

Union Calendar No. 120

106TH CONGRESS
1ST Session

H. R. 1568

[Report No. 106-206, Part I]

A BILL

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

JUNE 29, 1999

Reported from the Committee on Small Business with an amendment

JUNE 29, 1999

Referral to the Committee on Veterans' Affairs extended for a period ending not later than June 29, 1999

JUNE 29, 1999

The Committee on Veterans' Affairs discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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106TH CONGRESS
1ST SESSION

H. R. 1568

[Report No. 106-206, Part I]

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

JUNE 29, 1999

Additional sponsors: Ms. BROWN of Florida, Mr. ROMERO-BARCELÓ, Mrs. CHRISTENSEN, Mr. LEACH, Mr. SHOWS, Ms. MILLENDER-McDONALD, Mr. SPENCE, Ms. WOOLSEY, Mr. EWING, Mrs. THURMAN, Mrs. EMERSON, Ms. CARSON, Mr. FROST, Ms. DANNER, Mr. ENGLISH, Mr. RAHALL, Mr. GUTIERREZ, Mr. STUPAK, Mr. LIPINSKI, Ms. BERKLEY, Mr. COOK, Mrs. BONO, Mr. SWEENEY, Mr. LOBIONDO, Mr. SMITH of Washington, Mr. ENGEL, Mr. COOKSEY, Mr. BROWN of Ohio, Mr. BISHOP, Mr. REYES, Mr. SANDERS, Mr. BUYER, Mr. BAKER, Mr. LAHOOD, Mr. PETERSON of Minnesota, Mr. PASTOR, Mr. GREEN of Texas, Mr. COMBEST, Mr. CUMMINGS, Mrs. MYRICK, Mr. FORBES, Mr. HILL of Montana, Mr. DOOLEY of California, Mr. DEMINT, Mrs. NAPOLITANO, Mr. SANDLIN, Mr. LEWIS of California, Mr. LAZIO, Mr. LAMPSON, Mrs. MORELLA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. HULSHOF, Ms. KAPTUR, Mr. HAYWORTH, Ms. LEE, Mr. HUNTER, and Mr. UNDERWOOD

JUNE 29, 1999

Reported from the Committee on Small Business with an amendment

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

JUNE 29, 1999

Referral to the Committee on Veterans' Affairs extended for a period ending
not later than June 29, 1999

JUNE 29, 1999

The Committee on Veterans' Affairs discharged; committed to the Committee
of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 27, 1999]

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 Entrepreneur-*
5 *ship and Small Business Development Act of 1999”.*

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Findings.

Sec. 102. Purpose.

Sec. 103. Definitions.

TITLE II—VETERANS BUSINESS DEVELOPMENT

Sec. 201. Veterans business development in the Small Business Administration.

Sec. 202. National Veterans Business Development Corporation.

Sec. 203. Advisory Committee on Veterans Business Affairs.

TITLE III—TECHNICAL ASSISTANCE

Sec. 301. SCORE program.

Sec. 302. Entrepreneurial assistance.

Sec. 303. Business development and management assistance for military reserv-
ists' small businesses.

TITLE IV—FINANCIAL ASSISTANCE

- Sec. 401. General business loan program.*
Sec. 402. Assistance to active duty military reservists.
Sec. 403. Microloan program.
Sec. 404. Delta loan program.
Sec. 405. State development company program.

TITLE V—PROCUREMENT ASSISTANCE

- Sec. 501. Subcontracting.*
Sec. 502. Participation in Federal procurement.

TITLE VI—REPORTS AND DATA COLLECTION

- Sec. 601. Reporting requirements.*
Sec. 602. Report on small business and competition.
Sec. 603. Annual report of the Administrator.
Sec. 604. Data and information collection.

TITLE VII—MISCELLANEOUS PROVISIONS

- Sec. 701. Administrator's order.*
Sec. 702. Small Business Administration Office of Advocacy.
Sec. 703. Study of fixed-asset small business loans.

1 ***TITLE I—GENERAL PROVISIONS***

2 ***SEC. 101. FINDINGS.***

3 *Congress finds the following:*

4 (1) *Veterans of the United States Armed Forces*
5 *have been and continue to be vital to the small busi-*
6 *ness enterprises of the United States.*

7 (2) *In serving the United States, veterans often*
8 *faced great risks to preserve the American dream of*
9 *freedom and prosperity.*

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

1 (4) *Medical advances and new medical tech-*
2 *nologies have made it possible for service-disabled vet-*
3 *erans to play a much more active role in the forma-*
4 *tion and expansion of small business enterprises in*
5 *the United States.*

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

11 **SEC. 102. PURPOSE.**

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

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

18 (2) *directing certain departments and agencies of*
19 *the United States to take actions that enhance small*
20 *business assistance to veterans; and*

21 (3) *establishing new institutions to provide small*
22 *business assistance to veterans or to support the insti-*
23 *tutions that provide such assistance.*

1 **SEC. 103. DEFINITIONS.**

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

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

7 “(1) *SERVICE-DISABLED VETERAN.*—The term
8 ‘*service-disabled veteran*’ means a veteran with a dis-
9 ability that is service-connected (as defined in section
10 101(16) of title 38, United States Code).

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

16 “(A) not less than 51 percent of which is
17 owned by 1 or more service-disabled veterans or,
18 in the case of any publicly owned business, not
19 less than 51 percent of the stock of which is
20 owned by 1 or more service-disabled veterans;
21 and

22 “(B) the management and daily business
23 operations of which are controlled by 1 or more
24 service-disabled veterans or, in the case of a vet-
25 eran with permanent and severe disability, the
26 spouse or permanent caregiver of such veteran.

1 “(3) *SMALL BUSINESS CONCERN OWNED AND*
2 *CONTROLLED BY VETERANS.—The term ‘small busi-*
3 *ness concern owned and controlled by veterans’ means*
4 *a small business concern—*

5 “(A) *not less than 51 percent of which is*
6 *owned by 1 or more veterans or, in the case of*
7 *any publicly owned business, not less than 51*
8 *percent of the stock of which is owned by 1 or*
9 *more veterans; and*

10 “(B) *the management and daily business*
11 *operations of which are controlled by 1 or more*
12 *veterans.*

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

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

19 ***TITLE II—VETERANS BUSINESS***
20 ***DEVELOPMENT***

21 ***SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE***
22 ***SMALL BUSINESS ADMINISTRATION.***

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

1 (1) *in the 5th sentence, by striking “four Asso-*
2 *ciate Administrators” and inserting “five Associate*
3 *Administrators”;* and

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

9 (b) *OFFICE OF VETERANS BUSINESS DEVELOPMENT;*
10 *ASSOCIATE ADMINISTRATOR.—The Small Business Act (15*
11 *U.S.C. 631 et seq.) is further amended—*

12 (1) *by redesignating section 32 as section 34;*
13 *and*

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

15 **“SEC. 32. VETERANS PROGRAMS.**

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

22 “(b) *ASSOCIATE ADMINISTRATOR FOR VETERANS*
23 *BUSINESS DEVELOPMENT.—The Associate*
24 *Administrator—*

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

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

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

18 “(c) *BOARD OF DIRECTORS.*—

19 “(1) *IN GENERAL.*—*The management of the Cor-*
20 *poration shall be vested in a Board of Directors com-*
21 *posed of 9 voting members and 3 nonvoting ex officio*
22 *members.*

23 “(2) *APPOINTMENT OF VOTING MEMBERS.*—*The*
24 *President shall appoint United States citizens to be*
25 *voting members of the Board of Directors as follows:*

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

4 “(B) 1 from a list of individuals nominated
5 by the chairman of the Committee on Small
6 Business of the Senate.

7 “(C) 1 from a list of individuals nominated
8 by the ranking minority member of the Com-
9 mittee on Small Business of the House of Rep-
10 resentatives.

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

14 “(E) 1 from a list of individuals nominated
15 by the chairman of the Committee on Veterans’
16 Affairs of the House of Representatives.

17 “(F) 1 from a list of individuals nominated
18 by the chairman of the Committee on Veterans’
19 Affairs of the Senate.

20 “(G) 1 from a list of individuals nominated
21 by the ranking minority member of the Com-
22 mittee on Veterans’ Affairs of the House of Rep-
23 resentatives.

1 “(H) 1 from a list of individuals nominated
2 the ranking minority member of the Committee
3 on Veterans’ Affairs of the Senate.

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

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

10 “(4) *CHAIRPERSON.*—The members of the Board
11 of Directors appointed under paragraph (2) shall
12 elect one such member to serve as chairperson of the
13 Board of Directors for a term of 2 years.

14 “(5) *TERMS OF APPOINTED MEMBERS.*—

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

19 “(B) *TERMS OF INITIAL APPOINTEES.*—As
20 designated by the President at the time of ap-
21 pointment, of the members first appointed—

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

23 and

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

1 “(C) *UNEXPIRED TERMS.*—*Any member of*
2 *the Board of Directors appointed to fill a va-*
3 *cancy occurring before the expiration of the term*
4 *for which the member’s predecessor was ap-*
5 *pointed shall be appointed only for the remain-*
6 *der of the term. A member may serve after the*
7 *expiration of that member’s term until a suc-*
8 *cessor has taken office.*

9 “(6) *VACANCIES.*—*Any vacancy on the Board of*
10 *Directors shall be filled in the manner in which the*
11 *original appointment was made. In the case of a va-*
12 *cancy in the office of the Administrator of the Small*
13 *Business Administration or the Secretary of Veterans*
14 *Affairs, and pending the appointment of a successor,*
15 *an acting appointee for such vacancy may serve as*
16 *an ex officio member.*

17 “(7) *INELIGIBILITY FOR OTHER OFFICES.*—*No*
18 *voting member of the Board of Directors may be an*
19 *officer or employee of the United States while serving*
20 *as a member of the Board of Directors or during the*
21 *2-year period preceding such service.*

22 “(8) *IMPARTIALITY AND NONDISCRIMINATION.*—
23 *The Board of Directors shall administer the affairs of*
24 *the Corporation fairly and impartially and without*
25 *discrimination.*

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

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

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

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

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

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

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

17 “(5) *To appoint, through the actions of its Board*
18 *of Directors, officers and employees of the Corpora-*
19 *tion, to define their duties and responsibilities, fix*
20 *their compensations, and to dismiss at will such offi-*
21 *cers or employees.*

22 “(6) *To prescribe, through the actions of its*
23 *Board of Directors, bylaws not inconsistent with Fed-*
24 *eral law and the law of the State of incorporation,*
25 *regulating the manner in which its general business*

1 *may be conducted and the manner in which the privi-*
2 *leges granted to it by law may be exercised.*

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

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

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

13 *“(10) To accept voluntary and uncompensated*
14 *services.*

15 *“(e) CORPORATE FUNDS.—*

16 *“(1) DEPOSIT OF FUNDS.—The Board of Direc-*
17 *tors shall deposit all funds of the Corporation in fed-*
18 *erally chartered and insured depository institutions*
19 *until such funds are disbursed under paragraph (2).*

20 *“(2) DISBURSEMENT OF FUNDS.—Funds of the*
21 *Corporation may be disbursed only for purposes that*
22 *are—*

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

1 “(B) *in accordance with the purposes of the*
2 *Corporation as specified in subsection (b).*”

3 “(f) *NETWORK OF INFORMATION AND ASSISTANCE*
4 *CENTERS.—In carrying out the purpose described in sub-*
5 *section (b), the Corporation shall establish and maintain*
6 *a network of information and assistance centers for use by*
7 *veterans and the public.*”

8 “(g) *ANNUAL REPORT.—On or before October 1 of each*
9 *year, the Board of Directors shall transmit a report to the*
10 *President and Congress describing the activities and accom-*
11 *plishments of the Corporation for the preceding year and*
12 *the Corporation’s findings regarding the efforts of Federal,*
13 *State and private organizations to assist veterans in the*
14 *formation and expansion of small business concerns.*”

15 “(h) *ASSUMPTION OF DUTIES OF ADVISORY COM-*
16 *MITTEE.—On October 1, 2004, the Corporation established*
17 *under this section shall assume the duties, responsibilities,*
18 *and authority of the Advisory Committee on Veterans Af-*
19 *airs established under section 203 of this Act.*”

20 “(i) *USE OF MAILS.—The Corporation may use the*
21 *United States mails in the same manner and under the*
22 *same conditions as the departments and agencies of the*
23 *United States.*”

24 “(j) *PROFESSIONAL CERTIFICATION ADVISORY*
25 *BOARD.—*”

1 “(1) *IN GENERAL.*—Acting through the Board of
2 *Directors, the Corporation shall establish a Profes-*
3 *sional Certification Advisory Board to create uniform*
4 *guidelines and standards for the professional certifi-*
5 *cation of members of the Armed Services to aid in*
6 *their efficient and orderly transition to civilian occu-*
7 *pations and professions and to remove potential bar-*
8 *riers in the areas of licensure and certification.*

9 “(2) *MEMBERSHIP.*—The members of the *Advi-*
10 *sory Board shall serve without compensation, shall*
11 *meet in the District of Columbia no less than quar-*
12 *terly, and shall be appointed by the Board of Direc-*
13 *tors as follows:*

14 “(A) *PRIVATE SECTOR MEMBERS.*—The
15 *Corporation shall appoint not less than 7 mem-*
16 *bers for terms of 2 years to represent private sec-*
17 *tor organizations and associations, including the*
18 *American Association of Community Colleges,*
19 *the Society for Human Resource Managers, the*
20 *Coalition for Professional Certification, and the*
21 *Council on Licensure and Enforcement.*

22 “(B) *PUBLIC SECTOR MEMBERS.*—The *Cor-*
23 *poration shall invite public sector members to*
24 *serve at the discretion of their departments or*
25 *agencies and shall—*

1 “(i) encourage the participation of the
2 Under Secretary of Defense for Personnel
3 and Readiness;

4 “(ii) encourage the participation of 2
5 officers from each branch of the Armed
6 Forces to represent the Training Commands
7 of their branch; and

8 “(iii) seek the participation and guid-
9 ance of the Assistant Secretary of Labor for
10 Veterans’ Employment and Training.

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

12 “(1) *IN GENERAL.*—There are authorized to be
13 appropriated to the Corporation to carry out this sec-
14 tion the following amounts:

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

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

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

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

19 “(2) *PRIVATIZATION.*—The Corporation shall in-
20 stitute and implement a plan to raise private funds
21 and become a self-sustaining corporation.”.

22 **SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS**
23 **AFFAIRS.**

24 “(a) *IN GENERAL.*—There is established an advisory
25 committee to be known as the “Advisory Committee on Vet-

1 *erans Business Affairs*” (in this section referred to as the
2 *“Committee”*), which shall serve as an independent source
3 of advice and policy recommendations to—

4 (1) *the Administrator of the Small Business Ad-*
5 *ministration (in this section referred to as the “Ad-*
6 *ministrator”*);

7 (2) *the Associate Administrator for Veterans*
8 *Business Development of the Small Business Admin-*
9 *istration*;

10 (3) *Congress*;

11 (4) *the President*; and

12 (5) *other United States policymakers*.

13 (b) *MEMBERSHIP*.—

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

16 (A) *8 shall be veterans who are owners of*
17 *small business concerns (within the meaning of*
18 *the term under section 3 of the Small Business*
19 *Act (15 U.S.C. 632)); and*

20 (B) *7 shall be representatives of veterans or-*
21 *ganizations*.

22 (2) *APPOINTMENT*.—

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

1 (B) *INITIAL APPOINTMENTS.*—Not later
2 than 90 days after the date of enactment of this
3 Act, the Administrator shall appoint the initial
4 members of the Committee.

5 (3) *POLITICAL AFFILIATION.*—Not more than 8
6 members of the Committee shall be of the same polit-
7 ical party as the President.

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

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

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

19 (5) *TERM OF SERVICE.*—

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

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

1 (i) 6 shall be appointed for a term of
2 4 years; and

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

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

9 (7) CHAIRPERSON.—

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

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

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

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

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

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

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

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

19 (d) *POWERS.—*

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

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

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

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

14 (e) *MEETINGS.*—

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

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

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

4 (f) *COMPENSATION AND EXPENSES.*—

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

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

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

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

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

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

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

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

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

13 (2) The assistance of SCORE in the establishing
14 and maintaining a toll-free telephone number and an
15 Internet website to provide access for veterans to in-
16 formation about the counseling and training regard-
17 ing entrepreneurship available to veterans through
18 SCORE.

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

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

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

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

17 (1) *Conducting of studies and research, and the*
18 *distribution of information generated by such studies*
19 *and research, on the formation, management, financ-*
20 *ing, marketing, and operation of small business con-*
21 *cerns by veterans.*

22 (2) *Provision of training and counseling to vet-*
23 *erans concerning the formation, management, financ-*
24 *ing, marketing, and operation of small business con-*
25 *cerns.*

1 (3) *Provision of management and technical as-*
2 *stance to the owners and operators of small business*
3 *concerns regarding international markets, the pro-*
4 *motion of exports, and the transfer of technology.*

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

10 (5) *Establishment of an information clearing-*
11 *house to collect and distribute information, including*
12 *by electronic means, on the assistance programs of*
13 *Federal, State, and local governments, and of the pri-*
14 *vate sector, including information on office locations,*
15 *key personnel, telephone numbers, mail and electronic*
16 *addresses, and contracting and subcontracting oppor-*
17 *tunities.*

18 (6) *Provision of Internet or other distance learn-*
19 *ing academic instruction for veterans in business sub-*
20 *jects, including accounting, marketing, and business*
21 *fundamentals.*

22 (7) *Compilation of a list of small business con-*
23 *cerns owned and controlled by service-disabled vet-*
24 *erans that provide products or services that could be*
25 *procured by the United States and delivery of such*

1 *pursuant to the amendment made by this section, including*
2 *information regarding the appropriate local office at which*
3 *affected small businesses may seek such assistance.*

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

9 **TITLE IV—FINANCIAL**

10 **ASSISTANCE**

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

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

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

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

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

23 *(b) AUTHORIZATION TO MAKE LOANS.—Section*
24 *7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10))*
25 *is amended—*

1 “(i) a period of war declared by Con-
2 gress;

3 “(ii) a period of national emergency
4 declared by Congress or by the President; or

5 “(iii) a period of a contingency oper-
6 ation, as defined in section 101(a) of title
7 10, United States Code.

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

10 “(i) an individual who is an eligible
11 reservist and who received a direct loan
12 under subsection (a) or (b) before being or-
13 dered to active duty; or

14 “(ii) a small business concern that re-
15 ceived a direct loan under subsection (a) or
16 (b) before an eligible reservist, who is an es-
17 sential employee, was ordered to active
18 duty.

19 “(2) *DEFERRAL OF DIRECT LOANS.*—

20 “(A) *IN GENERAL.*—The Administration
21 shall, upon written request, defer repayment of
22 principal and interest due on a direct loan made
23 under subsection (a) or (b), if such loan was in-
24 curred by a qualified borrower.

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

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

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

17 “(A) *encourage intermediaries participating*
18 *in the program under subsection (m) to defer re-*
19 *payment of a loan made with proceeds made*
20 *available under that subsection, if such loan was*
21 *incurred by a small business concern that is eli-*
22 *gible to apply for assistance under subsection*
23 *(b)(3); and*

1 “(B) not later than 30 days after the date
2 of enactment of this subsection, establish guide-
3 lines to—

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

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

21 (b) *DISASTER LOAN ASSISTANCE FOR MILITARY RE-*
22 *SERVISTS’ SMALL BUSINESSES.*—Section 7(b) of the Small
23 *Business Act (15 U.S.C. 636(b))* is amended by inserting
24 after the undesignated paragraph that begins with “Pro-
25 vided, That no loan”, the following:

1 “(3)(A) *In this paragraph—*

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

7 “(ii) *the term ‘period of military conflict’*
8 *has the meaning given the term in subsection*
9 *(n)(1); and*

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

14 “(I) *to meet its obligations as they ma-*
15 *ture;*

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

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

21 “(B) *The Administration may make such dis-*
22 *aster loans (either directly or in cooperation with*
23 *banks or other lending institutions through agree-*
24 *ments to participate on an immediate or deferred*
25 *basis) to assist a small business concern that has suf-*

1 *ferred or that is likely to suffer substantial economic*
2 *injury as the result of an essential employee of such*
3 *small business concern being ordered to active mili-*
4 *tary duty during a period of military conflict.*

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

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

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

1 “(F) For purposes of assistance under this para-
2 graph, no declaration of a disaster area shall be re-
3 quired.”.

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

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

16 (e) *EFFECTIVE DATES.*—

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

20 (2) *DISASTER LOANS.*—The amendments made
21 by subsection (b) shall apply to economic injury suf-
22 fered or likely to be suffered as the result of a period
23 of military conflict occurring or ending on or after
24 March 24, 1999.

1 **SEC. 403. MICROLOAN PROGRAM.**

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

6 **SEC. 404. DELTA LOAN PROGRAM.**

7 *Section 7(a)(21)(A) Small Business Act (15 U.S.C.*
8 *636(a)(21)(A)) is amended in subclause (ii) by inserting*
9 *“or a veteran” after “qualified individual”.*

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

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

13 *(1) by redesignating subparagraphs (E), (F),*
14 *and (G) as subparagraphs (F), (G), and (H), respec-*
15 *tively; and*

16 *(2) by inserting after subparagraph (D) the fol-*
17 *lowing:*

18 *“(E) expansion of small business concerns*
19 *owned and controlled by veterans, as defined in*
20 *section 3(q) of the Small Business Act (15 U.S.C.*
21 *632(q)), especially service-disabled veterans, as*
22 *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 by
7 service-disabled veterans,” after “small business concerns,”
8 the first place it appears in the first and second sentences.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 *(1) in the first sentence, by inserting “by small*
18 *business concerns owned and controlled by service-dis-*
19 *abled veterans,” after “small business concerns,”; the*
20 *first place it appears;*

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

1 (3) *in the fourth sentence, by inserting “small*
2 *business concerns owned and controlled by service-dis-*
3 *abled veterans, by” after “including participation*
4 *by”.*

5 **TITLE VI—REPORTS AND DATA**
6 **COLLECTION**

7 **SEC. 601. REPORTING REQUIREMENTS.**

8 (a) *REPORTS TO SMALL BUSINESS ADMINISTRA-*
9 *TION.—Subsection (h)(1) of section 15 of the Small Busi-*
10 *ness Act (15 U.S.C. 644) is amended by inserting “small*
11 *business concerns owned and controlled by veterans (includ-*
12 *ing service-disabled veterans),” after “small business con-*
13 *cerns,” the first place it appears.*

14 (b) *REPORTS TO THE PRESIDENT AND CONGRESS.—*
15 *Subsection (h)(2) of section 15 of the Small Business Act*
16 *(15 U.S.C. 644) is amended—*

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

19 (2) *in subparagraphs (A), (D), and (E), by in-*
20 *serting “small business concerns owned and controlled*
21 *by service-disabled veterans,” after “small business*
22 *concerns,” the first place it appears.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 *shall inform each small business concern identified under*
2 *this paragraph that information on Federal procurement*
3 *is available from the Administrator.*

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

16 **TITLE VII—MISCELLANEOUS**
17 **PROVISIONS**

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

19 *The Administrator of the Small Business Administra-*
20 *tion shall strengthen and reissue the Administrator's order*
21 *regarding the 3d sentence of section 4(b)(1) of the Small*
22 *Business Act (15 U.S.C. 633(b)(1)), relating to non-*
23 *discrimination and special considerations for veterans, and*
24 *take all necessary steps to ensure that its provisions are*
25 *fully and vigorously implemented.*

1 **SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF**
2 **ADVOCACY.**

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

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

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

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

10 *“(12) evaluate the efforts of each department and*
11 *agency of the United States, and of private industry,*
12 *to assist small business concerns owned and controlled*
13 *by veterans, as defined in section 3(q) of the Small*
14 *Business Act (15 U.S.C. 632(q)), and small business*
15 *concerns owned and controlled by serviced-disabled*
16 *veterans, as defined in such section 3(q), and to pro-*
17 *vide statistical information on the utilization of such*
18 *programs by such small business concerns, and to*
19 *make appropriate recommendations to the Adminis-*
20 *trator of the Small Business Administration and to*
21 *Congress in order to promote the establishment and*
22 *growth of those small business concerns.”.*

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

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

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

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

11 *(b) REPORT.—*

12 (1) *IN GENERAL.—Not later than 180 days after*
13 *the enactment of this Act, the Comptroller General*
14 *shall transmit the report described in subsection (a)*
15 *to the Committees on Veterans' Affairs and the Com-*
16 *mittees on Small Business of the House of Represent-*
17 *atives and the Senate.*

18 (2) *CONTENTS OF REPORT.—The report required*
19 *by paragraph (1) shall specifically address the fol-*
20 *lowing:*

21 (A) *With respect to the change in the vet-*
22 *erans' housing loan program contemplated under*
23 *subsection (a):*

1 (i) *The increase or decrease in admin-*
2 *istrative costs to the Department of Veterans*
3 *Affairs.*

4 (ii) *The increase or decrease in the de-*
5 *gree of exposure of the United States as the*
6 *guarantor of the loans.*

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

9 (iv) *Any increase in the interest rate*
10 *or fees charged to the borrower or lender*
11 *that would be required to maintain present*
12 *program costs.*

13 (B) *Information regarding the delinquency*
14 *rates, default rates, length of time required for*
15 *recovery after default, for fixed-asset business*
16 *loans, of a size and duration comparable to those*
17 *contemplated under subsection (a), made avail-*
18 *able in the private market or under section 503*
19 *of the Small Business Investment Act.*