

107TH CONGRESS  
1ST SESSION

# S. 295

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## AN ACT

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

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

3       **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

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

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

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

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

19 (B) can negatively affect the national econ-  
20 omy and regional economies;

21 (C) have occurred in the winters of 1983–  
22 1984, 1988–1989, 1996–1997, and 1999–2000;  
23 and

24 (D) can be caused by a host of factors, in-  
25 cluding global or regional supply difficulties,  
26 weather conditions, insufficient inventories, re-

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

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

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

10           “(4)(A) In this paragraph—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 (a) IN GENERAL.—Section 321(a) of the Consoli-  
 3 dated Farm and Rural Development Act (7 U.S.C.  
 4 1961(a)) is amended—

5 (1) in the first sentence—

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

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

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

24 (3) in the fourth sentence—

1 (A) by inserting “or energy emergency”  
2 after “natural disaster” each place it appears;  
3 and

4 (B) by inserting “or declaration” after  
5 “emergency designation”.

6 (b) FUNDING.—Funds available on the date of enact-  
7 ment of this Act for emergency loans under subtitle C of  
8 the Consolidated Farm and Rural Development Act (7  
9 U.S.C. 1961 et seq.) made to meet the needs resulting  
10 from natural disasters shall be available to carry out the  
11 amendments made by subsection (a).

12 **SEC. 5. GUIDELINES.**

13 Not later than 30 days after the date of enactment  
14 of this Act, the Administrator of the Small Business Ad-  
15 ministration and the Secretary of Agriculture shall each  
16 issue such guidelines as the Administrator and the Sec-  
17 retary, as applicable, determines to be necessary to carry  
18 out this Act and the amendments made by this Act.

19 **SEC. 6. REPORTS.**

20 (a) SMALL BUSINESS.—Not later than 18 months  
21 after the date of final publication by the Administrator  
22 of the Small Business Administration of the guidelines  
23 issued under section 5, the Administrator shall submit to  
24 the Committee on Small Business of the Senate and the  
25 Committee on Small Business of the House of Representa-

1 tives, a report on the effectiveness of the program estab-  
2 lished under section 7(b)(4) of the Small Business Act,  
3 as added by this Act, including—

4 (1) the number of small businesses that applied  
5 to participate in the program and the number of  
6 those that received loans under the program;

7 (2) the dollar value of those loans;

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

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

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

15 (b) AGRICULTURE.—Not later than 18 months after  
16 the date of final publication by the Secretary of Agri-  
17 culture of the guidelines issued under section 5, the Sec-  
18 retary shall submit to the Committees on Small Business  
19 and Agriculture, Nutrition, and Forestry of the Senate  
20 and the Committees on Small Business and Agriculture  
21 of the House of Representatives, a report on the effective-  
22 ness of loans made available as a result of the amend-  
23 ments made by section 4, together with recommendations  
24 for improvements to the loans, if any.



1 **SEC. 7. EFFECTIVE DATE.**

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

9 (1) sharp and significant increases in the price  
10 of heating fuel occurring on or after November 1,  
11 2000; or

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

14 (b) AGRICULTURE.—The amendments made by sec-  
15 tion 4 shall apply during the 2-year period beginning on  
16 the date of final publication of guidelines under section  
17 5 by the Secretary of Agriculture.

Passed the Senate March 26, 2001.

Attest:

*Secretary.*



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