

108TH CONGRESS
1ST SESSION

S. 1977

To promote the manufacturing industry in the United States by establishing an Assistant Secretary for Manufacturing within the Department of Commerce, an Interagency Manufacturing Task Force, and a Small Business Manufacturing Task Force, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 25, 2003

Ms. SNOWE (for herself and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To promote the manufacturing industry in the United States by establishing an Assistant Secretary for Manufacturing within the Department of Commerce, an Interagency Manufacturing Task Force, and a Small Business Manufacturing Task Force, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Manufacturers Assistance, Recovery, and Trade
6 Act” or “SMART Act”.

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—MANUFACTURING AND TRADE REPRESENTATIVES AND
 TASK FORCE

Sec. 101. Assistant Secretary of Commerce for Manufacturing.

Sec. 102. Interagency Manufacturing Task Force.

Sec. 103. Assistant United States Trade Representative for Small Business.

TITLE II—SMALL BUSINESS ADMINISTRATION

Subtitle A—Manufacturing and Entrepreneurial Development

Sec. 201. Small Business Manufacturing Task Force.

Sec. 202. Entrepreneurial development programs and services.

Subtitle B—Small Business Loan Programs

Sec. 211. Increased loan amounts for exporters.

Sec. 212. Debenture size.

Sec. 213. Job creation or retention standards.

Sec. 214. Clarification of maximum surety bond guarantee.

Subtitle C—International Trade

Sec. 221. Office of International Trade.

3 **TITLE I—MANUFACTURING AND**
 4 **TRADE REPRESENTATIVES**
 5 **AND TASK FORCE**

6 **SEC. 101. ASSISTANT SECRETARY OF COMMERCE FOR MAN-**
 7 **UFACTURING.**

8 (a) ESTABLISHMENT.—There shall be in the Depart-
 9 ment of Commerce, in addition to the Assistant Secre-
 10 taries of Commerce provided by law as of the date of en-
 11 actment of this Act, 1 additional Assistant Secretary of
 12 Commerce, to be known as the Assistant Secretary of
 13 Commerce for Manufacturing, who shall—

1 (1) be appointed by the President, by and with
2 the advice and consent of the Senate; and

3 (2) be compensated at the rate of pay provided
4 for under level IV of the Executive Schedule (5
5 U.S.C. 5315).

6 (b) DUTIES.—The Assistant Secretary of Commerce
7 for Manufacturing shall—

8 (1) identify and address the concerns of manu-
9 facturers;

10 (2) represent and advocate for the interests of
11 United States manufacturers;

12 (3) aid in the development of policies that pro-
13 mote the vitality and expansion of United States
14 manufacturing;

15 (4) review policies that adversely impact manu-
16 facturers;

17 (5) identify and address issues that are unique
18 to small manufacturers and those that are exacer-
19 bated by the size or limited capital of small manu-
20 facturers; and

21 (6) perform such other duties as the Secretary
22 of Commerce may prescribe.

23 (c) REPORTING REQUIREMENTS.—The Assistant
24 Secretary of Commerce for Manufacturing shall submit to
25 Congress an annual report that contains—

1 (1) an overview of the state of the manufac-
2 turing sector in the United States;

3 (2) a forecast of the future state of the manu-
4 facturing sector in the United States; and

5 (3) an analysis of current and significant laws,
6 regulations, and policies that adversely impact the
7 manufacturing sector in the United States.

8 (d) TECHNICAL AND CONFORMING AMENDMENT.—
9 Section 5315 of title 5, United States Code, is amended
10 by striking “Assistant Secretaries of Commerce (11)” and
11 inserting “Assistant Secretaries of Commerce (12)”.

12 **SEC. 102. INTERAGENCY MANUFACTURING TASK FORCE.**

13 (a) ESTABLISHMENT.—There is established an Inter-
14 agency Manufacturing Task Force (referred to in this sec-
15 tion as the “IMTF”) for the purposes of—

16 (1) maximizing the efforts and resources of
17 Federal agencies in assisting the manufacturing in-
18 dustry;

19 (2) improving interagency cooperation in their
20 efforts to assist the manufacturing industry;

21 (3) encouraging additional efforts to assist
22 United States manufacturers;

23 (4) coordinating the agencies’ efforts to assist
24 the manufacturing industry; and

1 (5) identifying and addressing collective manu-
2 facturing concerns.

3 (b) MEMBERSHIP.—The IMTF shall be composed of
4 14 members, including—

5 (1) the Assistant Secretary of Commerce for
6 Manufacturing, who shall serve as chair of the
7 IMTF;

8 (2) a representative of the Department of the
9 Treasury, to be designated by the Secretary of the
10 Treasury;

11 (3) a representative of the Department of De-
12 fense, to be designated by the Secretary of Defense;

13 (4) a representative of the Department of Edu-
14 cation, to be designated by the Secretary of Edu-
15 cation;

16 (5) a representative of the Department of En-
17 ergy, to be designated by the Secretary of Energy;

18 (6) a representative of the Department of
19 Health and Human Services, to be designated by the
20 Secretary of Health and Human Services;

21 (7) a representative of the Department of
22 Homeland Security, to be designated by the Sec-
23 retary of Homeland Security;

24 (8) a representative of the Department of
25 Labor, to be designated by the Secretary of Labor;

1 (9) a representative of the Environmental Pro-
2 tection Agency, to be designated by the Adminis-
3 trator of the Environmental Protection Agency;

4 (10) a representative of the Office of the United
5 States Trade Representative, to be designated by the
6 United States Trade Representative;

7 (11) a representative of the Small Business Ad-
8 ministration, to be designated by the Administrator
9 of the Small Business Administration;

10 (12) a representative of the Executive Office of
11 the President, to be designated by the President;
12 and

13 (13) 2 additional members, to be designated by
14 the President.

15 (c) DUTIES.—Under the direction of the Assistant
16 Secretary of Commerce for Manufacturing, the IMTF
17 shall—

18 (1) provide advice and counsel to the President
19 and Congress on matters of importance to manufac-
20 turers;

21 (2) monitor, coordinate, and promote the plans,
22 programs, and operations of the departments and
23 agencies of the Federal Government that may con-
24 tribute to the growth of the United States manufac-
25 turing industry;

1 (3) develop and promote new public sector ini-
2 tiatives, policies, programs, and plans designed to
3 foster the manufacturing industry;

4 (4) review, monitor, and coordinate plans and
5 programs developed in the public sector, which affect
6 the ability of manufacturers to obtain capital, credit,
7 and access to technology;

8 (5) identify and address regulations that are
9 needlessly burdensome on manufacturers; and

10 (6) design a comprehensive plan for a joint
11 public-private sector effort to facilitate the growth
12 and development of the United States manufac-
13 turing industry.

14 (d) MEETINGS.—

15 (1) FREQUENCY.—The IMTF shall meet not
16 less than 4 times per year to perform the duties
17 under subsection (c).

18 (2) QUORUM.—A majority of the members of
19 the IMTF shall constitute a quorum to approve rec-
20 ommendations or reports.

21 (e) PERSONNEL MATTERS.—

22 (1) COMPENSATION OF MEMBERS.—

23 (A) FEDERAL EMPLOYEES.—Each member
24 of the IMTF who is an officer or employee of
25 the Federal Government shall serve without

1 compensation in addition to that received for
2 services rendered as an officer or employee of
3 the United States.

4 (B) OTHER MEMBERS.—Each member of
5 the IMTF who is not an officer or employee of
6 the Federal Government shall be compensated
7 at a rate equal to the daily equivalent for level
8 IV of the Executive Schedule (5 U.S.C. 5315)
9 for each day (including travel time) during
10 which such member is engaged in the perform-
11 ance of the duties of the IMTF.

12 (2) TRAVEL EXPENSES.—The members of the
13 IMTF shall be allowed travel expenses, including per
14 diem in lieu of subsistence, at rates authorized for
15 employees of Federal agencies under subchapter I of
16 chapter 57 of title 5, United States Code, while
17 away from their homes or regular place of business
18 in the performance of services for the IMTF.

19 (3) DETAIL OF FEDERAL EMPLOYEES.—Any
20 employee of the Federal Government may be de-
21 tailed to the IMTF without reimbursement, and
22 such detail shall be without interruption or loss of
23 civil service status or privilege.

24 (f) REPORTS.—

1 (1) FINDINGS AND RECOMMENDATIONS.—Not
2 later than 1 year after the date of enactment of this
3 Act, and annually thereafter, the IMTF shall submit
4 a report containing the findings and recommenda-
5 tions described in paragraphs (1) through (5) of
6 subsection (c) to—

7 (A) the President;

8 (B) the Committee on Small Business and
9 Entrepreneurship of the Senate; and

10 (C) the Committee on Small Business of
11 the House of Representatives.

12 (2) GROWTH PLAN.—Not later than 1 year
13 after the date of enactment of this Act, the Assist-
14 ant Secretary of Commerce for Manufacturing shall
15 submit the plan prepared pursuant to subsection
16 (c)(6) to—

17 (A) the President;

18 (B) the Committee on Small Business and
19 Entrepreneurship of the Senate; and

20 (C) the Committee on Small Business of
21 the House of Representatives.

22 **SEC. 103. ASSISTANT UNITED STATES TRADE REPRESENTA-**
23 **TIVE FOR SMALL BUSINESS.**

24 Section 141(c) of the Trade Act of 1974 (19 U.S.C.
25 2171(c)) is amended by adding at the end the following:

1 “(6)(A) There is established within the Office the po-
2 sition of Assistant United States Trade Representative for
3 Small Business, which shall be appointed by the United
4 States Trade Representative.

5 “(B) The Assistant United States Trade Representa-
6 tive for Small Business shall—

7 “(i) promote the trade interests of small busi-
8 nesses, including manufacturers;

9 “(ii) identify and address foreign trade barriers
10 that impede small business exporters;

11 “(iii) enforce existing trade agreements bene-
12 ficial to small businesses;

13 “(iv) maintain an open line of communication
14 with the Small Business Administration concerning
15 small business trade issues;

16 “(v) ensure that small business concerns are
17 considered in trade negotiations and agreements;
18 and

19 “(vi) perform such other duties as the United
20 States Trade Representative may direct.

21 “(C) The Assistant United States Trade Representa-
22 tive for Small Business shall be paid at the level of a mem-
23 ber of the Senior Executive Service with equivalent time
24 and service.”.

1 **TITLE II—SMALL BUSINESS**
2 **ADMINISTRATION**
3 **Subtitle A—Manufacturing and**
4 **Entrepreneurial Development**

5 **SEC. 201. SMALL BUSINESS MANUFACTURING TASK FORCE.**

6 (a) ESTABLISHMENT.—The Administrator of the
7 Small Business Administration (referred to in this subtitle
8 as the “Administrator”) shall establish a Small Business
9 Manufacturing Task Force (referred to in this section as
10 the “Task Force”) to address the concerns of small manu-
11 facturers.

12 (b) MEMBERSHIP.—

13 (1) IN GENERAL.—The Task Force shall be
14 composed of a representative from—

15 (A) the Office of Capital Access;

16 (B) the Office of Entrepreneurial Develop-
17 ment;

18 (C) the Office of Administration and Man-
19 agement;

20 (D) the Office of Government Contracting
21 and Business Development; and

22 (E) any other employee of the Small Busi-
23 ness Administration, on a temporary basis, as
24 determined necessary by the Administrator to
25 carry out the goals of the Task Force.

1 (2) CHAIR.—The Administrator shall assign a
2 member of the Task Force to serve as chair of the
3 Task Force.

4 (c) DUTIES.—The Task Force shall—

5 (1) evaluate and identify whether programs and
6 services are sufficient to serve the needs of small
7 manufacturers;

8 (2) ensure that the Small Business Administra-
9 tion implements the small business manufacturing
10 training programs established under section 202;

11 (3) actively promote the programs and services
12 of the Small Business Administration that serve
13 small manufacturers; and

14 (4) identify and study the unique conditions
15 facing small manufacturers and develop and propose
16 policy initiatives to support and assist small manu-
17 facturers.

18 (d) MEETINGS.—

19 (1) FREQUENCY.—The Task Force shall meet
20 not less than 4 times per year, and more frequently
21 if necessary to perform its duties.

22 (2) QUORUM.—A majority of the members of
23 the Task Force shall constitute a quorum to approve
24 recommendations or reports.

25 (e) PERSONNEL MATTERS.—

1 (1) COMPENSATION OF MEMBERS.—Each mem-
2 ber of the Task Force shall serve without compensa-
3 tion in addition to that received for services rendered
4 as an officer or employee of the United States.

5 (2) DETAIL OF SBA EMPLOYEES.—Any em-
6 ployee of the Small Business Administration may be
7 detailed to the Task Force without reimbursement,
8 and such detail shall be without interruption or loss
9 of civil service status or privilege.

10 (f) REPORT.—Not later than 1 year after the date
11 of enactment of this Act, and annually thereafter, the
12 Task Force shall submit a report containing the findings
13 and recommendations of the task force to—

14 (1) the President;

15 (2) the Committee on Small Business and En-
16 trepreneurship of the Senate; and

17 (3) the Committee on Small Business of the
18 House of Representatives.

19 **SEC. 202. ENTREPRENEURIAL DEVELOPMENT PROGRAMS**
20 **AND SERVICES.**

21 (a) MANUFACTURING OUTREACH AND TRAINING
22 PROGRAMS.—The Office of Entrepreneurial Development
23 of the Small Business Administration shall develop new
24 outreach and training programs for small manufacturers

1 and small businesses in the manufacturing supply chain,
2 in partnership with 1 or more of the following:

3 (1) The Manufacturing Extension Partnership.

4 (2) Community economic development organiza-
5 tions.

6 (3) Small Business Development Centers.

7 (4) The Service Corps of Retired Executives.

8 (5) Women's Business Centers.

9 (b) REPORTING REQUIREMENT.—The Small Busi-
10 ness Administration shall include “manufacturing” as a
11 category on the scorecard that tracks the goals of the
12 Small Business Administration on its annual performance
13 report to Congress.

14 (c) MANUFACTURING WORKSHOPS.—The Office of
15 Entrepreneurial Development of the Small Business Ad-
16 ministration, in consultation with manufacturing and eco-
17 nomic development organizations, shall develop workshops
18 to be conducted by district offices, in conjunction with the
19 entities listed in paragraphs (1) through (5) of subsection
20 (a), addressing—

21 (1) product design and testing;

22 (2) the patent process;

23 (3) prototype demonstrations;

24 (4) product production;

25 (5) market research; and

1 (6) business financing.

2 (d) SCORE.—The Service Corps of Retired Execu-
3 tives shall—

4 (1) make their counseling services available to
5 small manufacturers and exporters through their on-
6 line counseling services and community-based offices;

7 (2) recruit counselors with manufacturing and
8 international trade expertise; and

9 (3) develop additional partnerships with manu-
10 facturing and exporting organizations.

11 (e) ENTREPRENEURIAL DEVELOPMENT PROGRAM
12 IMPROVEMENTS.—The Office of Entrepreneurial Develop-
13 ment of the Small Business Administration shall develop
14 programs and services to strengthen small business ven-
15 dors and suppliers that participate in the manufacturing
16 supply chain.

17 (f) SIMPLIFIED REPORTING REQUIREMENTS.—The
18 Small Business Administration shall review and simplify,
19 as appropriate, its reporting requirements for the Small
20 Business Development Centers, the Service Corps of Re-
21 tired Executives, and Women’s Business Centers so that
22 these organizations can maximize the time spent assisting
23 their clients.

24 (g) DISTRICT OFFICES.—The Small Business Admin-
25 istration shall provide district offices with adequate re-

1 sources, including budget allocations for travel and mate-
2 rials used to conduct outreach and training activities.

3 **Subtitle B—Small Business Loan** 4 **Programs**

5 **SEC. 211. INCREASED LOAN AMOUNTS FOR EXPORTERS.**

6 Section 7(a) of the Small Business Act (15 U.S.C.
7 636(a)) is amended—

8 (1) in paragraph (3)—

9 (A) in subparagraph (A), by inserting be-
10 fore the semicolon at the end the following:

11 “and paragraph (14)”; and

12 (B) in subparagraph (B), by striking
13 “\$1,250,000” and inserting “\$1,300,000”; and

14 (2) in paragraph (14), by adding at the end the
15 following:

16 “(D) The total amount of financings under this
17 paragraph that are outstanding and committed (by
18 participation or otherwise) to the borrower from the
19 business loan and investment fund established under
20 this Act may not exceed \$1,300,000 and the gross
21 loan amount under this paragraph may not exceed
22 \$2,600,000.”.

23 **SEC. 212. DEBENTURE SIZE.**

24 Section 502(2) of the Small Business Investment Act
25 of 1958 (15 U.S.C. 696(2)) is amended—

1 (1) by striking “\$1,300,000” and inserting
2 “\$2,000,000”; and

3 (2) by inserting before the period at the end the
4 following: “, and loans for which the loan proceeds
5 will be directed toward manufacturing projects,
6 which shall be limited to \$4,000,000 for each such
7 identifiable small business concern”.

8 **SEC. 213. JOB CREATION OR RETENTION STANDARDS.**

9 Section 501 of the Small Business Investment Act
10 of 1958 (15 U.S.C. 695) is amended by adding at the end
11 the following:

12 “(e) **JOB CREATION OR RETENTION FOR MANUFAC-**
13 **TURING PROJECTS.**—A manufacturing project being fund-
14 ed by the debenture is deemed to satisfy the job creation
15 or retention requirement under subsection (d)(1) if the
16 project creates or retains 1 job opportunity for every
17 \$100,000 guaranteed by the Administration.”.

18 **SEC. 214. CLARIFICATION OF MAXIMUM SURETY BOND**
19 **GUARANTEE.**

20 Section 411(a)(1) of the Small Business Investment
21 Act of 1958 (15 U.S.C. 694b(a)(1)) is amended by strik-
22 ing “contract up to” and inserting “total work order or
23 contract amount at the time of bond execution that does
24 not exceed”.

1 **Subtitle C—International Trade**

2 **SEC. 221. OFFICE OF INTERNATIONAL TRADE.**

3 Section 22 of the Small Business Act (15 U.S.C. 649)
4 is amended—

5 (1) by striking “SEC. 22” and inserting the fol-
6 lowing:

7 **“SEC. 22. OFFICE OF INTERNATIONAL TRADE.”;**

8 (2) in subsection (a)—

9 (A) by inserting “ESTABLISHMENT.—”
10 after “(a)”; and

11 (B) by inserting “(referred to in this sec-
12 tion as the ‘Office’),” after “Trade”;

13 (3) in subsection (b)—

14 (A) by striking “The Office” and inserting
15 the following:

16 “(b) TRADE DISTRIBUTION NETWORK.—The Office,
17 including United States Export Assistance Centers (re-
18 ferred to as ‘one-stop shops’ in section 2301(b)(8) of the
19 Omnibus Trade and Competitiveness Act of 1988 (15
20 U.S.C. 4721(b)(8)) and as ‘Export Centers’ in this sec-
21 tion),”; and

22 (B) by amending paragraph (1) to read as
23 follows:

24 “(1) assist in maintaining a distribution net-
25 work using regional and local offices of the Adminis-

1 tration, the Small Business Development Center net-
 2 work, the Women’s Business Center network, and
 3 Export Centers for—

4 “(A) trade promotion;

5 “(B) trade finance;

6 “(C) trade adjustment;

7 “(D) trade remedy assistance; and

8 “(E) trade data collection.”;

9 (4) in subsection (c)—

10 (A) by redesignating paragraphs (1)
 11 through (8) as paragraphs (2) through (9);

12 (B) by inserting before paragraph (2), as
 13 redesignated, the following:

14 “(1) establish annual goals within the Office re-
 15 lating to—

16 “(A) enhancing the exporting ability of
 17 small business concerns and small manufactur-
 18 ers;

19 “(B) facilitating technology transfers;

20 “(C) enhancing programs and services to
 21 assist small business concerns and small manu-
 22 facturers to compete effectively and efficiently
 23 against foreign entities;

24 “(D) increasing the access to capital by
 25 small business concerns;

1 “(E) disseminating information concerning
2 Federal, State, and private programs and initia-
3 tives;

4 “(F) ensuring that the interests of small
5 business concerns are adequately represented in
6 trade negotiations;”;

7 (C) in paragraph (2), as redesignated, by
8 striking “mechanism for” and all that follows
9 through “(D)” and inserting the following:
10 “mechanism for—

11 “(A) identifying subsectors of the small
12 business community with strong export poten-
13 tial;

14 “(B) identifying areas of demand in for-
15 eign markets;

16 “(C) prescreening foreign buyers for com-
17 mercial and credit purposes; and

18 “(D)”;

19 (D) in paragraph (9), as redesignated—

20 (i) by striking “full-time export devel-
21 opment specialists to each Administration
22 regional office and assigning”;

23 (ii) by striking “office. Such special-
24 ists” and inserting “office and providing
25 each Administration regional office with a

1 full-time export development specialist,
2 who”;

3 (iii) in subparagraph (D), by striking
4 “and” at the end;

5 (iv) in subparagraph (E), by striking
6 the period at the end and inserting a semi-
7 colon; and

8 (v) by adding at the end the following:

9 “(F) participate jointly with employees of
10 the Office in an annual training program that
11 focuses on current small business needs for ex-
12 porting; and

13 “(G) jointly develop and conduct training
14 programs for exporters and lenders in coopera-
15 tion with the United States Export Assistance
16 Centers, the Department of Commerce, Small
17 Business Development Centers, and other rel-
18 evant Federal agencies.”;

19 (5) in subsection (d)—

20 (A) by inserting “EXPORT FINANCING
21 PROGRAMS.—” after “(d)”;

22 (B) by redesignating paragraphs (1)
23 through (5) as subparagraphs (A) through (E);
24 and

1 (C) by striking “To accomplish this goal,
2 the Office shall work” and inserting “To ac-
3 complish this goal, the Office shall—

4 “(1) designate at least 1 individual within the
5 Administration as a trade financial specialist to
6 oversee the international loan programs and assist
7 Administration employees with trade finance issues;
8 and

9 “(2) work”;

10 (6) in subsection (e), by inserting “TRADE
11 REMEDIES.—” after “(e)”;

12 (7) by amending subsection (f) to read as fol-
13 lows:

14 “(f) REPORTING REQUIREMENT.—The Office shall
15 submit an annual report to the Committee on Small Busi-
16 ness and Entrepreneurship of the Senate and the Com-
17 mittee on Small Business of the House of Representatives
18 that contains—

19 “(1) a description of the progress of the Office
20 in implementing the requirements under this section;

21 “(2) the destinations and benefits to the Ad-
22 ministration and to small business concerns of travel
23 by Office staff; and

24 “(3) a description of the participation by the
25 Office in trade negotiations.”;

1 (8) in subsection (g), by inserting “STUDIES.—”
2 after “(g)”; and

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

4 “(h) EXPORT ASSISTANCE CENTERS.—

5 “(1) ADDITIONAL CENTERS.—The Administra-
6 tion, in accordance with the March 29, 2002, agree-
7 ment with the Department of Commerce and the
8 Export-Import Bank, shall assign not less than 4
9 additional employees to Export Centers during each
10 of the fiscal years 2004 through 2006.

11 “(2) PLACEMENT.—The Administration shall
12 use the resource allocation methodology, used by the
13 Department of Commerce as of the date of enact-
14 ment of this subsection, to strategically assign Ad-
15 ministration employees to all Export Centers based
16 on the needs of exporters.

17 “(3) GOALS.—The Office shall work with the
18 Department of Commerce and the Export-Import
19 Bank to establish shared annual goals for the Ex-
20 port Centers.

21 “(4) OVERSIGHT.—The Office shall designate
22 an individual within the Administration to oversee
23 all activities conducted by Administration employees
24 assigned to Export Centers.”.

○