

107TH CONGRESS
1ST SESSION

S. 295

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2001

Referred to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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, kero-
6 sene, 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; and12 (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 and24 (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 Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

5 (1) in the first sentence—

6 (A) by striking “operations have” and inserting “operations (i) have”; and

7 (B) by inserting before “: *Provided*,” the following: “, or (ii)(I) are owned or operated by such an applicant that is also a small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), and (II) have suffered or are likely to suffer substantial economic injury on or after June 1, 2000, as the result of a sharp and significant increase in energy costs or input costs from energy sources occurring on or after June 1, 2000, in connection with an energy emergency declared by the President or the Secretary”;

8 (2) in the third sentence, by inserting before the period at the end the following: “or by an energy emergency declared by the President or the Secretary”; and

9 (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:

GARY SISCO,

Secretary.