

106TH CONGRESS
1ST SESSION

H. R. 1568

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 1999

Mr. TALENT (for himself, Mr. STUMP, Mrs. MCCARTHY, of New York, Mr. EVANS, Mr. QUINN, Mr. PHELPS, Mr. MORAN of Kansas, Mr. FILNER, Mr. BARTLETT of Maryland, Mrs. KELLY, and Mr. PASCRELL) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Veterans' Affairs, 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 technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

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

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

Sec. 1. Short title.

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1 **TITLE I—GENERAL PROVISIONS**2 **SEC. 101. FINDINGS.**

3 Congress finds the following:

4 (1) Veterans of the United States Armed
 5 Forces have been and continue to be vital to the
 6 small business enterprises of the United States;

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

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

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

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

19 **SEC. 102. PURPOSE.**

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

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

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

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

7 **SEC. 103. DEFINITIONS.**

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

11 “(q) **DEFINITIONS RELATING TO VETERANS.**—For
12 the purposes of this Act the following definitions shall
13 apply:

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

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

23 “(A) not less than 51 percent of which is
24 owned by 1 or more service-disabled veterans
25 or, in the case of any publicly owned business,

1 not less than 51 percent of the stock of which
2 is owned by 1 or more service-disabled veterans;
3 and

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

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

14 “(A) not less than 51 percent of which is
15 owned by 1 or more veterans or, in the case of
16 any publicly owned business, not less than 51
17 percent of the stock of which is owned by 1 or
18 more veterans; and

19 “(B) the management and daily business
20 operations of which are controlled by 1 or more
21 veterans.

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

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

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

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

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

10 (1) in the 5th sentence, by striking “four Asso-
11 ciate Administrators” and inserting “five Associate
12 Administrators”; and

13 (2) by inserting after the 5th sentence the fol-
14 lowing: “One such Associate Administrator shall be
15 the Associate Administrator for Veterans Business
16 Development, who shall administer the Office of Vet-
17 erans Business Development established under sec-
18 tion 32.”.

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

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

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

1 **“SEC. 32. VETERANS PROGRAMS.**

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

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

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

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

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

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

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

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

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

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

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

19 “(2) to work with and organize public and pri-
20 vate resources, including but not limited to those of
21 the Small Business Administration, the Department
22 of Veterans Affairs, the Department of Labor, the
23 Department of Commerce, the Department of De-
24 fense, the Service Corps of Retired Executives (de-
25 scribed in section 8(b)(1)(B) of this Act), the Small
26 Business Development Centers (described in section

1 21 of this Act), and the business development staffs
2 of each department and agency of the United States,
3 to assist veterans, including service-disabled vet-
4 erans, with the formation and expansion of small
5 business concerns.

6 “(c) BOARD OF DIRECTORS.—

7 “(1) IN GENERAL.—The management of the
8 Corporation shall be vested in a Board of Directors
9 composed of 9 voting members and 3 nonvoting ex
10 officio members.

11 “(2) APPOINTMENT OF VOTING MEMBERS.—

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

15 “(A) 1 from a list of individuals nominated
16 by the chairman of the Committee on Small
17 Business of the House of Representatives.

18 “(B) 1 from a list of individuals nominated
19 by the chairman of the Committee on Small
20 Business of the Senate.

21 “(C) 1 from a list of individuals nominated
22 by the ranking minority member of the Com-
23 mittee on Small Business of the House of Rep-
24 resentatives.

1 “(D) 1 from a list of individuals nominated
2 by the ranking minority members of the Com-
3 mittee on Small Business of the Senate.

4 “(E) 1 from a list of individuals nominated
5 by the chairman of the Committee on Veterans’
6 Affairs of the House of Representatives.

7 “(F) 1 from a list of individuals nominated
8 by the chairman of the Committee on Veterans’
9 Affairs of the Senate.

10 “(G) 1 from a list of individuals nominated
11 by the ranking minority member of the Com-
12 mittee on Veterans’ Affairs of the House of
13 Representatives.

14 “(H) 1 from a list of individuals nomi-
15 nated the ranking minority member of the
16 Committee on Veterans’ Affairs of the Senate.

17 “(I) 1 of the President’s own choosing.

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

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

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

3 “(5) TERMS OF APPOINTED MEMBERS.—

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

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

11 “(i) 3 shall be for a term of 2 years;

12 and

13 “(ii) 3 shall be for a term of 4 years.

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

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

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

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

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

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

19 “(10) QUORUM.—5 voting members of the
20 Board of Directors shall constitute a quorum, but a
21 lesser number may hold hearings.

22 “(d) CORPORATE POWERS.—

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

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

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

4 “(C) To make contracts or grants.

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

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

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

20 “(G) To exercise, through the actions of its
21 Board of Directors or duly authorized officers,
22 all powers specifically granted by the provisions
23 of this section, and such incidental powers as
24 shall be necessary.

1 “(H) To solicit, receive, and disburse funds
2 from private, Federal, State and local organiza-
3 tions.

4 “(I) To accept and employ or dispose of in
5 furtherance of the purposes of this section any
6 money or property, real, personal, or mixed,
7 tangible or intangible, received by gift, devise,
8 bequest, or otherwise.

9 “(J) To accept voluntary and uncompen-
10 sated services.

11 “(e) CORPORATE FUNDS.—

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

17 “(2) DISBURSEMENT OF FUNDS.—Funds of the
18 Corporation may be disbursed only for purposes that
19 are—

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

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

24 “(f) NETWORK OF INFORMATION AND ASSISTANCE
25 CENTERS.—In carrying out the purpose described in sub-

1 section (b), the Corporation shall establish and maintain
2 a network of information and assistance centers for use
3 by veterans and the public.

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

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

15 “(i) AUTHORIZATION OF APPROPRIATIONS.—

16 “(1) IN GENERAL.—There are authorized to be
17 appropriated to the Corporation to carry out this
18 section the following amounts:

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

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

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

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

23 “(2) PRIVATIZATION.—The Corporation shall
24 institute and implement a plan to raise private funds
25 and become a self-sustaining corporation.”.

1 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**
2 **AFFAIRS.**

3 (a) IN GENERAL.—There is established an advisory
4 committee to be known as the “Advisory Committee on
5 Veterans Business Affairs” (in this section referred to as
6 the “Committee”), which shall serve as an independent
7 source of advice and policy recommendations to—

8 (1) the Administrator of the Small Business
9 Administration (in this section referred to as the
10 “Administrator”);

11 (2) the Associate Administrator for Veterans
12 Business Development of the Small Business Admin-
13 istration;

14 (3) Congress;

15 (4) the President; and

16 (5) other United States policymakers.

17 (b) MEMBERSHIP.—

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

20 (A) 8 shall be veterans who are owners of
21 small business concerns (within the meaning of
22 the term under section 3 of the Small Business
23 Act (15 U.S.C. 632)); and

24 (B) 7 shall be representatives of veterans
25 organizations.

26 (2) APPOINTMENT.—

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

4 (B) INITIAL APPOINTMENTS.—Not later
5 than 60 days after the date of enactment of
6 this Act, the Administrator shall appoint the
7 initial members of the Committee.

8 (3) POLITICAL AFFILIATION.—Not more than 8
9 members of the Committee shall be of the same po-
10 litical party as the President.

11 (4) PROHIBITION ON FEDERAL EMPLOY-
12 MENT.—

13 (A) IN GENERAL.—Except as provided in
14 subsection (B), no member of the Committee
15 may serve as an officer or employee of the
16 United States.

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

23 (5) TERM OF SERVICE.—

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

4 (B) TERMS OF INITIAL APPOINTEES.—As
5 designated by the Administrator at the time of
6 appointment, of the members first appointed—

7 (i) 6 shall be appointed for a term of
8 4 years; and

9 (ii) 5 shall be appointed for a term of
10 5 years.

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

15 (7) CHAIRPERSON.—

16 (A) IN GENERAL.—The members of the
17 Committee shall elect one of the members to be
18 Chairperson of the Committee.

19 (B) VACANCIES IN OFFICE OF CHAIR-
20 PERSON.—Any vacancy in the office of the
21 Chairperson of the Committee shall be filled by
22 the Committee at the first meeting of the Com-
23 mittee following the date on which the vacancy
24 occurs.

1 (c) DUTIES.—The duties of the Committee shall be
2 the following:

3 (1) Review, coordinate, and monitor plans and
4 programs developed in the public and private sec-
5 tors, that affect the ability of small business con-
6 cerns owned and controlled by veterans to obtain
7 capital and credit and to access markets.

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

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

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

20 (5) In cooperation with the National Veterans
21 Business Development Corporation, develop a com-
22 prehensive plan, to be updated annually, for joint
23 public-private sector efforts to facilitate growth and
24 development of small business concerns owned and
25 controlled by veterans.

1 (d) POWERS.—

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

7 (2) INFORMATION FROM FEDERAL AGENCIES.—
8 Upon request of the Chairperson of the Committee,
9 the head of any department or agency of the United
10 States shall furnish such information to the Com-
11 mittee as the Committee considers to be necessary to
12 carry out its duties.

13 (3) USE OF MAILS.—The Committee may use
14 the United States mails in the same manner and
15 under the same conditions as other departments and
16 agencies of the United States.

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

20 (e) MEETINGS.—

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

24 (2) LOCATION.—Each meeting of the full Com-
25 mittee shall be held at the headquarters of the Small

1 Business Administration located in Washington, Dis-
2 trict of Columbia. The Administrator shall provide
3 suitable meeting facilities and such administrative
4 support as may be necessary for each full meeting
5 of the Committee.

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

9 (f) COMPENSATION AND EXPENSES.—

10 (1) NO COMPENSATION.—Members of the Com-
11 mittee shall serve without compensation for their
12 service to the Committee.

13 (2) EXPENSES.—The members of the Com-
14 mittee shall be reimbursed for travel and subsistence
15 expenses in accordance with section 5703 of title 5,
16 United States Code.

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

1 **TITLE III—TECHNICAL**
2 **ASSISTANCE**

3 **SEC. 301. SCORE PROGRAM.**

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

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

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

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

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

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

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

24 (1) Conducting of studies and research, and the
25 distribution of information generated by such studies

1 and research, on the formation, management, fi-
2 nancing, marketing, and operation of small business
3 concerns by veterans.

4 (2) Provision of training and counseling to vet-
5 erans concerning the formation, management, fi-
6 nancing, marketing, and operation of small business
7 concerns.

8 (3) Provision of management and technical as-
9 sistance to the owners and operators of small busi-
10 ness concerns regarding international markets, the
11 promotion of exports, and the transfer of technology.

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

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

1 (6) Provision of Internet or other distance
2 learning academic instruction for veterans in busi-
3 ness subjects, including accounting, marketing, and
4 business fundamentals.

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

14 **TITLE IV—FINANCIAL** 15 **ASSISTANCE**

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

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

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

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

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

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

4 (b) AUTHORIZATION TO MAKE LOANS.—Section
5 7(a)(10) of the Small Business Act (15 U.S.C.
6 636(a)(10)) is amended by inserting, “, including service-
7 disabled veterans,” after “handicapped individual”.

8 **SEC. 402. LOANS TO INDIVIDUALS CALLED TO ACTIVE DUTY**
9 **IN THE ARMED FORCES.**

10 Section 7(b) of the Small Business Act (15 U.S.C.
11 636(b)) is amended by inserting after the undesignated
12 paragraph that begins with “*Provided*, That no loan” the
13 following:

14 “(3) The Administration is empowered to make
15 loans to qualified individuals to assist with potential
16 losses and disruptions caused by mobilization or the
17 return to active duty in the Armed Forces. For the
18 purposes of this paragraph, qualified individuals are
19 individuals—

20 “(A) who are self-employed or who are
21 owners of small business concerns; and

22 “(B) who are called to active duty under
23 section 688, 12301, 12302, or 12303 of title
24 10, United States Code.

1 Loans made under this paragraph shall have the
2 same terms and rates of interest as loans made
3 under paragraph (2).”.

4 **SEC. 403. MICROLOAN PROGRAM.**

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

9 **SEC. 404. DELTA LOAN PROGRAM.**

10 Section 7(a)(21)(A) Small Business Act (15 U.S.C.
11 636(a)(21)(A)) is amended in subclause (ii) by inserting
12 “or a veteran” after “qualified individual”.

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

14 Section 501(d)(3) of the Small Business Investment
15 Act (15 U.S.C. 696(d)(3)) is amended—

16 (1) by redesignating subparagraphs (E), (F),
17 and (G) as subparagraphs (F), (G), and (H), respec-
18 tively; and

19 (2) by inserting after subparagraph (D) the fol-
20 lowing:

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

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

3 **SEC. 501. SUBCONTRACTING.**

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

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

13 (1) Subparagraph (A) of such clause is amend-
14 ed by inserting “small business concerns owned and
15 controlled by veterans,” after “small business con-
16 cerns,” the first place it appears in the first and sec-
17 ond sentences.

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

22 “(E) The term ‘small business concern
23 owned and controlled by veterans’ shall mean a
24 small business concern—

1 “(i) which is at least 51 per centum
2 owned by one or more eligible veterans; or,
3 in the case of any publicly owned business,
4 at least 51 per centum of the stock of
5 which is owned by one or more veterans;
6 and

7 “(ii) whose management and daily
8 business operations are controlled by such
9 veterans. The contractor shall treat as vet-
10 erans all individuals who are veterans with-
11 in the meaning of the term under section
12 3(q) of the Small Business Act.”.

13 (3) Subparagraph (F) of such clause, as redес-
14 ignated by paragraph (2) of this subsection, is
15 amended by inserting “small business concern owned
16 and controlled by veterans,” after “small business
17 concern,” the first place it appears.

18 (c) CONFORMING AMENDMENTS.—Section 8(d) of
19 the Small Business Act (15 U.S.C. 637(d)) is further
20 amended by inserting “small business concerns owned and
21 controlled by veterans,” after “small business concerns,”
22 the first place it appears in paragraphs (4)(D), (4)(E),
23 (6)(A), (6)(C), (6)(F), and (10)(B).

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

2 (a) GOVERNMENT-WIDE PARTICIPATION GOALS.—

3 Subsection (g)(1) of section 15 of the Small Business Act
4 (15 U.S.C. 644(g)(1)) is amended—

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

9 (2) by inserting after the second sentence the
10 following:

11 “The Government-wide goal for participation by
12 small business concerns owned and controlled by
13 service-disabled veterans shall be established at not
14 less than 5 percent of the total value of all prime
15 contract and subcontract awards for each fiscal
16 year.”; and

17 (3) in the second to last sentence, by inserting;

18 “small business concerns owned and controlled
19 by service-disabled veterans,” after “small business
20 concerns,” the first place it appears.

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

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

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

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

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

11 **TITLE VI—REPORTS AND DATA** 12 **COLLECTION**

13 **SEC. 601. REPORTING REQUIREMENTS.**

14 (a) REPORTS TO SMALL BUSINESS ADMINISTRA-
15 TION.—

16 Subsection (h)(1) of section 15 of the Small Business
17 Act (15 U.S.C. 644(h)(1)) is amended by inserting “small
18 business concerns owned and controlled by veterans (in-
19 cluding service-disabled veterans),” after “small business
20 concerns,” the first place it appears.

21 (b) REPORTS TO THE PRESIDENT AND CONGRESS.—

22 Subsection (h)(2) of section 15 of the Small Business Act
23 (15 U.S.C. 644(h)(2)) is amended—

24 (1) by inserting “and Congress” before the pe-
25 riod at the end of first sentence; and

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

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

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

8 (1) in paragraph (1), by striking “and” after
9 the semicolon;

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

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

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

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

19 The Administrator of the Small Business Administra-
20 tion shall transmit annually to the Committees on Small
21 Business and Veterans Affairs of the House of Represent-
22 atives and the Senate a report on the needs of small busi-
23 ness concerns owned and controlled by veterans and small
24 business concerns owned and controlled by service-disabled
25 veterans, which shall include information on—

1 (1) the availability of Small Business Adminis-
2 tration programs for such small business concerns
3 and the degree of utilization of such programs by
4 such small business concerns during the preceding
5 12-month period;

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

9 (3) proposals to improve the access of such
10 small business concerns to the assistance made avail-
11 able by the United States.

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

13 (a) INFORMATION ON FEDERAL PROCUREMENT
14 PRACTICES.—The Administrator of the Small Business
15 Administration shall, for each fiscal year—

16 (1) collect information concerning the procure-
17 ment practices and procedures of each department
18 and agency of the United States having procurement
19 authority; and

20 (2) make such information available to any
21 small business concern requesting such information.

22 (b) IDENTIFICATION OF SMALL BUSINESS CONCERNS
23 OWNED BY ELIGIBLE VETERANS.—Each Fiscal year the
24 Secretary of Veterans Affairs shall, in consultation with
25 the Assistant Secretary of Labor for Veterans' Employ-

1 ment and Training and the Administrator of the Small
2 Business Administration, identify small business concerns
3 owned and controlled by veterans in the United States.
4 The Secretary shall inform each small business concern
5 identified under this paragraph that information on Fed-
6 eral procurement is available from the Administrator.

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

19 **TITLE VII—MISCELLANEOUS** 20 **PROVISIONS**

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

22 The Administrator of the Small Business Administra-
23 tion shall strengthen and reissue the Administrator's order
24 regarding the 3rd sentence of section 4(b)(1) of the Small
25 Business Act (15 U.S.C. 633(b)(1)), relating to non-

1 discrimination and special considerations for veterans, and
2 take all necessary steps to ensure that its provisions are
3 fully and vigorously implemented.

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

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

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

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

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

13 “(12) evaluate the efforts of each department
14 and agency of the United States, and of private in-
15 dustry, to assist small business concerns owned and
16 controlled by veterans, as defined in section 3(q) of
17 the Small Business Act (15 U.S.C. 632(q)), and
18 small business concerns owned and controlled by
19 serviced-disabled veterans, as defined in such section
20 3(q), and make appropriate recommendations to the
21 Administrator of the Small Business Administration
22 and to Congress in order to promote the establish-
23 ment and growth of those small business concerns.”.

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

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

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

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

16 (b) REPORT.—

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

23 (2) CONTENTS OF REPORT.—The report re-
24 quired by paragraph (1) shall specifically address
25 the following:

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

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

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

10 (iii) The increase or decrease in the
11 Federal subsidy rate that would be pos-
12 sible.

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

17 (B) Information regarding the delinquency
18 rates, default rates, length of time required for re-
19 covery after default, for fixed-asset business loans,
20 of a size and duration comparable to those con-
21 templated under subsection (a), made available in
22 the private market or under section 503 of the Small
23 Business Investment Act.

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