

***In the Senate of the United States,***

*October 2 (legislative day, September 22), 2000.*

*Resolved*, That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 2392) entitled “An Act to amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes.”, with the following

**SENATE AMENDMENT TO HOUSE AMENDMENT TO  
SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted by the House amendment, insert:

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the*

3 *“Small Business Reauthorization Act of 2000”.*

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

*Sec. 1. Short title; table of contents.*

*TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM*

*Sec. 101. Short title.*

*Sec. 102. Findings.*

*Sec. 103. Extension of SBIR program.*

*Sec. 104. Annual report.*

*Sec. 105. Third phase assistance.*

*Sec. 106. Report on programs for annual performance plan.*

*Sec. 107. Output and outcome data.*

*Sec. 108. National Research Council reports.*

*Sec. 109. Federal agency expenditures for the SBIR program.*

*Sec. 110. Policy directive modifications.*

*Sec. 111. Federal and State technology partnership program.*

*Sec. 112. Mentoring networks.*

*Sec. 113. Simplified reporting requirements.*

*Sec. 114. Rural outreach program extension.*

*TITLE II—GENERAL BUSINESS LOAN PROGRAM*

*Sec. 201. Short title.*

*Sec. 202. Levels of participation.*

*Sec. 203. Loan amounts.*

*Sec. 204. Interest on defaulted loans.*

*Sec. 205. Prepayment of loans.*

*Sec. 206. Guarantee fees.*

*Sec. 207. Lease terms.*

*Sec. 208. Microloan program.*

*TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM*

*Sec. 301. Short title.*

*Sec. 302. Women-owned businesses.*

*Sec. 303. Maximum debenture size.*

*Sec. 304. Fees.*

*Sec. 305. Premier certified lenders program.*

*Sec. 306. Sale of certain defaulted loans.*

*Sec. 307. Loan liquidation.*

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

*Sec. 401. Short title.*

*Sec. 402. Definitions.*

*Sec. 403. Investment in small business investment companies.*

*Sec. 404. Subsidy fees.*

*Sec. 405. Distributions.*

*Sec. 406. Conforming amendment.*

*TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS*

*Sec. 501. Short title.*

- Sec. 502. Reauthorization of small business programs.*  
*Sec. 503. Additional reauthorizations.*  
*Sec. 504. Cosponsorship.*

**TITLE VI—HUBZONE PROGRAM**

*Subtitle A—HUBZones in Native America*

- Sec. 601. Short title.*  
*Sec. 602. HUBZone small business concern.*  
*Sec. 603. Qualified HUBZone small business concern.*  
*Sec. 604. Other definitions.*

*Subtitle B—Other HUBZone Provisions*

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

**TITLE VII—NATIONAL WOMEN’S BUSINESS COUNCIL  
 REAUTHORIZATION**

- Sec. 701. Short title.*  
*Sec. 702. Duties of the Council.*  
*Sec. 703. Membership of the Council.*  
*Sec. 704. Repeal of procurement project; State and local economic networks.*  
*Sec. 705. Studies and other research.*  
*Sec. 706. Authorization of appropriations.*

**TITLE VIII—MISCELLANEOUS PROVISIONS**

- Sec. 801. Loan application processing.*  
*Sec. 802. Application of ownership requirements.*  
*Sec. 803. Subcontracting preference for veterans.*  
*Sec. 804. Small business development center program funding.*  
*Sec. 805. Surety bonds.*  
*Sec. 806. Size standards.*  
*Sec. 807. Native American small business development centers.*

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

**3 SECTION 101. SHORT TITLE.**

**4** (a) *SHORT TITLE.*—*This title may be cited as the*  
**5** *“Small Business Innovation Research Program Reauthor-*  
**6** *ization Act of 2000”.*

**7 SEC. 102. FINDINGS.**

**8** *Congress finds that—*

1           (1) *the small business innovation research pro-*  
2 *gram established under the Small Business Innova-*  
3 *tion Development Act of 1982, and reauthorized by*  
4 *the Small Business Research and Development En-*  
5 *hancement Act of 1992 (in this Act referred to as the*  
6 *“SBIR program”)* is highly successful in involving  
7 *small businesses in federally funded research and de-*  
8 *velopment;*

9           (2) *the SBIR program made the cost-effective*  
10 *and unique research and development capabilities*  
11 *possessed by the small businesses of the Nation avail-*  
12 *able to Federal agencies and departments;*

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

18           (4) *the SBIR program is a catalyst in the pro-*  
19 *motion of research and development, the commer-*  
20 *cialization of innovative technology, the development*  
21 *of new products and services, and the continued excel-*  
22 *lence of this Nation’s high-technology industries; and*

23           (5) *the continuation of the SBIR program will*  
24 *provide expanded opportunities for one of the Na-*  
25 *tion’s vital resources, its small businesses, will foster*

1 *invention, research, and technology, will create jobs,*  
2 *and will increase this Nation's competitiveness in*  
3 *international markets.*

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

5 *Section 9(m) of the Small Business Act (15 U.S.C.*  
6 *638(m)) is amended to read as follows:*

7 *“(m) TERMINATION.—The authorization to carry out*  
8 *the Small Business Innovation Research Program estab-*  
9 *lished under this section shall terminate on September 30,*  
10 *2008.”.*

11 **SEC. 104. ANNUAL REPORT.**

12 *Section 9(b)(7) of the Small Business Act (15 U.S.C.*  
13 *638(b)(7)) is amended by striking “and the Committee on*  
14 *Small Business of the House of Representatives” and insert-*  
15 *ing “; and to the Committee on Science and the Committee*  
16 *on Small Business of the House of Representatives,”.*

17 **SEC. 105. THIRD PHASE ASSISTANCE.**

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

21 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**  
22 **ANCE PLAN.**

23 *Section 9(g) of the Small Business Act (15 U.S.C.*  
24 *638(g)) is amended—*

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

3           (2) *in paragraph (8), by striking the period at*  
4 *the end and inserting a semicolon; and*

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

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

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

14           (a) *COLLECTION.*—*Section 9(g) of the Small Business*  
15 *Act (15 U.S.C. 638(g)), as amended by section 106 of this*  
16 *Act, is further amended by adding at the end the following:*

17           “(10) *collect, and maintain in a common format*  
18 *in accordance with subsection (v), such information*  
19 *from awardees as is necessary to assess the SBIR pro-*  
20 *gram, including information necessary to maintain*  
21 *the database described in subsection (k).”.*

22           (b) *REPORT TO CONGRESS.*—*Section 9(b)(7) of the*  
23 *Small Business Act (15 U.S.C. 638(b)(7)), as amended by*  
24 *section 104 of this Act, is further amended by inserting be-*  
25 *fore the period at the end “, including the data on output*

1 *and outcomes collected pursuant to subsections (g)(10) and*  
2 *(o)(9), and a description of the extent to which Federal*  
3 *agencies are providing in a timely manner information*  
4 *needed to maintain the database described in subsection*  
5 *(k)”.*

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

8 *“(k) DATABASE.—*

9 *“(1) PUBLIC DATABASE.—Not later than 180*  
10 *days after the date of enactment of the Small Busi-*  
11 *ness Innovation Research Program Reauthorization*  
12 *Act of 2000, the Administrator shall develop, main-*  
13 *tain, and make available to the public a searchable,*  
14 *up-to-date, electronic database that includes—*

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

20 *“(B) a description of each first phase or sec-*  
21 *ond phase SBIR award received by that small*  
22 *business concern, including—*

23 *“(i) an abstract of the project funded*  
24 *by the award, excluding any proprietary*

1                    *information so identified by the small busi-*  
2                    *ness concern;*

3                    *“(ii) the Federal agency making the*  
4                    *award; and*

5                    *“(iii) the date and amount of the*  
6                    *award;*

7                    *“(C) an identification of any business con-*  
8                    *cern or subsidiary established for the commercial*  
9                    *application of a product or service for which an*  
10                   *SBIR award is made; and*

11                   *“(D) information regarding mentors and*  
12                   *Mentoring Networks, as required by section*  
13                   *35(d).*

14                   *“(2) GOVERNMENT DATABASE.—Not later than*  
15                   *180 days after the date of enactment of the Small*  
16                   *Business Innovation Research Program Reauthoriza-*  
17                   *tion Act of 2000, the Administrator, in consultation*  
18                   *with Federal agencies required to have an SBIR pro-*  
19                   *gram pursuant to subsection (f)(1), shall develop and*  
20                   *maintain a database to be used solely for SBIR pro-*  
21                   *gram evaluation that—*

22                   *“(A) contains for each second phase award*  
23                   *made by a Federal agency—*

24                   *“(i) information collected in accord-*  
25                   *ance with paragraph (3) on revenue from*

1           *the sale of new products or services resulting*  
2           *from the research conducted under the*  
3           *award;*

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

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

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

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

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

25           “(ii) *an abstract of the project; and*

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

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

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

14          “(3) *UPDATING INFORMATION FOR DATABASE.*—

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

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

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

7                               “(ii) *be requested to voluntarily update*  
 8                               *such information annually thereafter for a*  
 9                               *period of 5 years.*

10                   “(4) *PROTECTION OF INFORMATION.—Informa-*  
 11                   *tion provided under paragraph (2) shall be considered*  
 12                   *privileged and confidential and not subject to disclo-*  
 13                   *sure pursuant to section 552 of title 5, United States*  
 14                   *Code.*

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

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

21                   (a) *STUDY AND RECOMMENDATIONS.—The head of*  
 22                   *each agency with a budget of more than \$50,000,000 for*  
 23                   *its SBIR program for fiscal year 1999, in consultation with*  
 24                   *the Small Business Administration, shall, not later than*  
 25                   *6 months after the date of enactment of this Act, coopera-*

1 *tively enter into an agreement with the National Academy*  
2 *of Sciences for the National Research Council to—*

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

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

16 *(B) to the extent practicable, an evaluation*  
17 *of the economic benefits achieved by the SBIR*  
18 *program, including the economic rate of return,*  
19 *and a comparison of the economic benefits, in-*  
20 *cluding the economic rate of return, achieved by*  
21 *the SBIR program with the economic benefits,*  
22 *including the economic rate of return, of other*  
23 *Federal research and development expenditures;*

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

4           (D) a comparison of the allocation for fiscal  
5           year 2000 of Federal research and development  
6           funds to small businesses with such allocation for  
7           fiscal year 1983, and an analysis of the factors  
8           that have contributed to such allocation; and

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

14         (2) make recommendations with respect to—

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

21                 (B) whether companies who can dem-  
22                 onstrate project feasibility, but who have not re-  
23                 ceived a first phase award, should be eligible for  
24                 second phase awards, and the potential impact

1           *of such awards on the competitive selection proc-*  
2           *ess of the program;*

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

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

12          *(E) improvements to the SBIR program, if*  
13          *any are considered appropriate.*

14          ***(b) PARTICIPATION BY SMALL BUSINESS.—***

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

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

24                         ***(B)*** *among those who are asked by the Na-*  
25                         *tional Research Council to peer review the study.*

1           (2) *CONSULTATION.*—*To ensure that the concerns*  
2           *of small business are appropriately considered under*  
3           *this subsection, the National Research Council shall*  
4           *consult with and consider the views of the Office of*  
5           *Technology and the Office of Advocacy of the Small*  
6           *Business Administration and other interested parties,*  
7           *including entities, organizations, and individuals ac-*  
8           *tively engaged in enhancing or developing the techno-*  
9           *logical capabilities of small business concerns.*

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

16          (d) *REPORT.*—*The National Research Council shall*  
17          *transmit to the heads of agencies entering into an agree-*  
18          *ment under this section and to the Committee on Science*  
19          *and the Committee on Small Business of the House of Rep-*  
20          *resentatives, and to the Committee on Small Business of*  
21          *the Senate—*

22                 (1) *not later than 3 years after the date of enact-*  
23                 *ment of this Act, a report including the results of the*  
24                 *study conducted under subsection (a)(1) and rec-*  
25                 *ommendations made under subsection (a)(2); and*

1           (2) not later than 6 years after that date of en-  
2           actment, an update of such report.

3 **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**  
4           **PROGRAM.**

5           Section 9(i) of the Small Business Act (15 U.S.C.  
6 638(i)) is amended—

7           (1) by striking “(i) Each Federal” and inserting  
8           the following:

9           “(i) ANNUAL REPORTING.—

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

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

12           “(2) CALCULATION OF EXTRAMURAL BUDGET.—

13           “(A) METHODOLOGY.—Not later than 4  
14           months after the date of enactment of each ap-  
15           propriations Act for a Federal agency required  
16           by this section to have an SBIR program, the  
17           Federal agency shall submit to the Administrator  
18           a report, which shall include a description of the  
19           methodology used for calculating the amount of  
20           the extramural budget of that Federal agency.

21           “(B) ADMINISTRATOR’S ANALYSIS.—The  
22           Administrator shall include an analysis of the  
23           methodology received from each Federal agency  
24           referred to in subparagraph (A) in the report re-  
25           quired by subsection (b)(7).”.

1 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

2 *Section 9(j) of the Small Business Act (15 U.S.C.*  
3 *638(j)) is amended by adding at the end the following:*

4 *“(3) ADDITIONAL MODIFICATIONS.—Not later*  
5 *than 120 days after the date of enactment of the*  
6 *Small Business Innovation Research Program Reau-*  
7 *thorization Act of 2000, the Administrator shall mod-*  
8 *ify the policy directives issued pursuant to this*  
9 *subsection—*

10 *“(A) to clarify that the rights provided for*  
11 *under paragraph (2)(A) apply to all Federal*  
12 *funding awards under this section, including the*  
13 *first phase (as described in subsection (e)(4)(A)),*  
14 *the second phase (as described in subsection*  
15 *(e)(4)(B)), and the third phase (as described in*  
16 *subsection (e)(4)(C));*

17 *“(B) to provide for the requirement of a*  
18 *succinct commercialization plan with each ap-*  
19 *plication for a second phase award that is mov-*  
20 *ing toward commercialization;*

21 *“(C) to require agencies to report to the Ad-*  
22 *ministration, not less frequently than annually,*  
23 *all instances in which an agency pursued re-*  
24 *search, development, or production of a tech-*  
25 *nology developed by a small business concern*  
26 *using an award made under the SBIR program*

1           of that agency, and determined that it was not  
2           practicable to enter into a follow-on non-SBIR  
3           program funding agreement with the small busi-  
4           ness concern, which report shall include, at a  
5           minimum—

6                   “(i) the reasons why the follow-on  
7                   funding agreement with the small business  
8                   concern was not practicable;

9                   “(ii) the identity of the entity with  
10                  which the agency contracted to perform the  
11                  research, development, or production; and

12                  “(iii) a description of the type of fund-  
13                  ing agreement under which the research, de-  
14                  velopment, or production was obtained; and

15                  “(D) to implement subsection (v), including  
16                  establishing standardized procedures for the pro-  
17                  vision of information pursuant to subsection  
18                  (k)(3).”.

19 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
20 **SHIP PROGRAM.**

21           (a) *FINDINGS.*—Congress finds that—

22                   (1) programs to foster economic development  
23                   among small high-technology firms vary widely  
24                   among the States;

1           (2) *States that do not aggressively support the*  
2 *development of small high-technology firms, including*  
3 *participation by small business concerns in the SBIR*  
4 *program, are at a competitive disadvantage in estab-*  
5 *lishing a business climate that is conducive to tech-*  
6 *nology development; and*

7           (3) *building stronger national, State, and local*  
8 *support for science and technology research in these*  
9 *disadvantaged States will expand economic opportu-*  
10 *nities in the United States, create jobs, and increase*  
11 *the competitiveness of the United States in the world*  
12 *market.*

13           **(b) FEDERAL AND STATE TECHNOLOGY PARTNERSHIP**  
14 **PROGRAM.—***The Small Business Act (15 U.S.C. 631 et seq.)*  
15 *is amended—*

16           (1) *by redesignating section 34 as section 37;*  
17 *and*

18           (2) *by inserting after section 33 the following:*

19 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
20 **SHIP PROGRAM.**

21           **“(a) DEFINITIONS.—***In this section and section 35, the*  
22 *following definitions apply:*

23           **“(1) APPLICANT.—***The term ‘applicant’ means*  
24 *an entity, organization, or individual that submits a*

1        *proposal for an award or a cooperative agreement*  
2        *under this section.*

3                “(2) *BUSINESS ADVICE AND COUNSELING.*—*The*  
4        *term ‘business advice and counseling’ means pro-*  
5        *viding advice and assistance on matters described in*  
6        *section 35(c)(2)(B) to small business concerns to guide*  
7        *them through the SBIR and STTR program process,*  
8        *from application to award and successful completion*  
9        *of each phase of the program.*

10               “(3) *FAST PROGRAM.*—*The term ‘FAST pro-*  
11        *gram’ means the Federal and State Technology Part-*  
12        *nership Program established under this section.*

13               “(4) *MENTOR.*—*The term ‘mentor’ means an in-*  
14        *dividual described in section 35(c)(2).*

15               “(5) *MENTORING NETWORK.*—*The term ‘Men-*  
16        *toring Network’ means an association, organization,*  
17        *coalition, or other entity (including an individual)*  
18        *that meets the requirements of section 35(c).*

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

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

24               “(8) *STATE.*—*The term ‘State’ means each of the*  
25        *several States, the District of Columbia, the Common-*

1 *wealth of Puerto Rico, the Virgin Islands, Guam, and*  
2 *American Samoa.*

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

5 “(b) *ESTABLISHMENT OF PROGRAM.*—*The Adminis-*  
6 *trator shall establish a program to be known as the Federal*  
7 *and State Technology Partnership Program, the purpose of*  
8 *which shall be to strengthen the technological competitive-*  
9 *ness of small business concerns in the States.*

10 “(c) *GRANTS AND COOPERATIVE AGREEMENTS.*—

11 “(1) *JOINT REVIEW.*—*In carrying out the FAST*  
12 *program under this section, the Administrator and*  
13 *the SBIR program managers at the National Science*  
14 *Foundation and the Department of Defense shall*  
15 *jointly review proposals submitted by applicants and*  
16 *may make awards or enter into cooperative agree-*  
17 *ments under this section based on the factors for con-*  
18 *sideration set forth in paragraph (2), in order to en-*  
19 *hance or develop in a State—*

20 “(A) *technology research and development*  
21 *by small business concerns;*

22 “(B) *technology transfer from university re-*  
23 *search to technology-based small business con-*  
24 *cerns;*

1           “(C) *technology deployment and diffusion*  
2           *benefiting small business concerns;*

3           “(D) *the technological capabilities of small*  
4           *business concerns through the establishment or*  
5           *operation of consortia comprised of entities, or-*  
6           *ganizations, or individuals, including—*

7                   “(i) *State and local development agen-*  
8                   *cies and entities;*

9                   “(ii) *representatives of technology-*  
10                  *based small business concerns;*

11                  “(iii) *industries and emerging compa-*  
12                  *nies;*

13                  “(iv) *universities; and*

14                  “(v) *small business development cen-*  
15                  *ters; and*

16           “(E) *outreach, financial support, and tech-*  
17           *nical assistance to technology-based small busi-*  
18           *ness concerns participating in or interested in*  
19           *participating in an SBIR program, including*  
20           *initiatives—*

21                   “(i) *to make grants or loans to compa-*  
22                   *nies to pay a portion or all of the cost of*  
23                   *developing SBIR proposals;*

24                   “(ii) *to establish or operate a Men-*  
25                   *toring Network within the FAST program*

1           to provide business advice and counseling  
2           that will assist small business concerns that  
3           have been identified by FAST program par-  
4           ticipants, program managers of partici-  
5           pating SBIR agencies, the Administration,  
6           or other entities that are knowledgeable  
7           about the SBIR and STTR programs as  
8           good candidates for the SBIR and STTR  
9           programs, and that would benefit from  
10          mentoring, in accordance with section 35;

11           “(iii) to create or participate in a  
12          training program for individuals providing  
13          SBIR outreach and assistance at the State  
14          and local levels; and

15           “(iv) to encourage the commercializa-  
16          tion of technology developed through SBIR  
17          program funding.

18          “(2) SELECTION CONSIDERATIONS.—In making  
19          awards or entering into cooperative agreements under  
20          this section, the Administrator and the SBIR pro-  
21          gram managers referred to in paragraph (1)—

22           “(A) may only consider proposals by appli-  
23          cants that intend to use a portion of the Federal  
24          assistance provided under this section to provide  
25          outreach, financial support, or technical assist-

1           *ance to technology-based small business concerns*  
2           *participating in or interested in participating*  
3           *in the SBIR program; and*

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

5                   “(i) whether the applicant has dem-  
6                   onstrated that the assistance to be provided  
7                   would address unmet needs of small busi-  
8                   ness concerns in the community, and wheth-  
9                   er it is important to use Federal funding  
10                  for the proposed activities;

11                  “(ii) whether the applicant has dem-  
12                  onstrated that a need exists to increase the  
13                  number or success of small high-technology  
14                  businesses in the State, as measured by the  
15                  number of first phase and second phase  
16                  SBIR awards that have historically been re-  
17                  ceived by small business concerns in the  
18                  State;

19                  “(iii) whether the projected costs of the  
20                  proposed activities are reasonable;

21                  “(iv) whether the proposal integrates  
22                  and coordinates the proposed activities with  
23                  other State and local programs assisting  
24                  small high-technology firms in the State;  
25                  and

1                   “(v) *the manner in which the appli-*  
2                   *cant will measure the results of the activi-*  
3                   *ties to be conducted.*

4                   “(3) *PROPOSAL LIMIT.—Not more than 1 pro-*  
5                   *posal may be submitted for inclusion in the FAST*  
6                   *program under this section to provide services in any*  
7                   *one State in any 1 fiscal year.*

8                   “(4) *PROCESS.—Proposals and applications for*  
9                   *assistance under this section shall be in such form*  
10                  *and subject to such procedures as the Administrator*  
11                  *shall establish.*

12                  “(d) *COOPERATION AND COORDINATION.—In carrying*  
13                  *out the FAST program under this section, the Adminis-*  
14                  *trator shall cooperate and coordinate with—*

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

17                         “(2) *entities, organizations, and individuals ac-*  
18                         *tively engaged in enhancing or developing the techno-*  
19                         *logical capabilities of small business concerns,*  
20                         *including—*

21                                 “(A) *State and local development agencies*  
22                                 *and entities;*

23                                 “(B) *State committees established under the*  
24                                 *Experimental Program to Stimulate Competitive*  
25                                 *Research of the National Science Foundation (as*

1           *established under section 113 of the National*  
2           *Science Foundation Authorization Act of 1988*  
3           *(42 U.S.C. 1862g));*

4           “(C) *State science and technology councils;*  
5           *and*

6           “(D) *representatives of technology-based*  
7           *small business concerns.*

8           “(e) *ADMINISTRATIVE REQUIREMENTS.—*

9           “(1) *COMPETITIVE BASIS.—Awards and coopera-*  
10          *tive agreements under this section shall be made or*  
11          *entered into, as applicable, on a competitive basis.*

12          “(2) *MATCHING REQUIREMENTS.—*

13          “(A) *IN GENERAL.—The non-Federal share*  
14          *of the cost of an activity (other than a planning*  
15          *activity) carried out using an award or under a*  
16          *cooperative agreement under this section shall*  
17          *be—*

18                  “(i) *50 cents for each Federal dollar,*  
19                  *in the case of a recipient that will serve*  
20                  *small business concerns located in one of the*  
21                  *18 States receiving the fewest SBIR first*  
22                  *phase awards (as described in section*  
23                  *9(e)(4)(A));*

24                  “(ii) *except as provided in subpara-*  
25                  *graph (B), 1 dollar for each Federal dollar,*

1           *in the case of a recipient that will serve*  
2           *small business concerns located in one of the*  
3           *16 States receiving the greatest number of*  
4           *such SBIR first phase awards; and*

5           *“(iii) except as provided in subpara-*  
6           *graph (B), 75 cents for each Federal dollar,*  
7           *in the case of a recipient that will serve*  
8           *small business concerns located in a State*  
9           *that is not described in clause (i) or (ii)*  
10          *that is receiving such SBIR first phase*  
11          *awards.*

12          *“(B) LOW-INCOME AREAS.—The non-Fed-*  
13          *eral share of the cost of the activity carried out*  
14          *using an award or under a cooperative agree-*  
15          *ment under this section shall be 50 cents for each*  
16          *Federal dollar that will be directly allocated by*  
17          *a recipient described in subparagraph (A) to*  
18          *serve small business concerns located in a quali-*  
19          *fied census tract, as that term is defined in sec-*  
20          *tion 42(d)(5)(C)(ii) of the Internal Revenue Code*  
21          *of 1986. Federal dollars not so allocated by that*  
22          *recipient shall be subject to the matching require-*  
23          *ments of subparagraph (A).*

24          *“(C) TYPES OF FUNDING.—The non-Federal*  
25          *share of the cost of an activity carried out by a*

1           *recipient shall be comprised of not less than 50*  
2           *percent cash and not more than 50 percent of in-*  
3           *direct costs and in-kind contributions, except*  
4           *that no such costs or contributions may be de-*  
5           *rived from funds from any other Federal pro-*  
6           *gram.*

7           “(D) *RANKINGS.*—*For purposes of subpara-*  
8           *graph (A), the Administrator shall reevaluate the*  
9           *ranking of a State once every 2 fiscal years, be-*  
10          *ginning with fiscal year 2001, based on the most*  
11          *recent statistics compiled by the Administrator.*

12          “(3) *DURATION.*—*Awards may be made or coop-*  
13          *erative agreements entered into under this section for*  
14          *multiple years, not to exceed 5 years in total.*

15          “(f) *REPORTS.*—

16               “(1) *INITIAL REPORT.*—*Not later than 120 days*  
17               *after the date of enactment of the Small Business In-*  
18               *novation Research Program Reauthorization Act of*  
19               *2000, the Administrator shall prepare and submit to*  
20               *the Committee on Small Business of the Senate and*  
21               *the Committee on Science and the Committee on*  
22               *Small Business of the House of Representatives a re-*  
23               *port, which shall include, with respect to the FAST*  
24               *program, including Mentoring Networks—*

1           “(A) a description of the structure and pro-  
2           cedures of the program;

3           “(B) a management plan for the program;  
4           and

5           “(C) a description of the merit-based review  
6           process to be used in the program.

7           “(2) ANNUAL REPORTS.—The Administrator  
8           shall submit an annual report to the Committee on  
9           Small Business of the Senate and the Committee on  
10          Science and the Committee on Small Business of the  
11          House of Representatives regarding—

12           “(A) the number and amount of awards  
13           provided and cooperative agreements entered into  
14           under the FAST program during the preceding  
15           year;

16           “(B) a list of recipients under this section,  
17           including their location and the activities being  
18           performed with the awards made or under the  
19           cooperative agreements entered into; and

20           “(C) the Mentoring Networks and the men-  
21           toring database, as provided for under section  
22           35, including—

23           “(i) the status of the inclusion of men-  
24           toring information in the database required  
25           by section 9(k); and

1                   “(ii) the status of the implementation  
2                   and description of the usage of the Men-  
3                   toring Networks.

4                   “(g) *REVIEWS BY INSPECTOR GENERAL.*—

5                   “(1) *IN GENERAL.*—*The Inspector General of the*  
6                   *Administration shall conduct a review of—*

7                   “(A) *the extent to which recipients under*  
8                   *the FAST program are measuring the perform-*  
9                   *ance of the activities being conducted and the re-*  
10                   *sults of such measurements; and*

11                   “(B) *the overall management and effective-*  
12                   *ness of the FAST program.*

13                   “(2) *REPORT.*—*During the first quarter of fiscal*  
14                   *year 2004, the Inspector General of the Administra-*  
15                   *tion shall submit a report to the Committee on Small*  
16                   *Business of the Senate and the Committee on Science*  
17                   *and the Committee on Small Business of the House*  
18                   *of Representatives on the review conducted under*  
19                   *paragraph (1).*

20                   “(h) *PROGRAM LEVELS.*—

21                   “(1) *IN GENERAL.*—*There is authorized to be ap-*  
22                   *propriated to carry out the FAST program, including*  
23                   *Mentoring Networks, under this section and section*  
24                   *35, \$10,000,000 for each of fiscal years 2001 through*  
25                   *2005.*

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

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

9           (c) *COORDINATION OF TECHNOLOGY DEVELOPMENT*  
10          *PROGRAMS.*—Section 9 of the Small Business Act (15  
11          U.S.C. 638) is amended by adding at the end the following:

12          “(u) *COORDINATION OF TECHNOLOGY DEVELOPMENT*  
13          *PROGRAMS.*—

14                 “(1) *DEFINITION OF TECHNOLOGY DEVELOPMENT*  
15                 *PROGRAM.*—In this subsection, the term ‘technology  
16                 development program’ means—

17                         “(A) the *Experimental Program to Stimu-*  
18                         *late Competitive Research of the National*  
19                         *Science Foundation, as established under section*  
20                         *113 of the National Science Foundation Author-*  
21                         *ization Act of 1988 (42 U.S.C. 1862g);*

22                         “(B) the *Defense Experimental Program to*  
23                         *Stimulate Competitive Research of the Depart-*  
24                         *ment of Defense;*

1           “(C) the *Experimental Program to Stimu-*  
2           *late Competitive Research of the Department of*  
3           *Energy;*

4           “(D) the *Experimental Program to Stimu-*  
5           *late Competitive Research of the Environmental*  
6           *Protection Agency;*

7           “(E) the *Experimental Program to Stimu-*  
8           *late Competitive Research of the National Aero-*  
9           *navitics and Space Administration;*

10          “(F) the *Institutional Development Award*  
11          *Program of the National Institutes of Health;*  
12          *and*

13          “(G) the *National Research Initiative Com-*  
14          *petitive Grants Program of the Department of*  
15          *Agriculture.*

16          “(2) *COORDINATION REQUIREMENTS.—Each*  
17          *Federal agency that is subject to subsection (f) and*  
18          *that has established a technology development pro-*  
19          *gram may, in each fiscal year, review for funding*  
20          *under that technology development program—*

21                 “(A) *any proposal to provide outreach and*  
22                 *assistance to 1 or more small business concerns*  
23                 *interested in participating in the SBIR pro-*  
24                 *gram, including any proposal to make a grant*  
25                 *or loan to a company to pay a portion or all of*

1           *the cost of developing an SBIR proposal, from*  
2           *an entity, organization, or individual located*  
3           *in—*

4                     *“(i) a State that is eligible to partici-*  
5                     *pate in that program; or*

6                     *“(ii) a State described in paragraph*  
7                     *(3); or*

8                     *“(B) any proposal for the first phase of the*  
9                     *SBIR program, if the proposal, though meri-*  
10                    *torious, is not funded through the SBIR program*  
11                    *for that fiscal year due to funding restraints,*  
12                    *from a small business concern located in—*

13                    *“(i) a State that is eligible to partici-*  
14                    *pate in a technology development program;*  
15                    *or*

16                    *“(ii) a State described in paragraph*  
17                    *(3).*

18                    *“(3) ADDITIONALLY ELIGIBLE STATE.—A State*  
19                    *referred to in subparagraph (A)(ii) or (B)(ii) of para-*  
20                    *graph (2) is a State in which the total value of con-*  
21                    *tracts awarded to small business concerns under all*  
22                    *SBIR programs is less than the total value of con-*  
23                    *tracts awarded to small business concerns in a major-*  
24                    *ity of other States, as determined by the Adminis-*  
25                    *trator in biennial fiscal years, beginning with fiscal*

1        *year 2000, based on the most recent statistics com-*  
2        *plied by the Administrator.”.*

3        **SEC. 112. MENTORING NETWORKS.**

4        *The Small Business Act (15 U.S.C. 631 et seq.) is*  
5        *amended by inserting after section 34, as added by section*  
6        *111(b)(2) of this Act, the following:*

7        **“SEC. 35. MENTORING NETWORKS.**

8        *“(a) FINDINGS.—Congress finds that—*

9                *“(1) the SBIR and STTR programs create jobs,*  
10              *increase capacity for technological innovation, and*  
11              *boost international competitiveness;*

12              *“(2) increasing the quantity of applications from*  
13              *all States to the SBIR and STTR programs would*  
14              *enhance competition for such awards and the quality*  
15              *of the completed projects; and*

16              *“(3) mentoring is a natural complement to the*  
17              *FAST program of reaching out to new companies re-*  
18              *garding the SBIR and STTR programs as an effec-*  
19              *tive and low-cost way to improve the likelihood that*  
20              *such companies will succeed in such programs in de-*  
21              *veloping and commercializing their research.*

22              **“(b) AUTHORIZATION FOR MENTORING NETWORKS.—**  
23        *The recipient of an award or participant in a cooperative*  
24        *agreement under section 34 may use a reasonable amount*

1 *of such assistance for the establishment of a Mentoring Net-*  
2 *work under this section.*

3       “(c) *CRITERIA FOR MENTORING NETWORKS.—A Men-*  
4 *toring Network established using assistance under section*  
5 *34 shall—*

6               “(1) *provide business advice and counseling to*  
7 *high technology small business concerns located in the*  
8 *State or region served by the Mentoring Network and*  
9 *identified under section 34(c)(1)(E)(ii) as potential*  
10 *candidates for the SBIR or STTR programs;*

11               “(2) *identify volunteer mentors who—*

12                       “(A) *are persons associated with a small*  
13 *business concern that has successfully completed*  
14 *one or more SBIR or STTR funding agreements;*  
15 *and*

16                       “(B) *have agreed to guide small business*  
17 *concerns through all stages of the SBIR or STTR*  
18 *program process, including providing assistance*  
19 *relating to—*

20                               “(i) *proposal writing;*

21                               “(ii) *marketing;*

22                               “(iii) *Government accounting;*

23                               “(iv) *Government audits;*

24                               “(v) *project facilities and equipment;*

25                               “(vi) *human resources;*

1                   “(vii) *third phase partners;*  
2                   “(viii) *commercialization;*  
3                   “(ix) *venture capital networking; and*  
4                   “(x) *other matters relevant to the*  
5                   *SBIR and STTR programs;*

6                   “(3) *have experience working with small business*  
7                   *concerns participating in the SBIR and STTR pro-*  
8                   *grams;*

9                   “(4) *contribute information to the national data-*  
10                  *base referred to in subsection (d); and*

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

14                  “(d) *MENTORING DATABASE.—The Administrator*  
15                  *shall—*

16                  “(1) *include in the database required by section*  
17                  *9(k)(1), in cooperation with the SBIR, STTR, and*  
18                  *FAST programs, information on Mentoring Networks*  
19                  *and mentors participating under this section, includ-*  
20                  *ing a description of their areas of expertise;*

21                  “(2) *work cooperatively with Mentoring Net-*  
22                  *works to maintain and update the database;*

23                  “(3) *take such action as may be necessary to ag-*  
24                  *gressively promote Mentoring Networks under this sec-*  
25                  *tion; and*

1           “(4) fulfill the requirements of this subsection ei-  
2           ther directly or by contract.”.

3 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

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

7           “(v) *SIMPLIFIED REPORTING REQUIREMENTS.*—The  
8 Administrator shall work with the Federal agencies re-  
9 quired by this section to have an SBIR program to stand-  
10 ardize reporting requirements for the collection of data from  
11 SBIR applicants and awardees, including data for inclu-  
12 sion in the database under subsection (k), taking into con-  
13 sideration the unique needs of each agency, and to the extent  
14 possible, permitting the updating of previously reported in-  
15 formation by electronic means. Such requirements shall be  
16 designed to minimize the burden on small businesses.”.

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

18           (a) *EXTENSION OF TERMINATION DATE.*—Section  
19 501(b)(2) of the Small Business Reauthorization Act of  
20 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended by  
21 striking “2001” and inserting “2005”.

22           (b) *EXTENSION OF AUTHORIZATION OF APPROPRIA-*  
23 *TIONS.*—Section 9(s)(2) of the Small Business Act (15  
24 U.S.C. 638(s)(2)) is amended by striking “for fiscal year

1 1998, 1999, 2000, or 2001” and inserting “for each of the  
2 fiscal years 2000 through 2005,”.

3 **TITLE II—GENERAL BUSINESS**  
4 **LOAN PROGRAM**

5 **SEC. 201. SHORT TITLE.**

6 *This title may be cited as the “Small Business General*  
7 *Business Loan Improvement Act of 2000”.*

8 **SEC. 202. LEVELS OF PARTICIPATION.**

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

11 *(1) in paragraph (i) by striking “\$100,000” and*  
12 *inserting “\$150,000”; and*

13 *(2) in paragraph (ii)—*

14 *(A) by striking “80 percent” and inserting*  
15 *“85 percent”; and*

16 *(B) by striking “\$100,000” and inserting*  
17 *“\$150,000”.*

18 **SEC. 203. LOAN AMOUNTS.**

19 *Section 7(a)(3)(A) of the Small Business Act (15*  
20 *U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,”*

21 *and inserting, “\$1,000,000 (or if the gross loan amount*  
22 *would exceed \$2,000,000),”.*

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

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

5 *“(iii) APPLICABILITY.—Clauses (i) and*  
6 *(ii) shall not apply to loans made on or*  
7 *after October 1, 2000.”.*

8 **SEC. 205. PREPAYMENT OF LOANS.**

9 *Section 7(a)(4) of the Small Business Act (15 U.S.C.*  
10 *636(a)(4)) is further amended—*

11 *(1) by striking “(4) INTEREST RATES AND*  
12 *FEES.—” and inserting “(4) INTEREST RATES AND*  
13 *PREPAYMENT CHARGES.—”; and*

14 *(2) by adding at the end the following:*

15 *“(C) PREPAYMENT CHARGES.—*

16 *“(i) IN GENERAL.—A borrower who*  
17 *prepays any loan guaranteed under this*  
18 *subsection shall remit to the Administration*  
19 *a subsidy recoupment fee calculated in ac-*  
20 *cordance with clause (i) if—*

21 *“(I) the loan is for a term of not*  
22 *less than 15 years;*

23 *“(II) the prepayment is vol-*  
24 *untary;*

25 *“(III) the amount of prepayment*  
26 *in any calendar year is more than 25*

1                   *percent of the outstanding balance of*  
2                   *the loan; and*

3                   “(IV) *the prepayment is made*  
4                   *within the first 3 years after disburse-*  
5                   *ment of the loan proceeds.*

6                   “(ii) *SUBSIDY RECOUPMENT FEE.—*  
7                   *The subsidy recoupment fee charged under*  
8                   *clause (i) shall be—*

9                   “(I) *5 percent of the amount of*  
10                   *prepayment, if the borrower prepays*  
11                   *during the first year after disburse-*  
12                   *ment;*

13                   “(II) *3 percent of the amount of*  
14                   *prepayment, if the borrower prepays*  
15                   *during the second year after disburse-*  
16                   *ment; and*

17                   “(III) *1 percent of the amount of*  
18                   *prepayment, if the borrower prepays*  
19                   *during the third year after disburse-*  
20                   *ment.”.*

21 **SEC. 206. GUARANTEE FEES.**

22                   *Section 7(a)(18) of the Small Business Act (15 U.S.C.*  
23                   *636(a)(18)) is amended to read as follows:*

24                   “(18) *GUARANTEE FEES.—*

1           “(A) *IN GENERAL.*—*With respect to each*  
2 *loan guaranteed under this subsection (other*  
3 *than a loan that is repayable in 1 year or less),*  
4 *the Administration shall collect a guarantee fee,*  
5 *which shall be payable by the participating lend-*  
6 *er, and may be charged to the borrower, as fol-*  
7 *lows:*

8                   “(i) *A guarantee fee equal to 2 percent*  
9 *of the deferred participation share of a total*  
10 *loan amount that is not more than*  
11 *\$150,000.*

12                   “(ii) *A guarantee fee equal to 3 percent*  
13 *of the deferred participation share of a total*  
14 *loan amount that is more than \$150,000,*  
15 *but less than \$700,000.*

16                   “(iii) *A guarantee fee equal to 3.5 per-*  
17 *cent of the deferred participation share of a*  
18 *total loan amount that is more than*  
19 *\$700,000.*

20           “(B) *RETENTION OF CERTAIN FEES.*—*Lend-*  
21 *ers participating in the programs established*  
22 *under this subsection may retain not more than*  
23 *25 percent of a fee collected under subparagraph*  
24 *(A)(i).”.*

1 **SEC. 207. LEASE TERMS.**

2 *Section 7(a) of the Small Business Act (15 U.S.C.*  
3 *636(a)) is further amended by adding at the end the fol-*  
4 *lowing:*

5 *“(28) LEASING.—In addition to such other lease*  
6 *arrangements as may be authorized by the Adminis-*  
7 *tration, a borrower may permanently lease to one or*  
8 *more tenants not more than 20 percent of any prop-*  
9 *erty constructed with the proceeds of a loan guaran-*  
10 *teed under this subsection, if the borrower perma-*  
11 *nently occupies and uses not less than 60 percent of*  
12 *the total business space in the property.”.*

13 **SEC. 208. MICROLOAN PROGRAM.**

14 *(a) IN GENERAL.—Section 7(m) of the Small Business*  
15 *Act (15 U.S.C. 636(m)) is amended—*

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

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

22 *(3) in paragraph (1)(B)(i), by striking “short-*  
23 *term,”;*

24 *(4) in paragraph (2)(B), by inserting before the*  
25 *period “, or equivalent experience, as determined by*  
26 *the Administration”;*

1           (5) in paragraph (3)(E), by striking “\$15,000”  
2           and inserting “\$20,000”;

3           (6) in paragraph (4)(E)—

4                 (A) by striking clause (i) and inserting the  
5                 following:

6                         “(i) *IN GENERAL.*—Each intermediary  
7                         may expend the grant funds received under  
8                         the program authorized by this subsection to  
9                         provide or arrange for loan technical assist-  
10                        ance to small business concerns that are  
11                        borrowers or prospective borrowers under  
12                        this subsection.”; and

13                 (B) in clause (ii), by striking “25” and in-  
14                 serting “35”;

15           (7) in paragraph (5)(A)—

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

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

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

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

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

1           Administration may fund, on a competitive  
2           basis, not more than—

3                   “(i) 250 intermediaries in fiscal year  
4                   2001;

5                   “(ii) 300 intermediaries in fiscal year  
6                   2002; and

7                   “(iii) 350 intermediaries in fiscal year  
8                   2003.”; and

9           (10) in paragraph (9), by adding at the end the  
10          following:

11                   “(D) PEER-TO-PEER CAPACITY BUILDING  
12                   AND TRAINING.—The Administrator may use not  
13                   more than \$1,000,000 of the annual appropria-  
14                   tion to the Administration for technical assist-  
15                   ance grants to subcontract with 1 or more na-  
16                   tional trade associations of eligible inter-  
17                   mediaries under this subsection to provide peer-  
18                   to-peer capacity building and training to lenders  
19                   under this subsection and organizations seeking  
20                   to become lenders under this subsection.”.

21          (b) CONFORMING AMENDMENTS.—Section 7(n)(11)(B)  
22          of the Small Business Act (15 U.S.C. 636(n)(11)(B)) is  
23          amended—

24                   (1) by striking “\$25,000” and inserting  
25                   “\$35,000”; and

1           (2) by striking “short-term,”.

2   **TITLE III—CERTIFIED DEVELOP-**  
3           **MENT COMPANY PROGRAM**

4   **SEC. 301. SHORT TITLE.**

5           *This title may be cited as the “Certified Development*  
6   *Company Program Improvements Act of 2000”.*

7   **SEC. 302. WOMEN-OWNED BUSINESSES.**

8           *Section 501(d)(3)(C) of the Small Business Investment*  
9   *Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended by insert-*  
10 *ing before the comma “or women-owned business develop-*  
11 *ment”.*

12 **SEC. 303. MAXIMUM DEBENTURE SIZE.**

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

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

21 **SEC. 304. FEES.**

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

24           “(f) *EFFECTIVE DATE.*—The fees authorized by sub-  
25 *sections (b) and (d) shall apply to financings approved by*

1 *the Administration on or after October 1, 1996, but shall*  
2 *not apply to financings approved by the Administration*  
3 *on or after October 1, 2003.”.*

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

5 *Section 217(b) of the Small Business Administration*  
6 *Reauthorization and Amendments Act of 1994 (Public Law*  
7 *103–403, 15 U.S.C. 697 note) (relating to section 508 of*  
8 *the Small Business Investment Act of 1958) is repealed.*

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

10 *Section 508 of the Small Business Investment Act of*  
11 *1958 (15 U.S.C. 697e) is amended—*

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

14 *(2) by redesignating subsections (d) through (i)*  
15 *as subsections (e) through (j), respectively;*

16 *(3) in subsection (f) (as redesignated by para-*  
17 *graph (2)), by striking “subsection (f)” and inserting*  
18 *“subsection (g)”;*

19 *(4) in subsection (h) (as redesignated by para-*  
20 *graph (2)), by striking “subsection (f)” and inserting*  
21 *“subsection (g)”;* and

22 *(5) by inserting after subsection (c) the fol-*  
23 *lowing:*

24 *“(d) SALE OF CERTAIN DEFAULTED LOANS.—*

1           “(1) NOTICE.—If, upon default in repayment,  
2           the Administration acquires a loan guaranteed under  
3           this section and identifies such loan for inclusion in  
4           a bulk asset sale of defaulted or repurchased loans or  
5           other financings, it shall give prior notice thereof to  
6           any certified development company which has a con-  
7           tingent liability under this section. The notice shall be  
8           given to the company as soon as possible after the fi-  
9           nancing is identified, but not less than 90 days before  
10          the date the Administration first makes any records  
11          on such financing available for examination by pro-  
12          spective purchasers prior to its offering in a package  
13          of loans for bulk sale.

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

17                  “(A) provides prospective purchasers with  
18                  the opportunity to examine the Administration’s  
19                  records with respect to such loan; and

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

22 **SEC. 307. LOAN LIQUIDATION.**

23          (a) LIQUIDATION AND FORECLOSURE.—Title V of the  
24          Small Business Investment Act of 1958 (15 U.S.C. 695 et  
25          seq.) is amended by adding at the end the following:

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

2       “(a) *DELEGATION OF AUTHORITY.*—*In accordance*  
3 *with this section, the Administration shall delegate to any*  
4 *qualified State or local development company (as defined*  
5 *in section 503(e)) that meets the eligibility requirements of*  
6 *subsection (b)(1) the authority to foreclose and liquidate,*  
7 *or to otherwise treat in accordance with this section, de-*  
8 *faulted loans in its portfolio that are funded with the pro-*  
9 *ceeds of debentures guaranteed by the Administration under*  
10 *section 503.*

11       “(b) *ELIGIBILITY FOR DELEGATION.*—

12               “(1) *REQUIREMENTS.*—*A qualified State or local*  
13 *development company shall be eligible for a delegation*  
14 *of authority under subsection (a) if—*

15                       “(A) *the company—*

16                               “(i) *has participated in the loan liq-*  
17 *uidation pilot program established by the*  
18 *Small Business Programs Improvement Act*  
19 *of 1996 (15 U.S.C. 695 note), as in effect on*  
20 *the day before promulgation of final regula-*  
21 *tions by the Administration implementing*  
22 *this section;*

23                               “(ii) *is participating in the Premier*  
24 *Certified Lenders Program under section*  
25 *508; or*

1           “(iii) during the 3 fiscal years imme-  
2           diately prior to seeking such a delegation,  
3           has made an average of not less than 10  
4           loans per year that are funded with the pro-  
5           ceeds of debentures guaranteed under section  
6           503; and

7           “(B) the company—

8           “(i) has one or more employees—

9           “(I) with not less than 2 years of  
10           substantive, decision-making experience  
11           in administering the liquidation and  
12           workout of problem loans secured in a  
13           manner substantially similar to loans  
14           funded with the proceeds of debentures  
15           guaranteed under section 503; and

16           “(II) who have completed a train-  
17           ing program on loan liquidation devel-  
18           oped by the Administration in con-  
19           junction with qualified State and local  
20           development companies that meet the  
21           requirements of this paragraph; or

22           “(ii) submits to the Administration  
23           documentation demonstrating that the com-  
24           pany has contracted with a qualified third-  
25           party to perform any liquidation activities

1           and secures the approval of the contract by  
2           the Administration with respect to the  
3           qualifications of the contractor and the  
4           terms and conditions of liquidation activi-  
5           ties.

6           “(2) CONFIRMATION.—On request the Adminis-  
7           tration shall examine the qualifications of any com-  
8           pany described in subsection (a) to determine if such  
9           company is eligible for the delegation of authority  
10          under this section. If the Administration determines  
11          that a company is not eligible, the Administration  
12          shall provide the company with the reasons for such  
13          ineligibility.

14          “(c) SCOPE OF DELEGATED AUTHORITY.—

15                 “(1) IN GENERAL.—Each qualified State or local  
16                 development company to which the Administration  
17                 delegates authority under section (a) may with re-  
18                 spect to any loan described in subsection (a)—

19                         “(A) perform all liquidation and foreclosure  
20                         functions, including the purchase in accordance  
21                         with this subsection of any other indebtedness se-  
22                         cured by the property securing the loan, in a  
23                         reasonable and sound manner according to com-  
24                         mercially accepted practices, pursuant to a liq-

1           *liquidation plan approved in advance by the Ad-*  
2           *ministration under paragraph (2)(A);*

3           *“(B) litigate any matter relating to the per-*  
4           *formance of the functions described in subpara-*  
5           *graph (A), except that the Administration*  
6           *may—*

7                   *“(i) defend or bring any claim if—*

8                           *“(I) the outcome of the litigation*  
9                           *may adversely affect the Administra-*  
10                          *tion’s management of the loan program*  
11                          *established under section 502; or*

12                          *“(II) the Administration is enti-*  
13                          *tled to legal remedies not available to*  
14                          *a qualified State or local development*  
15                          *company and such remedies will ben-*  
16                          *efit either the Administration or the*  
17                          *qualified State or local development*  
18                          *company; or*

19                          *“(ii) oversee the conduct of any such*  
20                          *litigation; and*

21           *“(C) take other appropriate actions to miti-*  
22           *gate loan losses in lieu of total liquidation or*  
23           *foreclosures, including the restructuring of a loan*  
24           *in accordance with prudent loan servicing prac-*  
25           *tices and pursuant to a workout plan approved*

1           *in advance by the Administration under para-*  
2           *graph (2)(C).*

3           “(2) *ADMINISTRATION APPROVAL.—*

4                 “(A) *LIQUIDATION PLAN.—*

5                         “(i) *IN GENERAL.—Before carrying out*  
6                         *functions described in paragraph (1)(A), a*  
7                         *qualified State or local development com-*  
8                         *pany shall submit to the Administration a*  
9                         *proposed liquidation plan.*

10                        “(ii) *ADMINISTRATION ACTION ON*  
11                        *PLAN.—*

12                                 “(I) *TIMING.—Not later than 15*  
13                                 *business days after a liquidation plan*  
14                                 *is received by the Administration*  
15                                 *under clause (i), the Administration*  
16                                 *shall approve or reject the plan.*

17                                 “(II) *NOTICE OF NO DECISION.—*  
18                                 *With respect to any plan that cannot*  
19                                 *be approved or denied within the 15-*  
20                                 *day period required by subclause (I),*  
21                                 *the Administration shall within such*  
22                                 *period provide in accordance with sub-*  
23                                 *paragraph (E) notice to the company*  
24                                 *that submitted the plan.*

1           “(iii) *ROUTINE ACTIONS.*—*In carrying*  
2           *out functions described in paragraph*  
3           *(1)(A), a qualified State or local develop-*  
4           *ment company may undertake routine ac-*  
5           *tions not addressed in a liquidation plan*  
6           *without obtaining additional approval from*  
7           *the Administration.*

8           “(B) *PURCHASE OF INDEBTEDNESS.*—

9           “(i) *IN GENERAL.*—*In carrying out*  
10           *functions described in paragraph (1)(A), a*  
11           *qualified State or local development com-*  
12           *pany shall submit to the Administration a*  
13           *request for written approval before commit-*  
14           *ting the Administration to the purchase of*  
15           *any other indebtedness secured by the prop-*  
16           *erty securing a defaulted loan.*

17           “(ii) *ADMINISTRATION ACTION ON RE-*  
18           *QUEST.*—

19           “(I) *TIMING.*—*Not later than 15*  
20           *business days after receiving a request*  
21           *under clause (i), the Administration*  
22           *shall approve or deny the request.*

23           “(II) *NOTICE OF NO DECISION.*—  
24           *With respect to any request that cannot*  
25           *be approved or denied within the 15-*

1           *day period required by subclause (I),*  
2           *the Administration shall within such*  
3           *period provide in accordance with sub-*  
4           *paragraph (E) notice to the company*  
5           *that submitted the request.*

6           “(C) *WORKOUT PLAN.*—

7           “(i) *IN GENERAL.*—*In carrying out*  
8           *functions described in paragraph (1)(C), a*  
9           *qualified State or local development com-*  
10           *pany shall submit to the Administration a*  
11           *proposed workout plan.*

12           “(ii) *ADMINISTRATION ACTION ON*  
13           *PLAN.*—

14           “(I) *TIMING.*—*Not later than 15*  
15           *business days after a workout plan is*  
16           *received by the Administration under*  
17           *clause (i), the Administration shall ap-*  
18           *prove or reject the plan.*

19           “(II) *NOTICE OF NO DECISION.*—  
20           *With respect to any workout plan that*  
21           *cannot be approved or denied within*  
22           *the 15-day period required by sub-*  
23           *clause (I), the Administration shall*  
24           *within such period provide in accord-*

1                    *ance with subparagraph (E) notice to*  
2                    *the company that submitted the plan.*

3                    *“(D) COMPROMISE OF INDEBTEDNESS.—In*  
4                    *carrying out functions described in paragraph*  
5                    *(1)(A), a qualified State or local development*  
6                    *company may—*

7                    *“(i) consider an offer made by an obli-*  
8                    *gor to compromise the debt for less than the*  
9                    *full amount owing; and*

10                    *“(ii) pursuant to such an offer, release*  
11                    *any obligor or other party contingently lia-*  
12                    *ble, if the company secures the written ap-*  
13                    *proval of the Administration.*

14                    *“(E) CONTENTS OF NOTICE OF NO DECI-*  
15                    *SION.—Any notice provided by the Administra-*  
16                    *tion under subparagraphs (A)(ii)(II), (B)(ii)(II),*  
17                    *or (C)(ii)(II)—*

18                    *“(i) shall be in writing;*

19                    *“(ii) shall state the specific reason for*  
20                    *the Administration’s inability to act on a*  
21                    *plan or request;*

22                    *“(iii) shall include an estimate of the*  
23                    *additional time required by the Administra-*  
24                    *tion to act on the plan or request; and*

1                   “(iv) if the Administration cannot act  
2                   because insufficient information or docu-  
3                   mentation was provided by the company  
4                   submitting the plan or request, shall specify  
5                   the nature of such additional information  
6                   or documentation.

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

16                  “(d) SUSPENSION OR REVOCATION OF AUTHORITY.—  
17                  The Administration may revoke or suspend a delegation of  
18                  authority under this section to any qualified State or local  
19                  development company, if the Administration determines  
20                  that the company—

21                         “(1) does not meet the requirements of subsection  
22                         (b)(1);

23                         “(2) has violated any applicable rule or regula-  
24                         tion of the Administration or any other applicable  
25                         law; or

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

5           “(e) REPORT.—

6           “(1) IN GENERAL.—Based on information pro-  
7           vided by qualified State and local development com-  
8           panies and the Administration, the Administration  
9           shall annually submit to the Committees on Small  
10          Business of the House of Representatives and of the  
11          Senate a report on the results of delegation of author-  
12          ity under this section.

13          “(2) CONTENTS.—Each report submitted under  
14          paragraph (1) shall include the following informa-  
15          tion:

16                 “(A) With respect to each loan foreclosed or  
17                 liquidated by a qualified State or local develop-  
18                 ment company under this section, or for which  
19                 losses were otherwise mitigated by the company  
20                 pursuant to a workout plan under this section—

21                         “(i) the total cost of the project fi-  
22                         nanced with the loan;

23                         “(ii) the total original dollar amount  
24                         guaranteed by the Administration;

1           “(iii) the total dollar amount of the  
2           loan at the time of liquidation, foreclosure,  
3           or mitigation of loss;

4           “(iv) the total dollar losses resulting  
5           from the liquidation, foreclosure, or mitiga-  
6           tion of loss; and

7           “(v) the total recoveries resulting from  
8           the liquidation, foreclosure, or mitigation of  
9           loss, both as a percentage of the amount  
10          guaranteed and the total cost of the project  
11          financed.

12          “(B) With respect to each qualified State or  
13          local development company to which authority is  
14          delegated under this section, the totals of each of  
15          the amounts described in clauses (i) through (v)  
16          of subparagraph (A).

17          “(C) With respect to all loans subject to  
18          foreclosure, liquidation, or mitigation under this  
19          section, the totals of each of the amounts de-  
20          scribed in clauses (i) through (v) of subpara-  
21          graph (A).

22          “(D) A comparison between—

23                 “(i) the information provided under  
24                 subparagraph (C) with respect to the 12-

1           *month period preceding the date on which*  
2           *the report is submitted; and*

3           “(ii) *the same information with respect*  
4           *to loans foreclosed and liquidated, or other-*  
5           *wise treated, by the Administration during*  
6           *the same period.*”

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

16          **(b) REGULATIONS.—**

17                 **(1) IN GENERAL.—***Not later than 150 days after*  
18                 *the date of enactment of this Act, the Administrator*  
19                 *shall issue such regulations as may be necessary to*  
20                 *carry out section 510 of the Small Business Invest-*  
21                 *ment Act of 1958, as added by subsection (a) of this*  
22                 *section.*

23                 **(2) TERMINATION OF PILOT PROGRAM.—***Begin-*  
24                 *ning on the date on which final regulations are issued*  
25                 *under paragraph (1), section 204 of the Small Busi-*

1        *ness Programs Improvement Act of 1996 (15 U.S.C.*  
2        *695 note) shall cease to have effect.*

3        **TITLE IV—CORRECTIONS TO THE**  
4        **SMALL BUSINESS INVEST-**  
5        **MENT ACT OF 1958**

6        **SEC. 401. SHORT TITLE.**

7        *This title may be cited as the “Small Business Invest-*  
8        *ment Corrections Act of 2000”.*

9        **SEC. 402. DEFINITIONS.**

10        *(a) SMALL BUSINESS CONCERN.—Section 103(5)(A)(i)*  
11        *of the Small Business Investment Act of 1958 (15 U.S.C.*  
12        *662(5)(A)(i)) is amended by inserting before the semicolon*  
13        *at the end the following: “regardless of the allocation of con-*  
14        *trol during the investment period under any investment*  
15        *agreement between the business concern and the entity mak-*  
16        *ing the investment”.*

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

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

21                *(2) in paragraph (16), by striking the period at*  
22        *the end and inserting “; and”; and*

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

24                *“(17) the term ‘long term’, when used in connec-*  
25        *tion with equity capital or loan funds invested in any*

1 *small business concern or smaller enterprise, means*  
2 *any period of time not less than 1 year.”.*

3 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**  
4 **COMPANIES.**

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

7 *(1) by striking “(b) Notwithstanding” and in-*  
8 *serting the following:*

9 *“(b) FINANCIAL INSTITUTION INVESTMENTS.—*

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

11 *(2) by adding at the end the following:*

12 *“(2) CERTAIN SAVINGS ASSOCIATIONS.—Notwith-*  
13 *standing any other provision of law, any Federal sav-*  
14 *ings association may invest in any 1 or more small*  
15 *business investment companies, or in any entity es-*  
16 *tablished to invest solely in small business investment*  
17 *companies, except that in no event may the total*  
18 *amount of such investments by any such Federal sav-*  
19 *ings association exceed 5 percent of the capital and*  
20 *surplus of the Federal savings association.”.*

21 **SEC. 404. SUBSIDY FEES.**

22 *(a) DEBENTURES.—Section 303(b) of the Small Busi-*  
23 *ness Investment Act of 1958 (15 U.S.C. 683(b)) is amended*  
24 *by striking “plus an additional charge of 1 percent per*  
25 *annum which shall be paid to and retained by the Adminis-*

1 *tration” and inserting “plus, for debentures issued after*  
2 *September 30, 2000, an additional charge, in an amount*  
3 *established annually by the Administration, of not more*  
4 *than 1 percent per year as necessary to reduce to zero the*  
5 *cost (as defined in section 502 of the Federal Credit Reform*  
6 *Act of 1990 (2 U.S.C. 661a)) to the Administration of pur-*  
7 *chasing and guaranteeing debentures under this Act, which*  
8 *shall be paid to and retained by the Administration”.*

9       **(b) PARTICIPATING SECURITIES.**—Section 303(g)(2) of  
10 *the Small Business Investment Act of 1958 (15 U.S.C.*  
11 *683(g)(2)) is amended by striking “plus an additional*  
12 *charge of 1 percent per annum which shall be paid to and*  
13 *retained by the Administration” and inserting “plus, for*  
14 *participating securities issued after September 30, 2000, an*  
15 *additional charge, in an amount established annually by*  
16 *the Administration, of not more than 1 percent per year*  
17 *as necessary to reduce to zero the cost (as defined in section*  
18 *502 of the Federal Credit Reform Act of 1990 (2 U.S.C.*  
19 *661a)) to the Administration of purchasing and guaran-*  
20 *teeing participating securities under this Act, which shall*  
21 *be paid to and retained by the Administration”.*

22 **SEC. 405. DISTRIBUTIONS.**

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

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

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

6           (3) by striking “quarterly distributions for a cal-  
7           endar year,” and inserting “interim distributions for  
8           a calendar year,”.

9   **SEC. 406. CONFORMING AMENDMENT.**

10          Section 310(c)(4) of the Small Business Investment  
11   Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by striking  
12   “five years” and inserting “1 year”.

13   **TITLE V—REAUTHORIZATION OF**  
14   **SMALL BUSINESS PROGRAMS**

15   **SEC. 501. SHORT TITLE.**

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

18   **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**  
19   **GRAMS.**

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

22          “(g) FISCAL YEAR 2001.—

23                  “(1) PROGRAM LEVELS.—The following program  
24   levels are authorized for fiscal year 2001:

1           “(A) For the programs authorized by this  
2 Act, the Administration is authorized to make—

3           “(i) \$45,000,000 in technical assist-  
4 ance grants as provided in section 7(m);  
5 and

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

8           “(B) For the programs authorized by this  
9 Act, the Administration is authorized to make  
10 \$19,050,000,000 in deferred participation loans  
11 and other financings. Of such sum, the Adminis-  
12 tration is authorized to make—

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

15           “(ii) \$4,000,000,000 in financings as  
16 provided in section 7(a)(13) of this Act and  
17 section 504 of the Small Business Invest-  
18 ment Act of 1958;

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

21           “(iv) \$50,000,000 in loans as provided  
22 in section 7(m).

23           “(C) For the programs authorized by title  
24 III of the Small Business Investment Act of

1           1958, the Administration is authorized to  
2           make—

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

5                   “(ii) \$1,500,000,000 in guarantees of  
6                   debentures.

7                   “(D) For the programs authorized by part  
8                   B of title IV of the Small Business Investment  
9                   Act of 1958, the Administration is authorized to  
10                  enter into guarantees not to exceed  
11                  \$4,000,000,000 of which not more than 50 per-  
12                  cent may be in bonds approved pursuant to sec-  
13                  tion 411(a)(3) of that Act.

14                  “(E) The Administration is authorized to  
15                  make grants or enter cooperative agreements for  
16                  a total amount of \$5,000,000 for the Service  
17                  Corps of Retired Executives program authorized  
18                  by section 8(b)(1).

19                  “(2) *ADDITIONAL AUTHORIZATIONS.*—

20                   “(A) There are authorized to be appro-  
21                   priated to the Administration for fiscal year  
22                   2001 such sums as may be necessary to carry out  
23                   the provisions of this Act not elsewhere provided  
24                   for, including administrative expenses and nec-  
25                   essary loan capital for disaster loans pursuant to

1           *section 7(b), and to carry out title IV of the*  
2           *Small Business Investment Act of 1958, includ-*  
3           *ing salaries and expenses of the Administration.*

4           “(B) *Notwithstanding any other provision*  
5           *of this paragraph, for fiscal year 2001—*

6                     “(i) *no funds are authorized to be used*  
7                     *as loan capital for the loan program au-*  
8                     *thorized by section 7(a)(21) except by trans-*  
9                     *fer from another Federal department or*  
10                    *agency to the Administration, unless the*  
11                    *program level authorized for general busi-*  
12                    *ness loans under paragraph (1)(B)(i) is*  
13                    *fully funded; and*

14                   “(ii) *the Administration may not ap-*  
15                    *prove loans on its own behalf or on behalf*  
16                    *of any other Federal department or agency,*  
17                    *by contract or otherwise, under terms and*  
18                    *conditions other than those specifically au-*  
19                    *thorized under this Act or the Small Busi-*  
20                    *ness Investment Act of 1958, except that it*  
21                    *may approve loans under section 7(a)(21)*  
22                    *of this Act in gross amounts of not more*  
23                    *than \$1,250,000.*

24           “(h) *FISCAL YEAR 2002.—*

1           “(1) *PROGRAM LEVELS.*—*The following program*  
2           *levels are authorized for fiscal year 2002:*

3           “(A) *For the programs authorized by this*  
4           *Act, the Administration is authorized to make—*

5                   “(i) *\$60,000,000 in technical assist-*  
6                   *ance grants as provided in section 7(m);*  
7                   *and*

8                   “(ii) *\$80,000,000 in direct loans, as*  
9                   *provided in 7(m).*

10           “(B) *For the programs authorized by this*  
11           *Act, the Administration is authorized to make*  
12           *\$20,050,000,000 in deferred participation loans*  
13           *and other financings. Of such sum, the Adminis-*  
14           *tration is authorized to make—*

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

17                   “(ii) *\$4,500,000,000 in financings as*  
18                   *provided in section 7(a)(13) of this Act and*  
19                   *section 504 of the Small Business Invest-*  
20                   *ment Act of 1958;*

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

23                   “(iv) *\$50,000,000 in loans as provided*  
24                   *in section 7(m).*

1           “(C) For the programs authorized by title  
2           *III of the Small Business Investment Act of*  
3           *1958, the Administration is authorized to*  
4           *make—*

5                   “(i) \$3,500,000,000 in purchases of  
6                   *participating securities; and*

7                   “(ii) \$2,500,000,000 in guarantees of  
8                   *debentures.*

9           “(D) For the programs authorized by part  
10           *B of title IV of the Small Business Investment*  
11           *Act of 1958, the Administration is authorized to*  
12           *enter into guarantees not to exceed*  
13           *\$5,000,000,000 of which not more than 50 per-*  
14           *cent may be in bonds approved pursuant to sec-*  
15           *tion 411(a)(3) of that Act.*

16           “(E) The Administration is authorized to  
17           *make grants or enter cooperative agreements for*  
18           *a total amount of \$6,000,000 for the Service*  
19           *Corps of Retired Executives program authorized*  
20           *by section 8(b)(1).*

21           “(2) *ADDITIONAL AUTHORIZATIONS.—*

22                   “(A) *There are authorized to be appro-*  
23                   *priated to the Administration for fiscal year*  
24                   *2002 such sums as may be necessary to carry out*  
25                   *the provisions of this Act not elsewhere provided*

1           *for, including administrative expenses and nec-*  
2           *essary loan capital for disaster loans pursuant to*  
3           *section 7(b), and to carry out title IV of the*  
4           *Small Business Investment Act of 1958, includ-*  
5           *ing salaries and expenses of the Administration.*

6           “(B) *Notwithstanding any other provision*  
7           *of this paragraph, for fiscal year 2002—*

8                     “(i) *no funds are authorized to be used*  
9                     *as loan capital for the loan program au-*  
10                    *thorized by section 7(a)(21) except by trans-*  
11                    *fer from another Federal department or*  
12                    *agency to the Administration, unless the*  
13                    *program level authorized for general busi-*  
14                    *ness loans under paragraph (1)(B)(i) is*  
15                    *fully funded; and*

16                    “(ii) *the Administration may not ap-*  
17                    *prove loans on its own behalf or on behalf*  
18                    *of any other Federal department or agency,*  
19                    *by contract or otherwise, under terms and*  
20                    *conditions other than those specifically au-*  
21                    *thorized under this Act or the Small Busi-*  
22                    *ness Investment Act of 1958, except that it*  
23                    *may approve loans under section 7(a)(21)*  
24                    *of this Act in gross amounts of not more*  
25                    *than \$1,250,000.*

1       “(i) *FISCAL YEAR 2003.*—

2               “(1) *PROGRAM LEVELS.*—*The following program*  
3 *levels are authorized for fiscal year 2003:*

4               “(A) *For the programs authorized by this*  
5 *Act, the Administration is authorized to make—*

6                       “(i) *\$70,000,000 in technical assist-*  
7 *ance grants as provided in section 7(m);*  
8 *and*

9                       “(ii) *\$100,000,000 in direct loans, as*  
10 *provided in 7(m).*

11               “(B) *For the programs authorized by this*  
12 *Act, the Administration is authorized to make*  
13 *\$21,550,000,000 in deferred participation loans*  
14 *and other financings. Of such sum, the Adminis-*  
15 *tration is authorized to make—*

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

18                       “(ii) *\$5,000,000,000 in financings as*  
19 *provided in section 7(a)(13) of this Act and*  
20 *section 504 of the Small Business Invest-*  
21 *ment Act of 1958;*

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

24                       “(iv) *\$50,000,000 in loans as provided*  
25 *in section 7(m).*

1           “(C) For the programs authorized by title  
2           *III of the Small Business Investment Act of*  
3           *1958, the Administration is authorized to*  
4           *make—*

5                     “(i) \$4,000,000,000 in purchases of  
6                     *participating securities; and*

7                     “(ii) \$3,000,000,000 in guarantees of  
8                     *debentures.*

9           “(D) For the programs authorized by part  
10           *B of title IV of the Small Business Investment*  
11           *Act of 1958, the Administration is authorized to*  
12           *enter into guarantees not to exceed*  
13           *\$6,000,000,000 of which not more than 50 per-*  
14           *cent may be in bonds approved pursuant to sec-*  
15           *tion 411(a)(3) of that Act.*

16           “(E) The Administration is authorized to  
17           *make grants or enter into cooperative agreements*  
18           *for a total amount of \$7,000,000 for the Service*  
19           *Corps of Retired Executives program authorized*  
20           *by section 8(b)(1).*

21           “(2) *ADDITIONAL AUTHORIZATIONS.—*

22                     “(A) *There are authorized to be appro-*  
23                     *priated to the Administration for fiscal year*  
24                     *2003 such sums as may be necessary to carry out*  
25                     *the provisions of this Act not elsewhere provided*

1           *for, including administrative expenses and nec-*  
2           *essary loan capital for disaster loans pursuant to*  
3           *section 7(b), and to carry out title IV of the*  
4           *Small Business Investment Act of 1958, includ-*  
5           *ing salaries and expenses of the Administration.*

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

8                   “(i) no funds are authorized to be used  
9                   as loan capital for the loan program au-  
10                  thorized by section 7(a)(21) except by trans-  
11                  fer from another Federal department or  
12                  agency to the Administration, unless the  
13                  program level authorized for general busi-  
14                  ness loans under paragraph (1)(B)(i) is  
15                  fully funded; and

16                  “(ii) the Administration may not ap-  
17                  prove loans on its own behalf or on behalf  
18                  of any other Federal department or agency,  
19                  by contract or otherwise, under terms and  
20                  conditions other than those specifically au-  
21                  thorized under this Act or the Small Busi-  
22                  ness Investment Act of 1958, except that it  
23                  may approve loans under section 7(a)(21)  
24                  of this Act in gross amounts of not more  
25                  than \$1,250,000.”.

1 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

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

4 (1) in the section heading, by striking “**DRUG-**  
5 **FREE WORKPLACE DEMONSTRATION**  
6 **PROGRAM**” and inserting “**PAUL D. COVER-**  
7 **DELL DRUG-FREE WORKPLACE PRO-**  
8 **GRAM**”; and

9 (2) in subsection (g)(1), by striking “\$10,000,000  
10 for fiscal years 1999 and 2000” and inserting  
11 “\$5,000,000 for each of fiscal years 2001 through  
12 2003”.

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

16 “(d) *AUTHORIZATION OF APPROPRIATIONS.*—There is  
17 authorized to be appropriated to carry out the program es-  
18 tablished by this section \$10,000,000 for each of fiscal years  
19 2001 through 2003.”.

20 (c) *WOMEN’S BUSINESS ENTERPRISE DEVELOPMENT*  
21 *PROGRAMS.*—Section 411 of the Women’s Business Owner-  
22 ship Act (Public Law 105–135; 15 U.S.C. 631 note) is  
23 amended by striking “\$600,000, for each of fiscal years  
24 1998 through 2000,” and inserting “\$1,000,000 for each of  
25 fiscal years 2001 through 2003”.

1           (d) *VERY SMALL BUSINESS CONCERNS PROGRAM.*—  
 2 *Section 304(i) of the Small Business Administration Reau-*  
 3 *thorization and Amendments Act of 1994 (Public Law 103–*  
 4 *403; 15 U.S.C. 644 note) is amended by striking “Sep-*  
 5 *tember 30, 2000” and inserting “September 30, 2003”.*

6           (e) *SOCIALLY AND ECONOMICALLY DISADVANTAGED*  
 7 *BUSINESSES PROGRAM.*—*Section 7102(c) of the Federal*  
 8 *Acquisition Streamlining Act of 1994 (Public Law 103–*  
 9 *355; 15 U.S.C. 644 note) is amended by striking “Sep-*  
 10 *tember 30, 2000” and inserting “September 30, 2003”.*

11           (f) *SBDC SERVICES.*—*Section 21(c)(3)(T) of the*  
 12 *Small Business Act (15 U.S.C. 648(c)(3)(T)) is amended*  
 13 *by striking “2000” and inserting “2003”.*

14 **SEC. 504. COSPONSORSHIP.**

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

18                           “(1)(A) to provide—

19   “(i) *technical, managerial, and informa-*  
 20 *tional aids to small business concerns—*

21   “(I) *by advising and counseling on*  
 22 *matters in connection with Government*  
 23 *procurement and policies, principles, and*  
 24 *practices of good management;*

1           “(II) by cooperating and advising  
2           with—

3                   “(aa) voluntary business, profes-  
4                   sional, educational, and other non-  
5                   profit organizations, associations, and  
6                   institutions (except that the Adminis-  
7                   tration shall take such actions as it de-  
8                   termines necessary to ensure that such  
9                   cooperation does not constitute or  
10                  imply an endorsement by the Adminis-  
11                  tration of the organization or its prod-  
12                  ucts or services, and shall ensure that  
13                  it receives appropriate recognition in  
14                  all printed materials); and

15                  “(bb) other Federal and State  
16                  agencies;

17                  “(III) by maintaining a clearinghouse  
18                  for information on managing, financing,  
19                  and operating small business enterprises;  
20                  and

21                  “(IV) by disseminating such informa-  
22                  tion, including through recognition events,  
23                  and by other activities that the Administra-  
24                  tion determines to be appropriate; and

1           “(ii) through cooperation with a profit-  
2           making concern (referred to in this paragraph as  
3           a ‘cosponsor’), training, information, and edu-  
4           cation to small business concerns, except that the  
5           Administration shall—

6                   “(I) take such actions as it determines  
7                   to be appropriate to ensure that—

8                           “(aa) the Administration receives  
9                           appropriate recognition and publicity;

10                           “(bb) the cooperation does not  
11                           constitute or imply an endorsement by  
12                           the Administration of any product or  
13                           service of the cosponsor;

14                           “(cc) unnecessary promotion of  
15                           the products or services of the cospon-  
16                           sor is avoided; and

17                           “(dd) utilization of any 1 cospon-  
18                           sor in a marketing area is minimized;  
19                           and

20                   “(II) develop an agreement, executed  
21                   on behalf of the Administration by an em-  
22                   ployee of the Administration in Wash-  
23                   ington, the District of Columbia, that pro-  
24                   vides, at a minimum, that—

1           “(aa) any printed material to an-  
2           nounce the cosponsorship or to be dis-  
3           tributed at the cosponsored activity,  
4           shall be approved in advance by the  
5           Administration;

6           “(bb) the terms and conditions of  
7           the cooperation shall be specified;

8           “(cc) only minimal charges may  
9           be imposed on any small business con-  
10          cern to cover the direct costs of pro-  
11          viding the assistance;

12          “(dd) the Administration may  
13          provide to the cosponsorship mailing  
14          labels, but not lists of names and ad-  
15          dresses of small business concerns com-  
16          piled by the Administration;

17          “(ee) all printed materials con-  
18          taining the names of both the Adminis-  
19          tration and the cosponsor shall include  
20          a prominent disclaimer that the co-  
21          operation does not constitute or imply  
22          an endorsement by the Administration  
23          of any product or service of the cospon-  
24          sor; and

1                   “(ff) the Administration shall en-  
 2                   sure that it receives appropriate rec-  
 3                   ognition in all cosponsorship printed  
 4                   materials.”.

5           (b) *EXTENSION OF COSPONSORSHIP AUTHORITY.*—  
 6   Section 401(a)(2) of the Small Business Administration  
 7   Reauthorization and Amendments Act of 1994 (15 U.S.C.  
 8   637 note) is amended by striking “September 30, 2000” and  
 9   inserting “September 30, 2003”.

10   **TITLE VI—HUBZONE PROGRAM**  
 11    **Subtitle A—HUBZones in Native**  
 12                   **America**

13   **SEC. 601. SHORT TITLE.**

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

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

17           Section 3(p)(3) of the Small Business Act (15 U.S.C.  
 18   632(p)(3)) is amended to read as follows:

19                   “(3) *HUBZONE SMALL BUSINESS CONCERN.*—The  
 20           term ‘HUBZone small business concern’ means—

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

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

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

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

16          “(C) a small business concern—

17                 “(i) that is wholly owned by 1 or more  
18                 Indian tribal governments, or by a corpora-  
19                 tion that is wholly owned by 1 or more In-  
20                 dian tribal governments; or

21                 “(ii) that is owned in part by 1 or  
22                 more Indian tribal governments, or by a  
23                 corporation that is wholly owned by 1 or  
24                 more Indian tribal governments, if all other

1                   *owners are either United States citizens or*  
2                   *small business concerns.”.*

3 **SEC. 603. QUALIFIED HUBZONE SMALL BUSINESS CON-**  
4                   **CERN.**

5           *(a) IN GENERAL.—Section 3(p)(5)(A)(i) of the Small*  
6 *Business Act (15 U.S.C. 632(p)(5)(A)(i)) is amended by*  
7 *striking subclauses (I) and (II) and inserting the following:*

8                                   *“(I) it is a HUBZone small busi-*  
9                                   *ness concern—*

10   *“(aa) pursuant to subpara-*  
11   *graph (A) or (B) of paragraph*  
12   *(3), and that its principal office*  
13   *is located in a HUBZone and not*  
14   *fewer than 35 percent of its em-*  
15   *ployees reside in a HUBZone; or*

16   *“(bb) pursuant to paragraph*  
17   *(3)(C), and not fewer than 35 per-*  
18   *cent of its employees engaged in*  
19   *performing a contract awarded to*  
20   *the small business concern on the*  
21   *basis of a preference provided*  
22   *under section 31(b) reside within*  
23   *any Indian reservation governed*  
24   *by 1 or more of the tribal govern-*  
25   *ment owners, or reside within any*

1                    *HUBZone* adjoining any such In-  
2                    dian reservation;

3                    “(II) the small business concern  
4                    will attempt to maintain the applica-  
5                    ble employment percentage under sub-  
6                    clause (I) during the performance of  
7                    any contract awarded to the small  
8                    business concern on the basis of a pref-  
9                    erence provided under section 31(b);  
10                   and”.

11                    (b) *HUBZONE PILOT PROGRAM FOR SPARSELY POPU-*  
12                    *LATED AREAS.*—Section 3(p)(5) of the *Small Business Act*  
13                    (15 U.S.C. 632(p)(5)) is amended by adding at the end the  
14                    following:

15                    “(E) *HUBZONE PILOT PROGRAM FOR*  
16                    *SPARSELY POPULATED AREAS.*—

17                    “(i) *IN GENERAL.*—Notwithstanding  
18                    subparagraph (A)(i)(I)(aa), during the pe-  
19                    riod beginning on the date of enactment of  
20                    the *Small Business Reauthorization Act of*  
21                    2000 and ending on September 30, 2003, a  
22                    small business concern, the principal office  
23                    of which is located in the State of Alaska,  
24                    an Alaska Native Corporation under para-  
25                    graph (3)(B)(i), or a direct or indirect sub-

1            *sidiary, joint venture, or partnership under*  
2            *paragraph (3)(B)(ii) shall be considered to*  
3            *be a qualified HUBZone small business*  
4            *concern if—*

5                    *“(I) its principal office is located*  
6                    *within a HUBZone within the State of*  
7                    *Alaska;*

8                    *“(II) not fewer than 35 percent of*  
9                    *its employees who will be engaged in*  
10                   *performing a contract awarded to it on*  
11                   *the basis of a preference provided*  
12                   *under section 31(b) will perform their*  
13                   *work in any HUBZone located within*  
14                   *the State of Alaska; or*

15                   *“(III) not fewer than 35 percent*  
16                   *of its employees reside in a HUBZone*  
17                   *located within the State of Alaska or*  
18                   *in any Alaska Native Village within*  
19                   *the State of Alaska.*

20                   *“(ii) EXCEPTION.—*

21                   *“(I) IN GENERAL.—Clause (i)*  
22                   *shall not apply in any fiscal year fol-*  
23                   *lowing a fiscal year in which the total*  
24                   *amount of contract dollars awarded in*  
25                   *furtherance of the contracting goals es-*

1           *tablished under section 15(g)(1) to*  
2           *small business concerns located within*  
3           *the State of Alaska is equal to more*  
4           *than 2 percent of the total amount of*  
5           *such contract dollars awarded to all*  
6           *small business concerns nationally,*  
7           *based on data from the Federal Pro-*  
8           *urement Data System.*

9                     “(II) *LIMITATION.*—Subclause (I)  
10           *shall not be construed to disqualify a*  
11           *HUBZone small business concern from*  
12           *performing a contract awarded to it on*  
13           *the basis of a preference provided*  
14           *under section 31(b), if such concern*  
15           *was qualified under clause (i) at the*  
16           *time at which the contract was award-*  
17           *ed.”.*

18           (c) *CLARIFYING AMENDMENT.*—Section 3(p)(5)(D)(i)  
19           *of the Small Business Act (15 U.S.C. 632(p)(5)(D)(i)) is*  
20           *amended by inserting “once the Administrator has made*  
21           *the certification required by subparagraph (A)(i) regarding*  
22           *a qualified HUBZone small business concern and has deter-*  
23           *mined that subparagraph (A)(i) does not apply to that*  
24           *concern,” before “include”.*

1 **SEC. 604. OTHER DEFINITIONS.**

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

4 *“(6) NATIVE AMERICAN SMALL BUSINESS CON-*  
5 *CERNS.—*

6 *“(A) ALASKA NATIVE CORPORATION.—The*  
7 *term ‘Alaska Native Corporation’ has the same*  
8 *meaning as the term ‘Native Corporation’ in sec-*  
9 *tion 3 of the Alaska Native Claims Settlement*  
10 *Act (43 U.S.C. 1602).*

11 *“(B) ALASKA NATIVE VILLAGE.—The term*  
12 *‘Alaska Native Village’ has the same meaning as*  
13 *the term ‘Native village’ in section 3 of the Alas-*  
14 *ka Native Claims Settlement Act (43 U.S.C.*  
15 *1602).*

16 *“(C) INDIAN RESERVATION.—The term ‘In-*  
17 *dian reservation’—*

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

22 *“(I) any lands that are located*  
23 *within a State in which a tribe did*  
24 *not exercise governmental jurisdiction*  
25 *on the date of enactment of this para-*  
26 *graph, unless that tribe is recognized*

1           *after that date of enactment by either*  
2           *an Act of Congress or pursuant to reg-*  
3           *ulations of the Secretary of the Interior*  
4           *for the administrative recognition that*  
5           *an Indian group exists as an Indian*  
6           *tribe (part 83 of title 25, Code of Fed-*  
7           *eral Regulations); and*

8                     *“(II) lands taken into trust or ac-*  
9                     *quired by an Indian tribe after the*  
10                    *date of enactment of this paragraph if*  
11                    *such lands are not located within the*  
12                    *external boundaries of an Indian res-*  
13                    *ervation or former reservation or are*  
14                    *not contiguous to the lands held in*  
15                    *trust or restricted status on that date*  
16                    *of enactment; and*

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

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

23                    *“(II) are recognized by the Sec-*  
24                    *retary of the Interior as eligible for*  
25                    *trust land status under part 151 of*

1                    *title 25, Code of Federal Regulations*  
2                    *(as in effect on the date of enactment*  
3                    *of this paragraph).”.*

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

6                    ***SEC. 611. DEFINITIONS.***

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

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

14                                    *“(B) QUALIFIED NONMETROPOLITAN COUN-*  
15                                    *TY.—The term ‘qualified nonmetropolitan coun-*  
16                                    *ty’ means any county—*

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

25                                    *“(ii) in which—*

1                   “(I) the median household income  
 2                   is less than 80 percent of the nonmetro-  
 3                   politan State median household in-  
 4                   come, based on the most recent data  
 5                   available from the Bureau of the Cen-  
 6                   sus of the Department of Commerce; or  
 7                   “(II) the unemployment rate is  
 8                   not less than 140 percent of the State-  
 9                   wide average unemployment rate for  
 10                  the State in which the county is lo-  
 11                  cated, based on the most recent data  
 12                  available from the Secretary of  
 13                  Labor.”.

14 **SEC. 612. ELIGIBLE CONTRACTS.**

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

17                   (1) in paragraph (3)—

18                           (A) by striking “In any” and inserting the  
 19                           following:

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

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

23                                   “(B) **PROCUREMENT OF COMMODITIES.**—  
 24                                   For purchases by the Secretary of Agriculture of

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

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

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

13                    “(iii) zero, for the portion of a contract  
14                    to be awarded that is greater than 40 per-  
15                    cent of the total volume being procured for  
16                    each commodity in a single invitation.”;  
17                    and

18                    (2) in paragraph (4), by striking “paragraph (2)  
19                    or (3)” and inserting “this subsection”.

20            (b) *DEFINITIONS.*—Section 3(p) of the *Small Business*  
21 *Act* (15 U.S.C. 632(p)), as amended by this Act, is  
22 *amended—*

23                    (1) in paragraph (5)(A)(i)(III)—

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

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

2                                   “(cc) in the case of a contract  
3                                   for the procurement by the Sec-  
4                                   retary of Agriculture of agricul-  
5                                   tural commodities, none of the  
6                                   commodity being procured will be  
7                                   obtained by the prime contractor  
8                                   through a subcontract for the pur-  
9                                   chase of the commodity in sub-  
10                                  stantially the final form in which  
11                                  it is to be supplied to the Govern-  
12                                  ment; and”;

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

14                                   “(7) AGRICULTURAL COMMODITY.—The term ‘ag-  
15                                   ricultural commodity’ has the same meaning as in  
16                                   section 102 of the Agricultural Trade Act of 1978 (7  
17                                   U.S.C. 5602).”.

18 **SEC. 613. HUBZONE REDESIGNATED AREAS.**

19                   Section 3(p) of the Small Business Act (15 U.S.C.  
20 632(p)) is amended—

21                                   (1) in paragraph (1)—

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

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

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

2                   “(D) redesignated areas.”; and

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

5                   “(C) *REDESIGNATED AREA*.—The term ‘re-  
6 designated area’ means any census tract that  
7 ceases to be qualified under subparagraph (A)  
8 and any nonmetropolitan county that ceases to  
9 be qualified under subparagraph (B), except that  
10 a census tract or a nonmetropolitan county may  
11 be a ‘redesignated area’ only for the 3-year pe-  
12 riod following the date on which the census tract  
13 or nonmetropolitan county ceased to be so quali-  
14 fied.”.

15 **SEC. 614. COMMUNITY DEVELOPMENT.**

16                   Section 3(p) of the Small Business Act (15 U.S.C.  
17 632(p)), as amended by this Act, is amended—

18                   (1) in paragraph (3)—

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

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

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

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

1           “(i) wholly owned by a community de-  
2           velopment corporation that has received fi-  
3           nancial assistance under Part 1 of Sub-  
4           chapter A of the Community Economic De-  
5           velopment Act of 1981 (42 U.S.C. 9805 et  
6           seq.); or

7           “(ii) owned in part by 1 or more com-  
8           munity development corporations, if all  
9           other owners are either United States citi-  
10          zens or small business concerns.”; and

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

14 **SEC. 615. REFERENCE CORRECTIONS.**

15          (a) SECTION 3.—Section 3(p)(5)(C) of the Small Busi-  
16          ness Act (15 U.S.C. 632(p)(5)(C)) is amended by striking  
17          “subclause (IV) and (V) of subparagraph (A)(i)” and in-  
18          serting “items (aa) and (bb) of subparagraph (A)(i)(III)”.

19          (b) SECTION 8.—Section 8(d)(4)(D) of the Small Busi-  
20          ness Act (15 U.S.C. 637(d)(4)(D)) is amended by inserting  
21          “qualified HUBZone small business concerns,” after “small  
22          business concerns,”.

1 **TITLE VII—NATIONAL WOMEN’S**  
2 **BUSINESS COUNCIL REAU-**  
3 **THORIZATION**

4 **SEC. 701. SHORT TITLE.**

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

7 **SEC. 702. DUTIES OF THE COUNCIL.**

8 *Section 406 of the Women’s Business Ownership Act*  
9 *of 1988 (15 U.S.C. 631 note) is amended to read as follows:*

10 **“SEC. 406. DUTIES OF THE COUNCIL.**

11 *“(a) IN GENERAL.—The Council shall—*

12 *“(1) provide advice and counsel to the President*  
13 *and to the Congress on economic matters of impor-*  
14 *tance to women business owners;*

15 *“(2) promote initiatives designed to increase ac-*  
16 *cess to capital and to markets, training and technical*  
17 *assistance, research, resources, and leadership oppor-*  
18 *tunities for and about women business owners;*

19 *“(3) provide a source of information and a cata-*  
20 *lyst for action to support women’s business develop-*  
21 *ment;*

22 *“(4) promote the implementation of the policy*  
23 *agenda, initiatives and recommendations issued at*  
24 *Summit ’98, the National Women’s Economic Forum;*

1           “(5) review, coordinate, and monitor plans and  
2           programs developed in the public and private sectors  
3           that affect the ability of women-owned small business  
4           concerns to obtain capital and credit;

5           “(6) work with—

6                   “(A) the Federal agencies for the purpose of  
7                   assisting them in meeting the 5 percent women’s  
8                   procurement goal established under section 15(g)  
9                   of the Small Business Act; and

10                   “(B) the private sector in increasing con-  
11                   tracting opportunities for women-owned small  
12                   business concerns;

13           “(7) promote and assist in the development of a  
14           women’s business census and other statistical surveys  
15           of women-owned small business concerns;

16           “(8) support new and ongoing research on  
17           women-owned small business concerns;

18           “(9) monitor and promote the plans, programs,  
19           and operations of the departments and agencies of the  
20           Federal Government that may contribute to the estab-  
21           lishment and growth of women’s business enterprise;

22           “(10) develop and promote new initiatives, poli-  
23           cies, programs, and plans designed to foster women’s  
24           business enterprise; and

1           “(11) *advise and consult with State and local*  
 2           *leaders to develop and implement programs and poli-*  
 3           *cies that promote women’s business ownership.*

4           “(b) *INTERACTION WITH THE INTERAGENCY COM-*  
 5           *MITTEE ON WOMEN’S BUSINESS ENTERPRISE.—The Coun-*  
 6           *cil shall—*

7           “(1) *advise the Interagency Committee on Wom-*  
 8           *en’s Business Enterprise (in this section referred to as*  
 9           *the ‘Committee’) on matters relating to the activities,*  
 10           *functions, and policies of the Committee, as provided*  
 11           *in this title; and*

12           “(2) *meet jointly with the Committee at the dis-*  
 13           *cretion of the chairperson of the Council and the*  
 14           *chairperson of the Committee, but not less frequently*  
 15           *than biannually.*

16           “(c) *MEETINGS.—The Council shall meet separately at*  
 17           *such times as the Council deems necessary. A majority of*  
 18           *the members of the Council shall constitute a quorum for*  
 19           *the approval of recommendations or reports issued pursu-*  
 20           *ant to this section.*

21           “(d) *RECOMMENDATIONS AND REPORTS .—*

22           “(1) *IN GENERAL.—Not later than 90 days after*  
 23           *the last day of each fiscal year, the Council shall—*

24           “(A) *make recommendations for consider-*  
 25           *ation by the Committee; and*

1           “(B) submit a report to the President, the  
2           Committee, the Administrator, the Committee on  
3           Small Business of the Senate, and the Committee  
4           on Small Business of the House of Representa-  
5           tives, as described in paragraph (2).

6           “(2) CONTENTS OF REPORTS.—The reports re-  
7           quired by paragraph (1) shall contain—

8           “(A) a detailed description of the activities  
9           of the Council during the preceding fiscal year,  
10          including a status report on the progress of the  
11          Council toward meeting its duties under sub-  
12          sections (a);

13          “(B) the findings, conclusions, and rec-  
14          ommendations of the Council; and

15          “(C) the recommendations of the Council for  
16          such legislation and administrative actions as  
17          the Council considers to be appropriate to pro-  
18          mote the development of small business concerns  
19          owned and controlled by women.

20          “(e) SEPARATE SUBMISSIONS.—The Administrator  
21          shall submit any additional, concurring, or dissenting  
22          views or recommendations to the President, the Committee,  
23          and the Congress separately from any recommendations or  
24          report submitted by the Council under this section.”.

1 **SEC. 703. MEMBERSHIP OF THE COUNCIL.**

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

4 *(1) in subsection (a), by striking “Not later” and*  
5 *all that follows through “the President” and inserting*  
6 *“The President”;*

7 *(2) in subsection (b)—*

8 *(A) by striking “Not later” and all that fol-*  
9 *lows through “the Administrator” and inserting*  
10 *“The Administrator”;* and

11 *(B) by striking “the Assistant Adminis-*  
12 *trator of the Office of Women’s Business Owner-*  
13 *ship and”;*

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

17 *(4) in subsection (h), by striking “Not later” and*  
18 *all that follows through “the Administrator” and in-*  
19 *serting “The Administrator”.*

20 **SEC. 704. REPEAL OF PROCUREMENT PROJECT; STATE AND**  
21 **LOCAL ECONOMIC NETWORKS.**

22 *Section 409 of the Women’s Business Ownership Act*  
23 *of 1988 (15 U.S.C. 631 note) is amended to read as follows:*

24 **“SEC. 409. STATE AND LOCAL ECONOMIC NETWORKS.**

25 *“The Council shall work with State and local officials*  
26 *and business leaders to develop the infrastructure for wom-*

1 *en’s business enterprise for the purpose of increasing wom-*  
 2 *en’s effectiveness in shaping the economic agendas of their*  
 3 *States and communities.”.*

4 **SEC. 705. STUDIES AND OTHER RESEARCH.**

5 *Section 410 of the Women’s Business Ownership Act*  
 6 *of 1988 (15 U.S.C. 631 note) is amended to read as follows:*

7 **“SEC. 410. STUDIES, OTHER RESEARCH, AND ISSUE INITIA-**  
 8 **TIVES.**

9 *“(a) IN GENERAL.—*

10 *“(1) AUTHORITY.—The Council may, as it deter-*  
 11 *mines to be appropriate, conduct such studies, re-*  
 12 *search, and issue initiatives relating to—*

13 *“(A) the award of Federal, State, local, and*  
 14 *private sector prime contracts and subcontracts*  
 15 *to women-owned businesses; and*

16 *“(B) access to credit and investment capital*  
 17 *by women entrepreneurs and business develop-*  
 18 *ment assistance programs, including the identi-*  
 19 *fication of best practices.*

20 *“(2) PURPOSES.—Studies, research, and issue*  
 21 *initiatives may be conducted under paragraph (1) for*  
 22 *purposes including—*

23 *“(A) identification of several focused out-*  
 24 *reach initiatives in nontraditional industry sec-*

1           *tors for the purpose of increasing contract*  
2           *awards to women in those areas;*

3           *“(B) supporting the growth and prolifera-*  
4           *tion of programs designed to prepare women to*  
5           *successfully access the equity capital markets;*

6           *“(C) continuing to identify and report on*  
7           *financial best practices that have worked to in-*  
8           *crease credit and capital availability to women*  
9           *business owners; and*

10           *“(D) working with Women’s Business Cen-*  
11           *ters to develop programs and coordinate activi-*  
12           *ties.*

13           *“(b) CONTRACT AUTHORITY.—In conducting any*  
14           *study or other research under this section, the Council may*  
15           *contract with 1 or more public or private entities.”.*

16   **SEC. 706. AUTHORIZATION OF APPROPRIATIONS.**

17           *Section 411 of the Women’s Business Ownership Act*  
18           *of 1988 (15 U.S.C. 631 note) is amended to read as follows:*

19   **“SEC. 411. AUTHORIZATION OF APPROPRIATIONS.**

20           *“(a) IN GENERAL.—There is authorized to be appro-*  
21           *priated to carry out this title \$1,000,000, for each of fiscal*  
22           *years 2001 through 2003, of which \$550,000 shall be avail-*  
23           *able in each such fiscal year to carry out sections 409 and*  
24           *410.*



1       *credit program under this Act shall be determined*  
2       *without regard to any ownership interest of a spouse*  
3       *arising solely from the application of the community*  
4       *property laws of a State for purposes of determining*  
5       *marital interests.”.*

6       **(b) SMALL BUSINESS INVESTMENT ACT OF 1958.—**  
7       *Section 502 of the Small Business Investment Act of 1958*  
8       *(15 U.S.C. 696) is amended by adding at the end the fol-*  
9       *lowing:*

10               **“(6) OWNERSHIP REQUIREMENTS.—***Ownership*  
11               *requirements to determine the eligibility of a small*  
12               *business concern that applies for assistance under any*  
13               *credit program under this title shall be determined*  
14               *without regard to any ownership interest of a spouse*  
15               *arising solely from the application of the community*  
16               *property laws of a State for purposes of determining*  
17               *marital interests.”.*

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

19       *Section 8(d) of the Small Business Act (15 U.S.C.*  
20       *637(d)) is amended—*

21               *(1) in paragraph (1), by inserting “small busi-*  
22               *ness concerns owned and controlled by veterans,” after*  
23               *“small business concerns,” the first place that term*  
24               *appears in each of the first and second sentences;*

25               *(2) in paragraph (3)—*

1           (A) in subparagraph (A), by inserting  
2           “small business concerns owned and controlled  
3           by service-disabled veterans,” after “small busi-  
4           ness concerns owned and controlled by veterans,”  
5           in each of the first and second sentences; and

6           (B) in subparagraph (F), by inserting  
7           “small business concern owned and controlled by  
8           service-disabled veterans,” after “small business  
9           concern owned and controlled by veterans,”; and

10          (3) in each of paragraphs (4)(D), (4)(E), (6)(A),  
11          (6)(C), (6)(F), and (10)(B), by inserting “small busi-  
12          ness concerns owned and controlled by service-disabled  
13          veterans,” after “small business concerns owned and  
14          controlled by veterans,”.

15 **SEC. 804. SMALL BUSINESS DEVELOPMENT CENTER PRO-**  
16 **GRAM FUNDING.**

17          (a) *AUTHORIZATION.*—

18           (1) *IN GENERAL.*—Section 20(a)(1) of the *Small*  
19 *Business Act* (15 U.S.C. 631 note) is amended by  
20 striking “For fiscal year 1985” and all that follows  
21 through “expended.” and inserting the following: “For  
22 fiscal year 2000 and each fiscal year thereafter, there  
23 are authorized to be appropriated such sums as may  
24 be necessary and appropriate, to remain available  
25 until expended, and to be available solely—

1           “(A) to carry out the Small Business Develop-  
2           ment Center Program under section 21, but not to ex-  
3           ceed the annual funding level, as specified in section  
4           21(a);

5           “(B) to pay the expenses of the National Small  
6           Business Development Center Advisory Board, as pro-  
7           vided in section 21(i);

8           “(C) to pay the expenses of the information shar-  
9           ing system, as provided in section 21(c)(8);

10           “(D) to pay the expenses of the association re-  
11           ferred to in section 21(a)(3)(A) for conducting the cer-  
12           tification program, as provided in section 21(k)(2);  
13           and

14           “(E) to pay the expenses of the Administration,  
15           including salaries of examiners, for conducting ex-  
16           aminations as part of the certification program con-  
17           ducted by the association referred to in section  
18           21(a)(3)(A).”.

19           (2) *TECHNICAL AMENDMENT.*—Section 20(a) of  
20           the Small Business Act (15 U.S.C. 631 note) is  
21           amended by moving the margins of paragraphs (3)  
22           and (4), including subparagraphs (A) and (B) of  
23           paragraph (4), 2 ems to the left.

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

4           “(C) *FUNDING FORMULA.*—

5                   “(i) *IN GENERAL.*—Subject to clause (iii),  
6 *the amount of a formula grant received by a*  
7 *State under this subparagraph shall be equal to*  
8 *an amount determined in accordance with the*  
9 *following formula:*

10                           “(I) *The annual amount made avail-*  
11 *able under section 20(a) for the Small Busi-*  
12 *ness Development Center Program, less any*  
13 *reductions made for expenses authorized by*  
14 *clause (v) of this subparagraph, shall be di-*  
15 *vided on a pro rata basis, based on the per-*  
16 *centage of the population of each State, as*  
17 *compared to the population of the United*  
18 *States.*

19                           “(II) *If the pro rata amount calculated*  
20 *under subclause (I) for any State is less*  
21 *than the minimum funding level under*  
22 *clause (iii), the Administration shall deter-*  
23 *mine the aggregate amount necessary to*  
24 *achieve that minimum funding level for*  
25 *each such State.*

1           “(III) The aggregate amount calculated  
2           under subclause (II) shall be deducted from  
3           the amount calculated under subclause (I)  
4           for States eligible to receive more than the  
5           minimum funding level. The deductions  
6           shall be made on a pro rata basis, based on  
7           the population of each such State, as com-  
8           pared to the total population of all such  
9           States.

10           “(IV) The aggregate amount deducted  
11           under subclause (III) shall be added to the  
12           grants of those States that are not eligible  
13           to receive more than the minimum funding  
14           level in order to achieve the minimum fund-  
15           ing level for each such State, except that the  
16           eligible amount of a grant to any State  
17           shall not be reduced to an amount below the  
18           minimum funding level.

19           “(i) GRANT DETERMINATION.—The amount  
20           of a grant that a State is eligible to apply for  
21           under this subparagraph shall be the amount de-  
22           termined under clause (i), subject to any modi-  
23           fications required under clause (iii), and shall be  
24           based on the amount available for the fiscal year  
25           in which performance of the grant commences,

1           *but not including amounts distributed in accord-*  
2           *ance with clause (iv). The amount of a grant re-*  
3           *ceived by a State under any provision of this*  
4           *subparagraph shall not exceed the amount of*  
5           *matching funds from sources other than the Fed-*  
6           *eral Government, as required under subpara-*  
7           *graph (A).*

8           “(iii) *MINIMUM FUNDING LEVEL.—The*  
9           *amount of the minimum funding level for each*  
10          *State shall be determined for each fiscal year*  
11          *based on the amount made available for that fis-*  
12          *cal year to carry out this section, as follows:*

13               “(I) *If the amount made available is*  
14               *not less than \$81,500,000 and not more*  
15               *than \$90,000,000, the minimum funding*  
16               *level shall be \$500,000.*

17               “(II) *If the amount made available is*  
18               *less than \$81,500,000, the minimum fund-*  
19               *ing level shall be the remainder of \$500,000*  
20               *minus a percentage of \$500,000 equal to the*  
21               *percentage amount by which the amount*  
22               *made available is less than \$81,500,000.*

23               “(III) *If the amount made available is*  
24               *more than \$90,000,000, the minimum fund-*  
25               *ing level shall be the sum of \$500,000 plus*

1           *a percentage of \$500,000 equal to the per-*  
2           *centage amount by which the amount made*  
3           *available exceeds \$90,000,000.*

4           “(iv) *DISTRIBUTIONS.*—*Subject to clause*  
5           *(iii), if any State does not apply for, or use, its*  
6           *full funding eligibility for a fiscal year, the Ad-*  
7           *ministration shall distribute the remaining*  
8           *funds as follows:*

9                   “(I) *If the grant to any State is less*  
10            *than the amount received by that State in*  
11            *fiscal year 2000, the Administration shall*  
12            *distribute such remaining funds, on a pro*  
13            *rata basis, based on the percentage of short-*  
14            *age of each such State, as compared to the*  
15            *total amount of such remaining funds*  
16            *available, to the extent necessary in order to*  
17            *increase the amount of the grant to the*  
18            *amount received by that State in fiscal year*  
19            *2000, or until such funds are exhausted,*  
20            *whichever first occurs.*

21                   “(II) *If any funds remain after the ap-*  
22            *plication of subclause (I), the remaining*  
23            *amount may be distributed as supplemental*  
24            *grants to any State, as the Administration*  
25            *determines, in its discretion, to be appro-*

1            *priate, after consultation with the associa-*  
2            *tion referred to in subsection (a)(3)(A).*

3            *“(v) USE OF AMOUNTS.—*

4                    *“(I) IN GENERAL.—Of the amounts*  
5                    *made available in any fiscal year to carry*  
6                    *out this section—*

7                            *“(aa) not more than \$500,000*  
8                            *may be used by the Administration to*  
9                            *pay expenses enumerated in subpara-*  
10                           *graphs (B) through (D) of section*  
11                           *20(a)(1); and*

12                           *“(bb) not more than \$500,000*  
13                           *may be used by the Administration to*  
14                           *pay the examination expenses enumer-*  
15                           *ated in section 20(a)(1)(E).*

16                    *“(II) LIMITATION.—No funds described*  
17                    *in subclause (I) may be used for examina-*  
18                    *tion expenses under section 20(a)(1)(E) if*  
19                    *the usage would reduce the amount of*  
20                    *grants made available under clause (i)(I) of*  
21                    *this subparagraph to less than \$85,000,000*  
22                    *(after excluding any amounts provided in*  
23                    *appropriations Acts for specific institutions*  
24                    *or for purposes other than the general small*  
25                    *business development center program) or*

1           *would further reduce the amount of such*  
2           *grants below such amount.*

3           “(vi) *EXCLUSIONS.*—*Grants provided to a*  
4           *State by the Administration or another Federal*  
5           *agency to carry out subsection (a)(6) or*  
6           *(c)(3)(G), or for supplemental grants set forth in*  
7           *clause (iv)(II) of this subparagraph, shall not be*  
8           *included in the calculation of maximum funding*  
9           *for a State under clause (ii) of this subpara-*  
10          *graph.*

11          “(vii) *AUTHORIZATION OF APPROPRIA-*  
12          *TIONS.*—*There is authorized to be appropriated*  
13          *to carry out this subparagraph \$125,000,000 for*  
14          *each of fiscal years 2001, 2002, and 2003.*

15          “(viii) *STATE DEFINED.*—*In this subpara-*  
16          *graph, the term ‘State’ means each of the several*  
17          *States, the District of Columbia, the Common-*  
18          *wealth of Puerto Rico, the Virgin Islands, Guam,*  
19          *and American Samoa.”.*

20   **SEC. 805. SURETY BONDS.**

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

24                  (1) *in subsection (a)(1), by striking*  
25                  *“\$1,250,000” and inserting “\$2,000,000”; and*

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

3           (b) *EXTENSION OF CERTAIN AUTHORITY.*—Section  
4 207 of the *Small Business Administration Reauthorization*  
5 *and Amendment Act of 1988* (15 U.S.C. 694b note) is  
6 amended by striking “2000” and inserting “2003”.

7 **SEC. 806. SIZE STANDARDS.**

8           (a) *INDUSTRY CLASSIFICATIONS.*—Section 15(a) of the  
9 *Small Business Act* (15 U.S.C. 644(a)) is amended in the  
10 eighth sentence, by striking “four-digit standard” and all  
11 that follows through “published” and inserting “definition  
12 of a ‘United States industry’ under the North American In-  
13 dustry Classification System, as established”.

14           (b) *ANNUAL RECEIPTS.*—Section 3(a)(1) of the *Small*  
15 *Business Act* (15 U.S.C. 632(a)(1)) is amended by striking  
16 “\$500,000” and inserting “\$750,000”.

17           (c) *CERTAIN PACKING HOUSES.*—

18           (1) *IN GENERAL.*—Section 3(a)(1) of the *Small*  
19 *Business Act* (15 U.S.C. 632(a)(1)) is amended by in-  
20 scribing before the period the following: “and, in the  
21 case of an enterprise that is a fresh fruit and vege-  
22 table packing house, has not more than 200 employ-  
23 ees”.

24           (2) *EFFECTIVE DATE.*—The amendment made by  
25 paragraph (1) shall apply to any application to the



1 *in paragraphs (1) and (3), respectively, of section*  
2 *9212 of the Native Hawaiian Education Act (20*  
3 *U.S.C. 7912) and section 8(a)(15) of this Act;*

4 *“(5) the term ‘Indian lands’ includes lands with-*  
5 *in the definition of—*

6 *“(A) the term ‘Indian country’, as defined*  
7 *in section 1151 of title 18, United States Code;*  
8 *and*

9 *“(B) the term ‘reservation’, as defined in—*

10 *“(i) section 3(d) of the Indian Financ-*  
11 *ing Act of 1974 (25 U.S.C. 1452(d)), except*  
12 *that such section shall be applied by treat-*  
13 *ing the term ‘former Indian reservations in*  
14 *Oklahoma’ as including only lands that are*  
15 *within the jurisdictional area of an Okla-*  
16 *homa Indian Tribe (as determined by the*  
17 *Secretary of the Interior) and are recog-*  
18 *nized by the Secretary of the Interior as eli-*  
19 *gible for trust land status under part 151 of*  
20 *title 25, Code of Federal Regulations, as in*  
21 *effect on the date of enactment of this sec-*  
22 *tion; and*

23 *“(ii) section 4(10) of the Indian Child*  
24 *Welfare Act (25 U.S.C. 1903(10));*

1           “(6) the term ‘Tribal Business Information Cen-  
2           ter’ means a business information center established  
3           by the Administration and a tribal organization on  
4           Alaska Native, Indian, or Native Hawaiian lands, as  
5           authorized by this section;

6           “(7) the terms ‘Tribal Electronic Commerce  
7           Small Business Resource Center’ and ‘Resource Cen-  
8           ter’ mean an information sharing system and re-  
9           source center providing research and resources to the  
10          Network, as authorized by this section; and

11          “(8) the term ‘tribal organization’ has the same  
12          meaning as in section 4(1) of the Indian Self-Deter-  
13          mination and Education Assistance Act (25 U.S.C.  
14          450b(1)), except for the proviso contained in that  
15          paragraph, and includes Native Hawaiian Organiza-  
16          tions and organizations of Alaska Natives.

17          “(b) *AUTHORITY FOR NETWORK.*—

18                 “(1) *IN GENERAL.*—The Administration may es-  
19                 tablish a Native American Small Business Develop-  
20                 ment Center Network and a Tribal Electronic Com-  
21                 merce Small Business Resource Center.

22                 “(2) *PURPOSE.*—The purpose of the Network  
23                 shall be to stimulate Alaska Native, Indian, and Na-  
24                 tive Hawaiian economies through the creation and ex-  
25                 pansion of small businesses.

1           “(3) *ESTABLISHMENT.*—*The Administration*  
2           *may provide 1 or more contracts, grants, and cooper-*  
3           *ative agreements to any established tribal organiza-*  
4           *tion to establish the Network and the Resource Center.*  
5           *Awards made under this section may be subgranted.*

6           “(c) *USES OF ASSISTANCE.*—*Services provided by the*  
7           *Network shall include—*

8                   “(1) *providing current business management*  
9                   *and technical assistance in a cost-effective and cul-*  
10                   *turally tailored manner that primarily serves Alaska*  
11                   *Natives, members of Indian tribes, or Native Hawai-*  
12                   *ians;*

13                   “(2) *providing Tribal Business Information Cen-*  
14                   *ters with current electronic commerce information,*  
15                   *training, and other forms of technical assistance;*

16                   “(3) *supporting the Resource Center; and*

17                   “(4) *providing any of the services that a small*  
18                   *business development center may provide under sec-*  
19                   *tion 21.*

20           “(d) *GRANT AND COOPERATIVE AGREEMENT MATCH-*  
21           *ING REQUIREMENT.*—

22                   “(1) *IN GENERAL.*—*As a condition for receiving*  
23                   *a contract, grant, or cooperative agreement authorized*  
24                   *by this section, the recipient organization shall agree*  
25                   *to obtain, after its application has been approved and*

1       *notice of award has been issued, cash or in kind con-*  
2       *tributions from non-Federal sources as follows:*

3               “(A) *One non-Federal dollar for each 4 Fed-*  
4               *eral dollars in the first and second years of the*  
5               *term of the assistance.*

6               “(B) *One non-Federal dollar for each 3 Fed-*  
7               *eral dollars in the third and fourth years of the*  
8               *term of the assistance.*

9               “(C) *One non-Federal dollar for each Fed-*  
10              *eral dollar in the fifth and succeeding years of*  
11              *the term of the assistance.*

12              “(2) *WAIVER.—The Administration may waive*  
13              *or reduce the matching funds requirements in para-*  
14              *graph (1) with respect to a recipient organization if*  
15              *the Administration determines that such action is*  
16              *consistent with the purposes of this section and in the*  
17              *best interests of the program authorized by this sec-*  
18              *tion.*

19              “(3) *EXCEPTION.—The matching funds require-*  
20              *ment of paragraph (1) does not apply to contracts,*  
21              *grants, or cooperative agreements made to a tribal or-*  
22              *ganization for the Resource Center.*

23              “(e) *AUTHORIZATION.—There is authorized to be*  
24              *appropriated—*

1           “(1) to carry out this section, \$3,000,000 for fis-  
2           cal year 2001 and each subsequent fiscal year; and

3           “(2) to fund the establishment and implementa-  
4           tion of one Resource Center under the authority of  
5           this section, \$500,000 for fiscal year 2001 and each  
6           subsequent fiscal year.”.

7           (b) *NATIVE HAWAIIAN ORGANIZATIONS UNDER SEC-*  
8           *TION 8(a).*—Section 8(a)(15)(A) of the Small Business Act  
9           (15 U.S.C. 637(a)(15)(A)) is amended to read as follows:

10           “(A) is a nonprofit corporation that has filed ar-  
11           ticles of incorporation with the director (or the des-  
12           ignee thereof) of the Hawaii Department of Commerce  
13           and Consumer Affairs, or any successor agency.”.

Attest:

Secretary.



106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 2392**

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**SENATE AMENDMENT TO  
HOUSE AMENDMENT TO  
SENATE AMENDMENT**

HR 2392 ES2—2  
HR 2392 ES2—3  
HR 2392 ES2—4  
HR 2392 ES2—5  
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