (G) in paragraph (5), as so redesignated—

13 (i) in subparagraph (A), by striking
14 “Gross State Produce” and inserting
15 “Gross State Product”;

16 (ii) in subparagraph (B), by striking
17 “SIC” each place it appears and inserting
18 “North American Industry Classification
19 System”; and

20 (iii) in subparagraph (C), by striking
21 “small businesses” and inserting “small
22 business concerns”;

23 (H) in paragraph (6), as so redesignated,
24 by striking the period at the end and inserting
25 a semicolon;

1 (I) in paragraph (7), as so redesignated—

2 (i) in the matter preceding subpara-
3 graph (A)—

4 (I) by inserting “concerns” after
5 “small business”; and

6 (II) by striking “current” and in-
7 serting “up to date”;

8 (ii) in subparagraph (A), by striking
9 “Administration’s regional offices” and in-
10 serting “regional and district offices of the
11 Administration”;

12 (iii) in subparagraph (B) by striking
13 “current”;

14 (iv) in subparagraph (C), by striking
15 “current”; and

16 (v) by striking “small businesses”
17 each place that term appears and inserting
18 “small business concerns”;

19 (J) in paragraph (8), as so redesignated,
20 by striking and at the end;

21 (K) in paragraph (9), as so redesignated—

22 (i) in the matter preceding subpara-
23 graph (A)—

24 (I) by striking “full-time export
25 development specialists to each Ad-

1 ministration regional office and as-
2 signing”; and

3 (II) by striking “person in each
4 district office. Such specialists” and
5 inserting “individual in each district
6 office and providing each Administra-
7 tion regional office with a full-time ex-
8 port development specialist, who”;

9 (ii) in subparagraph (B)—

10 (I) by striking “current”; and

11 (II) by striking “with” and in-
12 serting “in”;

13 (iii) in subparagraph (D)—

14 (I) by striking “Administration
15 personnel involved in granting” and
16 inserting “personnel of the Adminis-
17 tration involved in making”; and

18 (II) by striking “and” at the end;

19 (iv) in subparagraph (E)—

20 (I) by striking “small businesses’
21 needs” and inserting “the needs of
22 small business concerns”; and

23 (II) by striking the period at the
24 end and inserting a semicolon;

25 (v) by adding at the end the following:

1 “(F) participate, jointly with employees of
2 the Office, in an annual training program that
3 focuses on current small business needs for ex-
4 porting; and

5 “(G) develop and conduct training pro-
6 grams for exporters and lenders, in cooperation
7 with the Export Assistance Centers, the De-
8 partment of Commerce, small business develop-
9 ment centers, women’s business centers, the
10 Export-Import Bank of the United States, the
11 Overseas Private Investment Corporation, and
12 other relevant Federal agencies;” and

13 (vi) by striking “small businesses”
14 each place that term appears and inserting
15 “small business concerns”; and

16 (L) by adding at the end the following:

17 “(10) make available on the website of the Ad-
18 ministration the name and contact information of
19 each individual described in paragraph (9);

20 “(11) carry out a nationwide marketing effort
21 using technology, online resources, training, and
22 other strategies to promote exporting as a business
23 development opportunity for small business con-
24 cerns;

1 “(12) disseminate information to the small
2 business community through regional and district of-
3 fices of the Administration, the small business devel-
4 opment center network, Export Assistance Centers,
5 the network of women’s business centers, chapters of
6 the Service Corps of Retired Executives authorized
7 by section 8(b)(1), State and local export promotion
8 programs, and partners in the private sector regard-
9 ing exporting trends, market-specific growth, indus-
10 try trends, and prospects for exporting; and

11 “(13) establish and carry out training programs
12 for the staff of the regional and district offices of
13 the Administration and resource partners of the Ad-
14 ministration on export promotion and providing as-
15 sistance relating to exports.”;

16 (3) in subsection (d)—

17 (A) by redesignating paragraphs (1)
18 through (5) as clauses (i) through (v), respec-
19 tively, and adjusting the margins accordingly;

20 (B) by striking “(d) The Office” and in-
21 serting the following:

22 “(d) EXPORT FINANCING PROGRAMS.—

23 “(1) IN GENERAL.—The Associate Adminis-
24 trator”; and

1 (C) by striking “To accomplish this goal,
2 the Office shall work” and inserting the fol-
3 lowing:

4 “(2) TRADE FINANCE SPECIALIST.—To accom-
5 plish the goal established under paragraph (1), the
6 Associate Administrator shall—

7 “(A) designate at least 1 individual within
8 the Administration as a trade finance specialist
9 to oversee international loan programs and as-
10 sist Administration employees with trade fi-
11 nance issues; and

12 “(B) work”;

13 (4) in subsection (e), by striking “(e) The Of-
14 fice” and inserting the following:

15 “(e) TRADE REMEDIES.—The Associate Adminis-
16 trator”;

17 (5) by amending subsection (f) to read as fol-
18 lows:

19 “(f) REPORTING REQUIREMENT.—The Associate Ad-
20 ministrators shall submit an annual report to the Com-
21 mittee on Small Business and Entrepreneurship of the
22 Senate and the Committee on Small Business of the
23 House of Representatives that contains—

24 “(1) a description of the progress of the Office
25 in implementing the requirements of this section;

1 “(2) a detailed account of the results of export
2 growth activities of the Administration, including the
3 activities of each district and regional office of the
4 Administration, based on the performance measures
5 described in subsection (i);

6 “(3) an estimate of the total number of jobs
7 created or retained as a result of export assistance
8 provided by the Administration and resource part-
9 ners of the Administration;

10 “(4) for any travel by the staff of the Office,
11 the destination of such travel and the benefits to the
12 Administration and to small business concerns re-
13 sulting from such travel; and

14 “(5) a description of the participation by the
15 Office in trade negotiations.”;

16 (6) in subsection (g), by striking “(g) The Of-
17 fice” and inserting the following:

18 “(g) STUDIES.—The Associate Administrator”; and

19 (7) by adding after subsection (h), as added by
20 section 3 of this Act, the following:

21 “(i) EXPORT AND TRADE COUNSELING.—

22 “(1) DEFINITION.—In this subsection—

23 “(A) the term ‘lead small business develop-
24 ment center’ means a small business develop-

1 ment center that has received a grant from the
2 Administration; and

3 “(B) the term ‘lead women’s business cen-
4 ter’ means a women’s business center that has
5 received a grant from the Administration.

6 “(2) CERTIFICATION PROGRAM.—The Adminis-
7 trator shall establish an export and trade counseling
8 certification program to certify employees of lead
9 small business development centers and lead wom-
10 en’s business centers in providing export assistance
11 to small business concerns.

12 “(3) NUMBER OF CERTIFIED EMPLOYEES.—
13 The Administrator shall ensure that the number of
14 employees of each lead small business development
15 center who are certified in providing export assist-
16 ance is not less than the lesser of—

17 “(A) 5; or

18 “(B) 10 percent of the total number of em-
19 ployees of the lead small business development
20 center.

21 “(4) REIMBURSEMENT FOR CERTIFICATION.—

22 “(A) IN GENERAL.—Subject to the avail-
23 ability of appropriations, the Administrator
24 shall reimburse a lead small business develop-
25 ment center or a lead women’s business center

1 for costs relating to the certification of an em-
2 ployee of the lead small business center or lead
3 women’s business center in providing export as-
4 sistance under the program established under
5 paragraph (2).

6 “(B) LIMITATION.—The total amount re-
7 imbursed by the Administrator under subpara-
8 graph (A) may not exceed \$350,000 in any fis-
9 cal year.

10 “(j) PERFORMANCE MEASURES.—

11 “(1) IN GENERAL.—The Associate Adminis-
12 trator shall develop performance measures for the
13 Administration to support export growth goals for
14 the activities of the Office under this section that in-
15 clude—

16 “(A) the number of small business con-
17 cerns that—

18 “(i) receive assistance from the Ad-
19 ministration;

20 “(ii) had not exported goods or serv-
21 ices before receiving the assistance de-
22 scribed in clause (i); and

23 “(iii) export goods or services;

24 “(B) the number of small business con-
25 cerns receiving assistance from the Administra-

1 tion that export goods or services to a market
2 outside the United States into which the small
3 business concern did not export before receiving
4 the assistance;

5 “(C) export revenues by small business
6 concerns assisted by programs of the Adminis-
7 tration;

8 “(D) the number of small business con-
9 cerns referred to an Export Assistance Center
10 or a small business development center by the
11 staff of the Office;

12 “(E) the number of small business con-
13 cerns referred to the Administration by an Ex-
14 port Assistance Center or a small business de-
15 velopment center; and

16 “(F) the number of small business con-
17 cerns referred to the Export-Import Bank of
18 the United States or to the Overseas Private
19 Investment Corporation by the staff of the Of-
20 fice, an Export Assistance Center, or a small
21 business development center.

22 “(2) JOINT PERFORMANCE MEASURES.—The
23 Associate Administrator shall develop joint perform-
24 ance measures for the district offices of the Adminis-

1 tration and the Export Assistance Centers that in-
2 clude the number of export loans made under—

3 “(A) section 7(a)(16);

4 “(B) the Export Working Capital Program
5 established under section 7(a)(14);

6 “(C) the Preferred Lenders Program, as
7 defined in section 7(a)(2)(C)(ii); and

8 “(D) the export express program estab-
9 lished under section 7(a)(34).

10 “(3) CONSISTENCY OF TRACKING.—The Asso-
11 ciate Administrator, in coordination with the depart-
12 ments and agencies that are represented on the
13 Trade Promotion Coordinating Committee estab-
14 lished under section 2312 of the Export Enhance-
15 ment Act of 1988 (15 U.S.C. 4727) and the small
16 business development center network, shall develop a
17 system to track exports by small business concerns,
18 including information relating to the performance
19 measures developed under paragraph (1), that is
20 consistent with systems used by the departments
21 and agencies and the network.”.

22 (b) TRADE DISPUTES.—The Administrator shall
23 carry out a comprehensive program to provide technical
24 assistance, counseling, and reference materials to small
25 business concerns relating to resources, procedures, and

1 requirements for mechanisms to resolve international
2 trade disputes or address unfair international trade prac-
3 tices under international trade agreements or Federal law,
4 including—

5 (1) directing the district offices of the Adminis-
6 tration to provide referrals, information, and other
7 services to small business concerns relating to the
8 mechanisms;

9 (2) entering agreements and partnerships with
10 providers of legal services relating to the mecha-
11 nisms, to ensure small business concerns may
12 affordably use the mechanisms; and

13 (3) in consultation with the Director of the
14 United States Patent and Trademark Office and the
15 Register of Copyrights, designing counseling services
16 and materials for small business concerns regarding
17 intellectual property protection in other countries.

18 (c) REPORT.—Not later than 60 days after the date
19 of enactment of this Act, the Administrator shall submit
20 a report to the Committee on Small Business and Entre-
21 preneurship of the Senate and the Committee on Small
22 Business of the House of Representatives on any travel
23 by the staff of the Office of International Trade of the
24 Administration, during the period beginning on October
25 1, 2004, and ending on the date of enactment of the Act,

1 including the destination of such travel and the benefits
2 to the Administration and to small business concerns re-
3 sulting from such travel.

4 **SEC. 5. EXPORT ASSISTANCE CENTERS.**

5 (a) EXPORT ASSISTANCE CENTERS.—Section 22 of
6 the Small Business Act (15 U.S.C. 649), as amended by
7 this Act, is amended by adding at the end the following:

8 “(k) EXPORT ASSISTANCE CENTERS.—

9 “(1) EXPORT FINANCE SPECIALISTS.—

10 “(A) MINIMUM NUMBER OF EXPORT FI-
11 NANCE SPECIALISTS.—On and after January 1,
12 2010, the Administrator, in coordination with
13 the Secretary of Commerce, shall ensure that
14 the number of export finance specialists is not
15 less than the number of such employees so as-
16 signed on January 1, 2003.

17 “(B) EXPORT FINANCE SPECIALISTS AS-
18 SIGNED TO EACH REGION OF THE ADMINISTRA-
19 TION.—On and after the date that is 2 years
20 after the date of enactment of this subsection,
21 the Administrator, in coordination with the Sec-
22 retary of Commerce, shall ensure that there are
23 not fewer than 3 export finance specialists in
24 each region of the Administration.

1 “(2) PLACEMENT OF EXPORT FINANCE SPE-
2 CIALISTS.—

3 “(A) PRIORITY.—The Administrator shall
4 give priority, to the maximum extent prac-
5 ticable, to placing employees of the Administra-
6 tion at any Export Assistance Center that—

7 “(i) had an Administration employee
8 assigned to the Export Assistance Center
9 before January 2003; and

10 “(ii) has not had an Administration
11 employee assigned to the Export Assist-
12 ance Center during the period beginning
13 January 2003, and ending on the date of
14 enactment of this subsection, either
15 through retirement or reassignment.

16 “(B) NEEDS OF EXPORTERS.—The Ad-
17 ministrator shall, to the maximum extent prac-
18 ticable, strategically assign Administration em-
19 ployees to Export Assistance Centers, based on
20 the needs of exporters.

21 “(C) RULE OF CONSTRUCTION.—Nothing
22 in this subsection may be construed to require
23 the Administrator to reassign or remove an ex-
24 port finance specialist who is assigned to an

1 Export Assistance Center on the date of enact-
2 ment of this subsection.

3 “(3) GOALS.—The Associate Administrator
4 shall work with the Department of Commerce, the
5 Export-Import Bank of the United States, and the
6 Overseas Private Investment Corporation to estab-
7 lish shared annual goals for the Export Assistance
8 Centers.

9 “(4) OVERSIGHT.—The Associate Adminis-
10 trator shall designate an individual within the Ad-
11 ministration to oversee all activities conducted by
12 Administration employees assigned to Export Assist-
13 ance Centers.

14 “(1) DEFINITIONS.—In this section—

15 “(1) the term ‘Associate Administrator’ means
16 the Associate Administrator for International Trade
17 described in subsection (a)(2);

18 “(2) the term ‘Export Assistance Center’ means
19 a one-stop shop for United States exporters estab-
20 lished by the United States and Foreign Commercial
21 Service of the Department of Commerce pursuant to
22 section 2301(b)(8) of the Omnibus Trade and Com-
23 petitiveness Act of 1988 (15 U.S.C. 4721(b)(8));

24 “(3) the term ‘export finance specialist’ means
25 a full-time equivalent employee of the Office as-

1 signed to an Export Assistance Center to carry out
2 the duties described in subsection (e); and

3 “(4) the term ‘Office’ means the Office of
4 International Trade established under subsection
5 (a)(1).”.

6 (b) STUDY AND REPORT ON FILLING GAPS IN HIGH-
7 AND-LOW-EXPORT VOLUME AREAS.—

8 (1) STUDY AND REPORT.—Not later than 6
9 months after the date of enactment of this Act, and
10 every 2 years thereafter, the Administrator shall—

11 (A) conduct a study of—

12 (i) the volume of exports for each
13 State;

14 (ii) the availability of export finance
15 specialists in each State;

16 (iii) the number of exporters in each
17 State that are small business concerns;

18 (iv) the percentage of exporters in
19 each State that are small business con-
20 cerns;

21 (v) the change, if any, in the number
22 of exporters that are small business con-
23 cerns in each State—

24 (I) for the first study conducted
25 under this subparagraph, during the

1 10-year period ending on the date of
2 enactment of this Act; and

3 (II) for each subsequent study,
4 during the 10-year period ending on
5 the date the study is commenced;

6 (vi) the total value of the exports in
7 each State by small business concerns;

8 (vii) the percentage of the total vol-
9 ume of exports in each State that is attrib-
10 utable to small business concerns; and

11 (viii) the change, if any, in the per-
12 centage of the total volume of exports in
13 each State that is attributable to small
14 business concerns—

15 (I) for the first study conducted
16 under this subparagraph, during the
17 10-year period ending on the date of
18 enactment of this Act; and

19 (II) for each subsequent study,
20 during the 10-year period ending on
21 the date the study is commenced; and

22 (B) submit to the Committee on Small
23 Business and Entrepreneurship of the Senate
24 and the Committee on Small Business of the
25 House of Representatives a report containing—

1 (i) the results of the study under sub-
2 paragraph (A);

3 (ii) to the extent practicable, a rec-
4 ommendation regarding how to eliminate
5 gaps between the supply of and demand
6 for export finance specialists in the 15
7 States that have the greatest volume of ex-
8 ports, based upon the most recent data
9 available from the Department of Com-
10 merce;

11 (iii) to the extent practicable, a rec-
12 ommendation regarding how to eliminate
13 gaps between the supply of and demand
14 for export finance specialists in the 15
15 States that have the lowest volume of ex-
16 ports, based upon the most recent data
17 available from the Department of Com-
18 merce; and

19 (iv) such additional information as the
20 Administrator determines is appropriate.

21 (2) DEFINITION.—In this subsection, the term
22 “export finance specialist” has the meaning given
23 that term in section 22(1) of the Small Business Act,
24 as added by this Act.

1 **SEC. 6. INTERNATIONAL TRADE FINANCE PROGRAMS.**

2 (a) LOAN LIMITS.—

3 (1) TOTAL AMOUNT OUTSTANDING.—Section
4 7(a)(3)(B) of the Small Business Act (15 U.S.C.
5 636(a)(3)(B)) is amended by striking “\$1,750,000,
6 of which not more than \$1,250,000” and inserting
7 “\$4,500,000 (or if the gross loan amount would ex-
8 ceed \$5,000,000), of which not more than
9 \$4,000,000”.

10 (2) PARTICIPATION.—Section 7(a)(2) of the
11 Small Business Act (15 U.S.C. 636(a)(2)) is amend-
12 ed—

13 (A) in subparagraph (A), in the matter
14 preceding clause (i), by striking “subparagraph
15 (B)” and inserting “subparagraphs (B), (D),
16 and (E)”;

17 (B) in subparagraph (D), by striking
18 “Notwithstanding subparagraph (A), in” and
19 inserting “In”; and

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

21 “(E) PARTICIPATION IN INTERNATIONAL
22 TRADE LOAN.—In an agreement to participate
23 in a loan on a deferred basis under paragraph
24 (16), the participation by the Administration
25 may not exceed 90 percent.”.

1 (b) WORKING CAPITAL.—Section 7(a)(16)(A) of the
 2 Small Business Act (15 U.S.C. 636(a)(16)(A)) is amend-
 3 ed—

4 (1) in the matter preceding clause (i), by strik-
 5 ing “in—” and inserting “—”;

6 (2) in clause (i)—

7 (A) by inserting “in” after “(i)”; and

8 (B) by striking “or” at the end;

9 (3) in clause (ii)—

10 (A) by inserting “in” after “(ii)”; and

11 (B) by striking the period at the end and
 12 inserting “, including any debt that qualifies for
 13 refinancing under any other provision of this
 14 subsection; or”; and

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

16 “(iii) by providing working capital.”.

17 (c) COLLATERAL.—Section 7(a)(16)(B) of the Small
 18 Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

19 (1) by striking “Each loan” and inserting the
 20 following:

21 “(i) IN GENERAL.—Except as pro-
 22 vided in clause (ii), each loan”; and

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

24 “(ii) EXCEPTION.—A loan under this
 25 paragraph may be secured by a second lien

1 position on the property or equipment fi-
2 nanced by the loan or on other assets of
3 the small business concern, if the Adminis-
4 trator determines the lien provides ade-
5 quate assurance of the payment of the
6 loan.”.

7 (d) EXPORT WORKING CAPITAL PROGRAM.—Section
8 7(a) of the Small Business Act (15 U.S.C. 636(a)) is
9 amended—

10 (1) in paragraph (2)(D), by striking “not ex-
11 ceed” and inserting “be”; and

12 (2) in paragraph (14)—

13 (A) by striking “(A) The Administration”
14 and inserting the following: “EXPORT WORKING
15 CAPITAL PROGRAM.—

16 “(A) IN GENERAL.—The Administrator”;

17 (B) by striking “(B) When considering”
18 and inserting the following:

19 “(C) CONSIDERATIONS.—When consid-
20 ering”;

21 (C) by striking “(C) The Administration”
22 and inserting the following:

23 “(D) MARKETING.—The Administrator”;

24 and

1 (D) by inserting after subparagraph (A)
2 the following:

3 “(B) TERMS.—

4 “(i) LOAN AMOUNT.—The Adminis-
5 trator may not guarantee a loan under this
6 paragraph of more than \$5,000,000.

7 “(ii) FEES.—

8 “(I) IN GENERAL.—For a loan
9 under this paragraph, the Adminis-
10 trator shall collect the fee assessed
11 under paragraph (23) not more fre-
12 quently than once each year.

13 “(II) UNTAPPED CREDIT.—The
14 Administrator may not assess a fee on
15 capital that is not accessed by the
16 small business concern.”.

17 (e) PARTICIPATION IN PREFERRED LENDERS PRO-
18 GRAM.—Section 7(a)(2)(C) of the Small Business Act (15
19 U.S.C. 636(a)(2)(C)) is amended—

20 (1) by redesignating clause (ii) as clause (iii);

21 and

22 (2) by inserting after clause (i) the following:

23 “(ii) EXPORT-IMPORT BANK LEND-
24 ERS.—Any lender that is participating in
25 the Delegated Authority Lender Program

1 of the Export-Import Bank of the United
2 States (or any successor to the Program)
3 shall be eligible to participate in the Pre-
4 ferred Lenders Program.”.

5 (f) EXPORT EXPRESS PROGRAM.—Section 7(a) of the
6 Small Business Act (15 U.S.C. 636(a)) is amended—

7 (1) by striking “(32) INCREASED VETERAN”
8 and inserting “(33) INCREASED VETERAN”; and
9 (2) by adding at the end the following:

10 “(34) EXPORT EXPRESS PROGRAM.—

11 “(A) DEFINITIONS.—In this paragraph—

12 “(i) the term ‘export development ac-
13 tivity’ includes—

14 “(I) obtaining a standby letter of
15 credit when required as a bid bond,
16 performance bond, or advance pay-
17 ment guarantee;

18 “(II) participation in a trade
19 show that takes place outside the
20 United States;

21 “(III) translation of product bro-
22 chures or catalogues for use in mar-
23 kets outside the United States;

24 “(IV) obtaining a general line of
25 credit for export purposes;

1 “(V) performing a service con-
2 tract from buyers located outside the
3 United States;

4 “(VI) obtaining transaction-spe-
5 cific financing associated with com-
6 pleting export orders;

7 “(VII) purchasing real estate or
8 equipment to be used in the produc-
9 tion of goods or services for export;

10 “(VIII) providing term loans or
11 other financing to enable a small busi-
12 ness concern, including an export
13 trading company and an export man-
14 agement company, to develop a mar-
15 ket outside the United States; and

16 “(IX) acquiring, constructing,
17 renovating, modernizing, improving,
18 or expanding a production facility or
19 equipment to be used in the United
20 States in the production of goods or
21 services for export; and

22 “(ii) the term ‘express loan’ means a
23 loan in which a lender uses to the max-
24 imum extent practicable the loan analyses,
25 procedures, and documentation of the lend-

1 er to provide expedited processing of the
2 loan application.

3 “(B) AUTHORITY.—The Administrator
4 may guarantee the timely payment of an ex-
5 press loan to a small business concern made for
6 an export development activity.

7 “(C) LEVEL OF PARTICIPATION.—

8 “(i) MAXIMUM AMOUNT.—The max-
9 imum amount of an express loan guaran-
10 teed under this paragraph shall be
11 \$500,000.

12 “(ii) PERCENTAGE.—For an express
13 loan guaranteed under this paragraph, the
14 Administrator shall guarantee—

15 “(I) 90 percent of a loan that is
16 not more than \$350,000; and

17 “(II) 75 percent of a loan that is
18 more than \$350,000 and not more
19 than \$500,000.”.

20 (g) ANNUAL LISTING OF EXPORT FINANCE LEND-
21 ERS.—Section 7(a)(16) of the Small Business Act (15
22 U.S.C. 636(a)(16)) is amended by adding at the end the
23 following:

24 “(F) LIST OF EXPORT FINANCE LEND-
25 ERS.—

1 “(i) PUBLICATION OF LIST RE-
 2 QUIRED.—The Administrator shall publish
 3 an annual list of the banks and partici-
 4 pating lending institutions that, during the
 5 1-year period ending on the date of publi-
 6 cation of the list, have made loans guaran-
 7 teed by the Administration under—

8 “(I) this paragraph;

9 “(II) paragraph (14); or

10 “(III) paragraph (34).

11 “(ii) AVAILABILITY OF LIST.—The
 12 Administrator shall—

13 “(I) post the list published under
 14 clause (i) on the website of the Ad-
 15 ministration; and

16 “(II) make the list published
 17 under clause (i) available, upon re-
 18 quest, at each district office of the
 19 Administration.”.

20 (h) APPLICABILITY.—The amendments made by sub-
 21 sections (a) through (f) shall apply with respect to any
 22 loan made after the date of enactment of this Act.

23 **SEC. 7. STATE TRADE AND EXPORT PROMOTION GRANT**
 24 **PROGRAM.**

25 (a) DEFINITIONS.—In this section—

1 (1) the term “eligible small business concern”
2 means a small business concern that—

3 (A) has been in business for not less than
4 the 1-year period ending on the date on which
5 assistance is provided using a grant under this
6 section;

7 (B) is operating profitably, based on oper-
8 ations in the United States;

9 (C) has demonstrated understanding of the
10 costs associated with exporting and doing busi-
11 ness with foreign purchasers, including the
12 costs of freight forwarding, customs brokers,
13 packing and shipping, as determined by the As-
14 sociate Administrator;

15 (D) has in effect a strategic plan for ex-
16 porting; and

17 (E) agrees to provide to the Associate Ad-
18 ministrator such information and documenta-
19 tion as is necessary for the Associate Adminis-
20 trator to determine that the small business con-
21 cern is in compliance with the internal revenue
22 laws of the United States;

23 (2) the term “program” means the State Trade
24 and Export Promotion Grant Program established
25 under subsection (b);

1 (3) the term “small business concern owned
2 and controlled by women” has the meaning given
3 that term in section 3 of the Small Business Act (15
4 U.S.C. 632);

5 (4) the term “socially and economically dis-
6 advantaged small business concern” has the mean-
7 ing given that term in section 8(a)(4)(A) of the
8 Small Business Act (15 U.S.C. 6537(a)(4)(A)); and

9 (5) the term “State” means each of the several
10 States, the District of Columbia, the Commonwealth
11 of Puerto Rico, the Virgin Islands, Guam, and
12 American Samoa.

13 (b) ESTABLISHMENT OF PROGRAM.—The Associate
14 Administrator shall establish a 3-year trade and export
15 promotion pilot program to be known as the State Trade
16 and Export Promotion Grant Program, to make grants
17 to States to carry out export programs that assist eligible
18 small business concerns in—

19 (1) participation in a foreign trade mission;

20 (2) a foreign market sales trip;

21 (3) a subscription to services provided by the
22 Department of Commerce;

23 (4) the payment of website translation fees;

24 (5) the design of international marketing
25 media;

- 1 (6) a trade show exhibition;
- 2 (7) participation in training workshops; or
- 3 (8) any other export initiative determined ap-
4 propriate by the Associate Administrator.

5 (c) GRANTS.—

6 (1) JOINT REVIEW.—In carrying out the pro-
7 gram, the Associate Administrator may make a
8 grant to a State to increase the number of eligible
9 small business concerns in the State that export or
10 to increase the value of the exports by eligible small
11 business concerns in the State.

12 (2) CONSIDERATIONS.—In making grants
13 under this section, the Associate Administrator may
14 give priority to an application by a State that pro-
15 poses a program that—

16 (A) focuses on eligible small business con-
17 cerns as part of an export promotion program;

18 (B) demonstrates success in promoting ex-
19 ports by—

20 (i) socially and economically disadvan-
21 taged small business concerns;

22 (ii) small business concerns owned or
23 controlled by women; and

24 (iii) rural small business concerns;

1 (C) promotes exports from a State that is
2 not 1 of the 10 States with the highest percent-
3 age of exporters that are small business con-
4 cerns, based upon the latest data available from
5 the Department of Commerce; and

6 (D) promotes new-to-market export oppor-
7 tunities to the People's Republic of China for
8 eligible small business concerns in the United
9 States.

10 (3) LIMITATIONS.—

11 (A) SINGLE APPLICATION.—A State may
12 not submit more than 1 application for a grant
13 under the program in any 1 fiscal year.

14 (B) PROPORTION OF AMOUNTS.—The total
15 value of grants under the program made during
16 a fiscal year to the 10 States with the highest
17 percentage of exporters that are small business
18 concerns, based upon the latest data available
19 from the Department of Commerce, shall be not
20 more than 50 percent of the amounts appro-
21 priated for the program for that fiscal year.

22 (4) APPLICATION.—A State desiring a grant
23 under the program shall submit an application at
24 such time, in such manner, and accompanied by

1 such information as the Associate Administrator
2 may establish.

3 (d) COMPETITIVE BASIS.—The Associate Adminis-
4 trator shall award grants under the program on a competi-
5 tive basis.

6 (e) FEDERAL SHARE.—The Federal share of the cost
7 of an export program carried out using a grant under the
8 program shall be—

9 (1) for a State that has a high export volume,
10 as determined by the Associate Administrator, not
11 more than 65 percent; and

12 (2) for a State that does not have a high export
13 volume, as determined by the Associate Adminis-
14 trator, not more than 75 percent.

15 (f) REPORTS.—

16 (1) INITIAL REPORT.—Not later than 120 days
17 after the date of enactment of this Act, the Asso-
18 ciate Administrator shall submit to the Committee
19 on Small Business and Entrepreneurship of the Sen-
20 ate and the Committee on Small Business of the
21 House of Representatives a report, which shall in-
22 clude—

23 (A) a description of the structure of and
24 procedures for the program;

1 (B) a management plan for the program;
2 and

3 (C) a description of the merit-based review
4 process to be used in the program.

5 (2) ANNUAL REPORTS.—The Associate Admin-
6 istrator shall submit an annual report to the Com-
7 mittee on Small Business and Entrepreneurship of
8 the Senate and the Committee on Small Business of
9 the House of Representatives regarding the pro-
10 gram, which shall include—

11 (A) the number and amount of grants
12 made under the program during the preceding
13 year;

14 (B) a list of the States receiving a grant
15 under the program during the preceding year,
16 including the activities being performed with
17 grant; and

18 (C) the effect of each grant on exports by
19 eligible small business concerns in the State re-
20 ceiving the grant.

21 (g) REVIEWS BY INSPECTOR GENERAL.—

22 (1) IN GENERAL.—The Inspector General of
23 the Administration shall conduct a review of—

24 (A) the extent to which recipients of grants
25 under the program are measuring the perform-

1 ance of the activities being conducted and the
2 results of the measurements; and

3 (B) the overall management and effective-
4 ness of the program.

5 (2) REPORT.—Not later than September 30,
6 2012, the Inspector General of the Administration
7 shall submit to the Committee on Small Business
8 and Entrepreneurship of the Senate and the Com-
9 mittee on Small Business of the House of Rep-
10 representatives a report regarding the review conducted
11 under paragraph (1).

12 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated to carry out the program
14 \$15,000,000 for each of fiscal years 2010, 2011, and
15 2012.

16 (i) TERMINATION.—The authority to carry out the
17 program shall terminate 3 years after the date on which
18 the Associate Administrator establishes the program.

19 **SEC. 8. RURAL EXPORT PROMOTION.**

20 Not later than 6 months after the date of enactment
21 of this Act, the Administrator, in consultation with the
22 Secretary of Agriculture and the Secretary of Commerce,
23 shall submit to the Committee on Small Business and En-
24 trepreneurship of the Senate and the Committee on Small

1 Business of the House of Representatives a report that
2 contains—

3 (1) a description of each program of the Ad-
4 ministration that promotes exports by rural small
5 business concerns, including—

6 (A) the number of rural small business
7 concerns served by the program;

8 (B) the change, if any, in the number of
9 rural small business concerns as a result of par-
10 ticipation in the program during the 10-year
11 period ending on the date of enactment of this
12 Act;

13 (C) the volume of exports by rural small
14 business concerns that participate in the pro-
15 gram; and

16 (D) the change, if any, in the volume of
17 exports by rural small businesses that partici-
18 pate in the program during the 10-year period
19 ending on the date of enactment of this Act;

20 (2) a description of the coordination between
21 programs of the Administration and other Federal
22 programs that promote exports by rural small busi-
23 ness concerns;

24 (3) recommendations, if any, for improving the
25 coordination described in paragraph (2);

1 (4) a description of any plan by the Administra-
 2 tion to market the international trade financing pro-
 3 grams of the Administration through lenders that—

4 (A) serve rural small business concerns;

5 and

6 (B) are associated with financing programs
 7 of the Department of Agriculture;

8 (5) recommendations, if any, for improving co-
 9 ordination between the counseling programs and ex-
 10 port financing programs of the Administration, in
 11 order to increase the volume of exports by rural
 12 small business concerns; and

13 (6) any additional information the Adminis-
 14 trator determines is necessary.

15 **SEC. 9. INTERNATIONAL TRADE COOPERATION BY SMALL**
 16 **BUSINESS DEVELOPMENT CENTERS.**

17 Section 21(a) of the Small Business Act (15 U.S.C.
 18 648(a)) is amended—

19 (1) by striking “(2) The Small Business Devel-
 20 opment Centers” and inserting the following:

21 “(2) COOPERATION TO PROVIDE INTER-
 22 NATIONAL TRADE SERVICES.—

23 “(A) INFORMATION AND SERVICES.—The
 24 small business development centers”; and

25 (2) in paragraph (2)—

1 (A) in subparagraph (A), as so designated,
2 by inserting “(including State trade agencies),”
3 after “local agencies”; and

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

5 “(B) COOPERATION WITH STATE TRADE
6 AGENCIES AND EXPORT ASSISTANCE CEN-
7 TERS.—A small business development center
8 that counsels a small business concern on issues
9 relating to international trade shall—

10 “(i) consult with State trade agencies
11 and Export Assistance Centers to provide
12 appropriate services to the small business
13 concern; and

14 “(ii) as necessary, refer the small
15 business concern to a State trade agency
16 or an Export Assistance Center for further
17 counseling or assistance.

18 “(C) DEFINITION.—In this paragraph, the
19 term ‘Export Assistance Center’ has the same
20 meaning as in section 22.”.

21 **SEC. 10. SMALL BUSINESS TRADE POLICY.**

22 (a) NOTIFICATION BY USTR.—Not later than 90
23 days before the United States Trade Representative be-
24 gins a negotiation with regard to any trade agreement,

1 the United States Trade Representative shall notify the
2 Administrator of the date the negotiation will begin.

3 (b) RECOMMENDATIONS.—Not later than 30 days be-
4 fore the United States Trade Representative begins a ne-
5 gotiation with regard to any trade agreement, the Admin-
6 istrator shall present to the United States Trade Rep-
7 resentative recommendations relating to the needs and
8 concerns of small business concerns that are exporters.

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[Report No. 111-341]

A BILL

To amend the Small Business Act to improve the Office of International Trade, and for other purposes.

SEPTEMBER 29, 2010

Reported without amendment