

108TH CONGRESS  
2D SESSION

# S. 2821

To reauthorize certain programs of the Small Business Administration, and  
for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2004

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

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## A BILL

To reauthorize certain programs of the Small Business  
Administration, 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 Business Reauthorization and Manufacturing As-  
6 sistance Act of 2004”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL MANUFACTURERS ASSISTANCE

- Sec. 101. Combination financing.
- Sec. 102. Loan guarantee fees.
- Sec. 103. Express loan provisions.
- Sec. 104. Standards for loans made with deferred participation.
- Sec. 105. Increase in guarantee amount and institution of associated fee.
- Sec. 106. Debenture size.
- Sec. 107. Job requirements.
- Sec. 108. Report regarding national database of small manufacturers.
- Sec. 109. Clarification of maximum surety bond guarantee.
- Sec. 110. International trade.
- Sec. 111. Definition of equity capital.
- Sec. 112. Aggregate limitations.
- Sec. 113. Investment of excess funds.

## TITLE II—AUTHORIZATIONS

- Sec. 201. Program authorization levels.
- Sec. 202. Additional reauthorizations.
- Sec. 203. Reauthorization of Paul D. Coverdell Drug-Free Workplace Program.

## TITLE III—ADMINISTRATION ACCOUNTABILITY AND MANAGEMENT

- Sec. 301. Document retention and investigations.
- Sec. 302. Management of the Small Business Administration.

## TITLE IV—ENTREPRENEURIAL DEVELOPMENT PROGRAMS

### Subtitle A—Office of Entrepreneurial Development

- Sec. 401. Service Corps of Retired Executives.
- Sec. 402. Small business development center program.

### Subtitle B—Office of Veterans Business Development

- Sec. 431. Advisory committee on veterans business affairs.
- Sec. 432. Outreach grants for veterans.
- Sec. 433. Authorization of appropriations.
- Sec. 434. National veterans business development corporation.

## TITLE V—SMALL BUSINESS PROCUREMENT OPPORTUNITIES

- Sec. 501. Women-owned small business concerns; authorities of administrator.
- Sec. 502. Procurement center representatives.

# 1                   **TITLE I—SMALL** 2                   **MANUFACTURERS ASSISTANCE**

## 3   **SEC. 101. COMBINATION FINANCING.**

4           (a) Section 7(a) of the Small Business Act (15 U.S.C.  
5 636(a)) is amended by adding at the end the following:

6           “(31) COMBINATION FINANCING.—

1           “(A) DEFINITIONS.—As used in this para-  
2 graph—

3           “(i) the term ‘combination financing’  
4 means financing comprised of a loan guaran-  
5 teed under this subsection and a commercial  
6 loan; and

7           “(ii) the term ‘commercial loan’ means a  
8 loan which is part of a combination financing  
9 and no portion of which is guaranteed by the  
10 Federal Government.

11          “(B) APPLICABILITY.—This paragraph applies  
12 to a loan guarantee obtained by a small business  
13 concern under this subsection, if the small business  
14 concern also obtains a commercial loan.

15          “(C) COMMERCIAL LOAN AMOUNT.—In the case  
16 of any combination financing, the amount of the  
17 commercial loan which is part of such financing  
18 shall not exceed the gross amount of the loan guar-  
19 anteed under this subsection which is part of such  
20 financing.

21          “(D) COMMERCIAL LOAN PROVISIONS.—The  
22 commercial loan obtained by the small business con-  
23 cern—

1           “(i) may be made by the participating  
2           lender that is providing financing under this  
3           subsection or by a different lender;

4           “(ii) may be secured by a senior lien; and

5           “(iii) may be made by a lender in the Pre-  
6           ferred Lenders Program, if applicable.

7           “(E) COMMERCIAL LOAN FEE.—A one-time fee  
8           in an amount equal to 0.7 percent of the amount of  
9           the commercial loan shall be paid by the lender to  
10          the Administration if the commercial loan has a sen-  
11          ior credit position to that of the loan guaranteed  
12          under this subsection. Any fee under the preceding  
13          sentence shall be paid by the participating lender  
14          and shall not be charged to the borrower.

15          “(F) DEFERRED PARTICIPATION LOAN SECU-  
16          RITY.—A loan guaranteed under this paragraph may  
17          be secured by a subordinated lien.

18          “(G) COMPLETION OF APPLICATION PROC-  
19          ESSING.—The Administrator shall complete proc-  
20          essing of an application for combination financing  
21          under this paragraph pursuant to the program au-  
22          thorized by this subsection as it was operating on  
23          October 1, 2003.

24          “(H) BUSINESS LOAN ELIGIBILITY.—Any  
25          standards prescribed by the Administrator relating

1 to the eligibility of small business concerns to obtain  
 2 combination financing under this subsection, which  
 3 are in effect on the September 1, 2004, shall apply  
 4 with respect to combination financings made under  
 5 this paragraph. Any modifications to such standards  
 6 by the Administrator after such date shall not un-  
 7 reasonably restrict the availability of combination fi-  
 8 nancing under this paragraph relative to the avail-  
 9 ability of such financing before such modifications.”.

10 (b) EFFECTIVE DATE.—The amendment made by  
 11 subsection (a) shall take effect on October 1, 2004.

12 **SEC. 102. LOAN GUARANTEE FEES.**

13 (a) IN GENERAL.—Section 7(a)(23)(A) of the Small  
 14 Business Act (15 U.S.C. 636(a)(23)(A)) is amended to  
 15 read as follows:

16 “(A) PERCENTAGE.—With respect to each loan  
 17 guaranteed under this subsection, the Administrator  
 18 shall, in accordance with such terms and procedures  
 19 as the Administrator shall establish by regulation,  
 20 assess and collect an annual fee in an amount equal  
 21 to 0.36 percent of the outstanding balance of the de-  
 22 ferred participation share of the loan.

23 (b) GUARANTEE FEES.—Paragraph (18) of sub-  
 24 section (a) of section 7 of the Small Business Act (15  
 25 U.S.C. 636(a)(18) is amended to read as follows:

1           “(18) GUARANTEE FEES.—With respect to each  
 2           loan guaranteed under this subsection (other than a  
 3           loan that is repayable in 1 year or less), the Admin-  
 4           istration shall collect a guarantee fee, which shall be  
 5           payable by the participating lender, and may be  
 6           charged to the borrower, as follows:

7                   “(A) A guarantee fee equal to 1 percent of  
 8                   the deferred participation share of a total loan  
 9                   amount that is not more than \$150,000.

10                   “(B) A guarantee fee equal to 2.5 percent  
 11                   of the deferred participation share of a total  
 12                   loan amount that is more than \$150,000, but  
 13                   not more than \$700,000.

14                   “(C) A guarantee fee equal to 3.5 percent  
 15                   of the deferred participation share of a total  
 16                   loan amount that is more than \$700,000.

17                   “(D) In addition to the fee under subpara-  
 18                   graph (C), a guarantee fee equal to 0.25 per-  
 19                   cent of the amount, if any, by which the de-  
 20                   ferred participation share of the loan exceeds  
 21                   \$1,000,000.”.

22   **SEC. 103. EXPRESS LOAN PROVISIONS.**

23           (a) IN GENERAL.—Section 7(a) of the Small Busi-  
 24   ness Act (15 U.S.C. 636(a)), as amended by section 101,

1 is further amended by adding at the end the following new  
 2 paragraph:

3 “(32) EXPRESS LOAN PROVISIONS.—

4 “(A) DEFINITIONS.—As used in this para-  
 5 graph:

6 “(i) The term ‘express lender’ means  
 7 any lender authorized by the Administrator  
 8 to participate in the Express Loan Pro-  
 9 gram.

10 “(ii) The term ‘express loan’ means  
 11 any loan made pursuant to this paragraph  
 12 in which a lender utilizes to the maximum  
 13 extent practicable its own loan analyses,  
 14 procedures, and documentation.

15 “(iii) The term ‘Express Loan Pro-  
 16 gram’ means the program for express loans  
 17 established by the Administrator under  
 18 paragraph (25)(B), as in existence on  
 19 April 5, 2004, with a guaranty rate of not  
 20 more than 50 percent.

21 “(B) RESTRICTION TO EXPRESS LEND-  
 22 ER.—The authority to make an express loan  
 23 shall be limited to those lenders deemed quali-  
 24 fied to make such loans by the Administrator.  
 25 Designation as an express lender for purposes

1 of making an express loan shall not prohibit  
 2 such lender from taking any other action au-  
 3 thorized by the Administrator for that lender  
 4 pursuant to this subsection.

5 “(C) GRANDFATHERING OF EXISTING  
 6 LENDERS.—Any express lender shall retain  
 7 such designation unless the Administrator de-  
 8 termines that the express lender has violated  
 9 the law or regulations promulgated by the Ad-  
 10 ministrator or modifies the requirements to be  
 11 an express lender and the lender no longer sat-  
 12 isfies those requirements.

13 “(D) MAXIMUM LOAN AMOUNT.—The max-  
 14 imum loan amount under the Express Loan  
 15 Program is \$2,000,000.

16 “(E) OPTION TO PARTICIPATE.—Except as  
 17 otherwise provided in this paragraph, the Ad-  
 18 ministrator shall take no regulatory, policy, or  
 19 administrative action, without regard to wheth-  
 20 er such action requires notification pursuant to  
 21 paragraph (24), that has the effect of—

22 “(i) requiring a lender to make an ex-  
 23 press loan pursuant to subparagraph (D);

24 “(ii) limiting or modifying any term  
 25 or condition of deferred participation loans



1           made under this subsection (other than ex-  
2           press loans) unless the Administrator im-  
3           poses the same limit or modification on ex-  
4           press loans;

5           “(iii) transferring or re-allocating  
6           staff, staff responsibilities, resources, or  
7           funding, if the result of such transfer or  
8           re-allocation would be to increase the aver-  
9           age loan processing, approval, or disburse-  
10          ment time above the averages for those  
11          functions as of October 1, 2003, for loan  
12          guarantees approved under this subsection  
13          by employees of the Administration or  
14          through the Preferred Lenders Program;  
15          or

16          “(iv) otherwise providing any incentive  
17          or disincentive which encourages lenders or  
18          borrowers to make or obtain loans under  
19          the Express Loan Program instead of  
20          under the general loan authority of this  
21          subsection.

22          “(F) COLLECTION AND REPORTING OF  
23          DATA.—For all loans in excess of \$250,000  
24          made pursuant to the authority set forth in  
25          subparagraph (D), the Administrator shall, to

1           the extent practicable, collect data on the pur-  
 2           pose for each such loan. The Administrator  
 3           shall report monthly to the Committee on Small  
 4           Business and Entrepreneurship of the Senate  
 5           and the Committee on Small Business of the  
 6           House of Representatives on the number of  
 7           such loans and their purposes.”.

8           (b) EFFECTIVE DATE.—The amendment made by  
 9           subsection (a) shall take effect on October 1, 2004.

10   **SEC. 104. STANDARDS FOR LOANS MADE WITH DEFERRED**  
 11                           **PARTICIPATION.**

12           (a) IN GENERAL.—Section 7(a) of the Small Busi-  
 13           ness Act (15 U.S.C. 636(a)), as amended by section 101  
 14           and section 103, is further amended by adding at the end  
 15           the following new paragraph:

16                   “(33) STANDARDS FOR LOANS MADE WITH DE-  
 17           FERRED PARTICIPATION.—Deferred participation  
 18           loans made on or after October 1, 2004, under this  
 19           subsection shall have the same terms and conditions  
 20           (including maximum gross loan amounts and collat-  
 21           eral requirements) as were applicable to loans made  
 22           under this subsection on October 1, 2003, except as  
 23           otherwise provided in paragraph (18)(D), paragraph  
 24           (31), or paragraph (32) and subject to the  
 25           \$1,500,000 limitation on the total amount out-

1 standing and committed in paragraph (3)(A), as in  
 2 effect on October 1, 2004. This paragraph shall not  
 3 preclude the Administrator from taking such action  
 4 as necessary to maintain the loan program carried  
 5 out under this subsection, subject to appropria-  
 6 tions.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
 8 subsection (a) shall take effect on October 1, 2004.

9 **SEC. 105. INCREASE IN GUARANTEE AMOUNT AND INSTITU-**  
 10 **TION OF ASSOCIATED FEE.**

11 (a) INCREASE IN AMOUNT PERMITTED TO BE OUT-  
 12 STANDING AND COMMITTED.—Section 7(a)(3) of the  
 13 Small Business Act (15 U.S.C. 636(a)(3)) is amended—

14 (1) in subparagraph (A), by striking  
 15 “\$1,000,000” and inserting “\$1,500,000”; and

16 (2) in subparagraph (B), by striking  
 17 “\$1,250,000, of which not more than \$750,000”  
 18 and inserting “\$1,750,000, of which not more than  
 19 \$1,250,000”.

20 (b) EFFECTIVE DATE.—The amendments made by  
 21 subsection (a) shall take effect on October 1, 2004.

22 **SEC. 106. DEBENTURE SIZE.**

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

1           “(2) MAXIMUM AMOUNT.—Loans made by the  
2       Administration under this section shall be limited  
3       to—

4                   “(A) \$1,500,000 for each small business  
5       concern if the loan proceeds will not be directed  
6       toward a goal or project described in subpara-  
7       graph (B) or (C);

8                   “(B) \$2,000,000 for each small business  
9       concern if the loan proceeds will be directed to-  
10      ward 1 or more of the public policy goals de-  
11      scribed under section 501(d)(3); and

12                   “(C) \$4,000,000 for each small business  
13      concern if the loan proceeds will be directed to-  
14      ward projects for small manufacturers.”.

15   **SEC. 107. JOB REQUIREMENTS.**

16       Section 501 of the Small Business Investment Act  
17      of 1958 (15 U.S.C. 695) is amended by adding at the end  
18      the following new subsection:

19           “(e)(1) A project meets the objective set forth in sub-  
20      section (d)(1) if the project creates or retains one job for  
21      every \$50,000 guaranteed by the Administration, except  
22      that the amount is \$100,000 in the case of a project of  
23      a small manufacturer.

24           “(2) Paragraph (1) does not apply to a project for  
25      which eligibility is based on the objectives set forth in

1 paragraph (2) or (3) of subsection (d), if the development  
2 company's portfolio of outstanding debentures creates or  
3 retains one job for every \$50,000 guaranteed by the Ad-  
4 ministration.

5 “(3) For projects in Alaska, Hawaii, State-designated  
6 enterprise zones, empowerment zones and enterprise com-  
7 munities, labor surplus areas, as determined by the Sec-  
8 retary of Labor, and for other areas designated by the  
9 Administrator, the development company's portfolio may  
10 average not more than \$75,000 per job created or re-  
11 tained.

12 “(4) Loans for projects of small manufacturers shall  
13 be excluded from calculations under paragraph (2) or (3).

14 “(5) Under regulations prescribed by the Adminis-  
15 trator, the Administrator may waive any requirement of  
16 this subsection (other than paragraph (4)).

17 “(6) As used in this subsection, the term ‘small man-  
18 ufacturer’ means any small business concern if—

19 “(A) the primary business of the concern is  
20 classified in sector 31, 32, or 33 of the North Amer-  
21 ican Industrial Classification System; and

22 “(B) all of its facilities that are used for pro-  
23 duction are located in the United States.”.

1 **SEC. 108. REPORT REGARDING NATIONAL DATABASE OF**  
2 **SMALL MANUFACTURERS.**

3 (a) STUDY AND REPORT.—The Administrator, in  
4 consultation with the association of small business devel-  
5 opment centers authorized by section 21(k) of the Small  
6 Business Act (15 U.S.C. 648(k)), shall—

7 (1) study the feasibility of creating a national  
8 database of small manufacturers that institutions of  
9 higher education could access for purposes of meet-  
10 ing procurement needs; and

11 (2) not later than one year after the date of the  
12 enactment of this Act, transmit a report to the Con-  
13 gress regarding the findings and conclusions of such  
14 study.

15 (b) COST ESTIMATE.—The report referred to in sub-  
16 section (a)(2) shall include an estimate of the cost of cre-  
17 ating and maintaining the database described in sub-  
18 section (a)(1).

19 (c) DEFINITION.—As used in this section, the term  
20 “small manufacturer” means any small business concern  
21 if—

22 (1) the primary business of the concern is clas-  
23 sified in sector 31, 32, or 33 of the North American  
24 Industrial Classification System; and

25 (2) all of its facilities that are used for produc-  
26 tion are located in the United States.

1 **SEC. 109. CLARIFICATION OF MAXIMUM SURETY BOND**  
 2 **GUARANTEE.**

3 (a) IN GENERAL.—Section 411(a)(1) of the Small  
 4 Business Investment Act of 1958 (15 U.S.C. 694b(a)(1))  
 5 is amended by striking “contract up to” and inserting  
 6 “total work order or contract amount at the time of bond  
 7 execution that does not exceed”.

8 **SEC. 110. INTERNATIONAL TRADE.**

9 Section 7(a)(16) of the Small Business Act (15  
 10 U.S.C. 636(a)(16)) is amended to read as follows:

11 “(16) INTERNATIONAL TRADE.—

12 “(A) IN GENERAL.—If the Administrator  
 13 determines that a loan guaranteed under this  
 14 subsection will allow an eligible small business  
 15 concern in an industry engaged in or adversely  
 16 affected by international trade to improve its  
 17 competitive position, the Administrator may  
 18 make such loan to assist such concern in—

19 “(i) the financing of the acquisition,  
 20 construction, renovation, modernization,  
 21 improvement, or expansion of productive  
 22 facilities or equipment to be used in the  
 23 United States in the production of goods  
 24 and services involved in international  
 25 trade; or

1           “(ii) the refinancing of existing in-  
2           debtedness, which is not structured with  
3           reasonable terms and conditions.

4           “(B) SECURITY.—Each loan made under  
5           this paragraph shall be secured by a first lien  
6           position or first mortgage on the property or  
7           equipment financed by the loan or on other as-  
8           sets of the small business concern.

9           “(C) ENGAGED IN OR ADVERSELY AF-  
10          FECTED BY INTERNATIONAL TRADE.—For pur-  
11          poses of this paragraph, a small business con-  
12          cern shall be considered to be engaged in or ad-  
13          versely affected by international trade if the  
14          small business concern is determined by the Ad-  
15          ministrator (under regulations prescribed by the  
16          Administrator) to be—

17               “(i) in a position to significantly ex-  
18               pand existing export markets or develop  
19               new export markets; or

20               “(ii) adversely affected by import  
21               competition in that it—

22                       “(I) is confronting increased di-  
23                       rect competition with foreign firms in  
24                       the relevant market; and



1 “(II) can demonstrate injury at-  
 2 tributable to such competition.

3 “(D) FINDINGS BY FEDERAL AGENCIES.—  
 4 For purposes of subparagraph (C)(ii)(II), the  
 5 Administrator shall accept any finding of injury  
 6 by—

7 “(i) the International Trade Commis-  
 8 sion; or

9 “(ii) the Secretary of Commerce, pur-  
 10 suant to chapter 3 of title II of the Trade  
 11 Act of 1974 (19 U.S.C. 2341 et seq.).”.

12 **SEC. 111. DEFINITION OF EQUITY CAPITAL.**

13 Section 303(g)(4) of the Small Business Investment  
 14 Act of 1958 (15 U.S.C. 683(g)(4)) is amended—

15 (1) in the first sentence, by striking “sub-  
 16 section” and inserting “Act”; and

17 (2) in the second sentence, by striking “contin-  
 18 gent upon and limited to the extent of earnings” and  
 19 inserting “from such sources as may be defined by  
 20 the Administrator”.

21 **SEC. 112. AGGREGATE LIMITATIONS.**

22 Section 306(a) of the Small Business Investment Act  
 23 of 1958 (15 U.S.C. 686(a)) is amended by striking “shall  
 24 not exceed 20 per centum” and all that follows and insert-

1 ing the following: “shall not, without the approval of the  
2 Administrator, exceed the greater of—

3 “(1) 20 percent of the private capital of such  
4 company; or

5 “(2) 10 percent of the sum of—

6 “(A) the private capital of such company;

7 “(B) all leverage (whether or not out-  
8 standing) issued to such company; and

9 “(C) all unexercised commitments issued  
10 to such company by the Administration.”.

11 **SEC. 113. INVESTMENT OF EXCESS FUNDS.**

12 Section 308(b) of the Small Business Investment Act  
13 of 1958 (15 U.S.C. 687(b)) is amended by striking the  
14 last sentence and inserting the following: “Such companies  
15 with outstanding financings are authorized to invest funds  
16 not reasonably needed for their operations in—

17 “(1) direct obligations of, or obligations guaran-  
18 teed as to principal and interest by, the United  
19 States;

20 “(2) in certificates of deposit maturing within 1  
21 year after issuance by any institution, whose ac-  
22 counts are federally insured, or in savings accounts  
23 of such institution; or

24 “(3) in such other investment securities, mutual  
25 funds, or instruments that solely consist of, invest

1 in, or are supported by the instruments described in  
 2 paragraphs (1) and (2).”.

## 3 **TITLE II—AUTHORIZATIONS**

### 4 **SEC. 201. PROGRAM AUTHORIZATION LEVELS.**

5 Section 20 of the Small Business Act (15 U.S.C. 631  
 6 note) is amended—

7 (1) in subsection (a)(1), by striking “certifi-  
 8 cation” each place that term appears and inserting  
 9 “accreditation”;

10 (2) by striking subsections (e) through (h) and  
 11 inserting the following:

12 “(c) DISASTER MITIGATION PILOT PROGRAM.—The  
 13 following program levels are authorized for loans under  
 14 section 7(b)(1)(C):

15 “(1) \$15,000,000 for fiscal year 2005.

16 “(2) \$15,000,000 for fiscal year 2006.”;

17 (3) by redesignating subsection (i) as subsection  
 18 (d); and

19 (4) by adding at the end the following:

20 “(e) FISCAL YEAR 2005.—

21 “(1) PROGRAM LEVELS.—The following pro-  
 22 gram levels are authorized for fiscal year 2005:

23 “(A) For the programs authorized by this  
 24 Act, the Administration is authorized to  
 25 make—

1 “(i) \$75,000,000 in technical assist-  
2 ance grants, as provided in section 7(m);  
3 and

4 “(ii) \$105,000,000 in direct loans, as  
5 provided in 7(m).

6 “(B) For the programs authorized by this  
7 Act, the Administration is authorized to make  
8 \$23,050,000,000 in deferred participation loans  
9 and other financings. Of such sum, the Admin-  
10 istration is authorized to make—

11 “(i) \$16,500,000,000 in general busi-  
12 ness loans, as provided in section 7(a);

13 “(ii) \$6,000,000,000 in certified de-  
14 velopment company financings, as provided  
15 in section 7(a)(13) of this Act and section  
16 504 of the Small Business Investment Act  
17 of 1958;

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

20 “(iv) \$50,000,000 in loans, as pro-  
21 vided in section 7(m).

22 “(C) For the programs authorized by title  
23 III of the Small Business Investment Act of  
24 1958, the Administration is authorized to  
25 make—

1 “(i) \$4,250,000,000 in purchases of  
2 participating securities; and

3 “(ii) \$3,250,000,000 in guarantees of  
4 debentures.

5 “(D) For the programs authorized by part  
6 B of title IV of the Small Business Investment  
7 Act of 1958, the Administration is authorized  
8 to enter into guarantees not to exceed  
9 \$6,000,000,000, of which not more than 50  
10 percent may be in bonds approved pursuant to  
11 section 411(a)(3) of that Act.

12 “(E) The Administration is authorized to  
13 make grants or enter into cooperative agree-  
14 ments for a total amount of \$7,000,000 for the  
15 Service Corps of Retired Executives program  
16 authorized by section 8(b)(1).

17 “(2) ADDITIONAL AUTHORIZATIONS.—

18 “(A) There are authorized to be appro-  
19 priated to the Administration for fiscal year  
20 2005 such sums as may be necessary to carry  
21 out the provisions of this Act not elsewhere pro-  
22 vided for, including administrative expenses and  
23 necessary loan capital for disaster loans pursu-  
24 ant to section 7(b), and to carry out title IV of  
25 the Small Business Investment Act of 1958, in-

cluding salaries and expenses of the Administration.

“(B) Notwithstanding any other provision of this paragraph, for fiscal year 2005—

“(i) no funds are authorized to be used as loan capital for the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

“(ii) the Administration may not approve loans on its own behalf or on behalf of any other Federal department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than \$2,000,000.

“(f) FISCAL YEAR 2006.—

“(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2006:

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

4                   “(i) \$80,000,000 in technical assist-  
5                   ance grants, as provided in section 7(m);  
6                   and

7                   “(ii) \$110,000,000 in direct loans, as  
8                   provided in 7(m).

9           “(B) For the programs authorized by this  
10          Act, the Administration is authorized to make  
11          \$25,050,000,000 in deferred participation loans  
12          and other financings. Of such sum, the Admin-  
13          istration is authorized to make—

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

16                   “(ii) \$7,500,000,000 in certified de-  
17                   velopment company financings, as provided  
18                   in section 7(a)(13) of this Act and section  
19                   504 of the Small Business Investment Act  
20                   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 pro-  
24                   vided 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) \$4,500,000,000 in purchases of  
6                   participating securities; and

7                   “(ii) \$3,500,000,000 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  
12          to enter into guarantees not to exceed  
13          \$6,000,000,000, of which not more than 50  
14          percent may be in bonds approved pursuant to  
15          section 411(a)(3) of that Act.

16          “(E) The Administration is authorized to  
17          make grants or enter into cooperative agree-  
18          ments for a total amount of \$7,000,000 for the  
19          Service Corps of Retired Executives program  
20          authorized 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               2006 such sums as may be necessary to carry  
25               out the provisions of this Act not elsewhere pro-



1 vided for, including administrative expenses and  
2 necessary loan capital for disaster loans pursu-  
3 ant to section 7(b), and to carry out title IV of  
4 the Small Business Investment Act of 1958, in-  
5 cluding salaries and expenses of the Adminis-  
6 tration.

7 “(B) Notwithstanding any other provision  
8 of this paragraph, for fiscal year 2006—

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

17 “(ii) the Administration may not ap-  
18 prove loans on its own behalf or on behalf  
19 of any other Federal department or agen-  
20 cy, by contract or otherwise, under terms  
21 and conditions other than those specifically  
22 authorized under this Act or the Small  
23 Business Investment Act of 1958, except  
24 that it may approve loans under section

1                   7(a)(21) of this Act in gross amounts of  
 2                   not more than \$2,000,000.”.

3 **SEC. 202. ADDITIONAL REAUTHORIZATIONS.**

4       (a) EXTENSION OF PROGRAM AUTHORITY.—Any  
 5 program, authority, or provision, including any pilot pro-  
 6 gram, that was authorized under the Small Business Act  
 7 (15 U.S.C. 631 et seq.) or the Small Business Investment  
 8 Act of 1958 (15 U.S.C. 661 et seq.) as of September 30,  
 9 2004, such authority having expired, or scheduled to ex-  
 10 pire, on or after September 30, 2004, shall remain author-  
 11 ized during the period beginning on October 1, 2004 and  
 12 ending on September 30, 2006, under the same terms and  
 13 conditions as in effect on the day before such expiration  
 14 or scheduled expiration, except as otherwise specifically  
 15 provided in this Act or amendments by this Act.

16       (b) SMALL BUSINESS DEVELOPMENT CENTERS.—

17           (1) AUTHORIZATION OF APPROPRIATIONS.—

18       Section 21(a)(4)(C) of the Small Business Act (15  
 19 U.S.C. 648(a)(4)(C)) is amended—

20           (A) by amending clause (vii) to read as fol-  
 21 lows:

22           “(vii) AUTHORIZATION OF APPROPRIA-  
 23 TIONS.—There are authorized to be appro-  
 24 priated to carry out this subparagraph—

1                   “(I) \$130,000,000 for fiscal year  
2                   2005; and

3                   “(II) \$135,000,000 for fiscal year  
4                   2006.”;

5                   (B) by redesignating clause (viii) as clause  
6                   (ix); and

7                   (C) by inserting after clause (vii) the fol-  
8                   lowing:

9                   “(viii) LIMITATION.—From the funds ap-  
10                  propriated pursuant to clause (vii), the Admin-  
11                  istration shall reserve not less than \$1,000,000  
12                  in each fiscal year to develop portable assist-  
13                  ance for startup and sustainability non-match-  
14                  ing grant programs to be conducted by eligible  
15                  small business development centers in commu-  
16                  nities that are economically challenged as a re-  
17                  sult of a business or government facility down-  
18                  sizing or closing, which has resulted in the loss  
19                  of jobs or small business instability. A non-  
20                  matching grant under this clause shall not ex-  
21                  ceed \$100,000, and shall be used for small  
22                  business development center personnel expenses  
23                  and related small business programs and serv-  
24                  ices.”.

1           (2) DRUG-FREE WORKPLACE PROGRAMS.—Sec-  
 2           tion 21(c)(3)(T) of the Small Business Act (15  
 3           U.S.C. 648(c)(3)(T)) is amended by striking “Octo-  
 4           ber 1, 2003” and inserting “October 1, 2006”.

5 **SEC. 203. REAUTHORIZATION OF PAUL D. COVERDELL**  
 6 **DRUG-FREE WORKPLACE PROGRAM.**

7           (a) ELIGIBILITY OF DRUG-FREE COMMUNITIES COA-  
 8           LITIONS.—Section 27(a)(2)(D) of the Small Business Act  
 9           (15 U.S.C. 654(a)(2)(D)) is amended to read as follows:

10                   “(D)(i) the purpose of which is—

11                           “(I) to develop comprehensive drug-  
 12                           free workplace programs or to supply drug-  
 13                           free workplace services; or

14                           “(II) to provide other forms of assist-  
 15                           ance and services to small business con-  
 16                           cerns; or

17                           “(ii) that is eligible to receive a grant  
 18                           under chapter 2 of the National Narcotics  
 19                           Leadership Act of 1988 (21 U.S.C. 1521 et  
 20                           seq.).”.

21           (b) ADDITIONAL GRANTS FOR PROGRAMS CARRIED  
 22           OUT IN COOPERATION WITH SMALL BUSINESS DEVELOP-  
 23           MENT CENTERS.—Section 27(b) the Small Business Act  
 24           (15 U.S.C. 654) is amended—

1           (1) by striking “There is established” and in-  
2       serting the following:

3           “(1) IN GENERAL.—There is established”; and  
4       (2) by adding at the end the following:

5           “(2) ADDITIONAL GRANTS FOR PROGRAMS CAR-  
6       RIED OUT IN COOPERATION WITH SMALL BUSINESS  
7       DEVELOPMENT CENTERS.—The Administrator may  
8       make an additional grant to, or enter into a coopera-  
9       tive agreement or contract with, any grantee under  
10      paragraph (1) for the purpose of providing, in co-  
11      operation with one or more small business develop-  
12      ment centers, technical assistance to small business  
13      concerns seeking to establish a drug-free workplace  
14      program.”.

15          “(3) 2-YEAR GRANTS.—Each grant made under  
16      this subsection shall be for a period of 2 years, sub-  
17      ject to an annual performance review by the Admin-  
18      istrator.”.

19      (c) EVALUATION AND COORDINATION.—Section 27 of  
20   the Small Business Act (15 U.S.C. 654) is amended—

21          (1) by striking subsection (d);

22          (2) by redesignating subsections (e), (f), and  
23      (g) as subsections (f), (g), and (h), respectively; and

24          (3) by inserting after subsection (c) the fol-  
25      lowing:

1       “(d) TECHNICAL ASSISTANCE.—The Administrator,  
2 after consultation with the Director of the Center for Sub-  
3 stance Abuse and Prevention, shall provide technical as-  
4 sistance and information to each eligible intermediary re-  
5 ceiving a grant under subsection (b) regarding the most  
6 effective practices in establishing and carrying out drug-  
7 free workplace programs.

8       “(e) EVALUATION OF PROGRAM.—

9               “(1) DATA COLLECTION SYSTEM.—Each eligible  
10 intermediary receiving a grant under this section  
11 shall establish a system to collect and analyze infor-  
12 mation regarding the effectiveness of drug-free  
13 workplace programs established with assistance pro-  
14 vided under this section through the intermediary,  
15 including information regarding any increase or de-  
16 crease among employees in drug use, awareness of  
17 the adverse consequences of drug use, and absentee-  
18 ism, injury, and disciplinary problems related to  
19 drug use. Such system shall conform to such re-  
20 quirements as the Administrator, after consultation  
21 with the Director of the Center for Substance Abuse  
22 and Prevention, may prescribe. Not more than 5  
23 percent of the amount of each grant made under  
24 subsection (b) shall be used by the eligible inter-  
25 mediary to carry out this paragraph.

1           “(2) METHOD OF EVALUATION.—The Adminis-  
 2           trator, after consultation with the Director of the  
 3           Center for Substance Abuse and Prevention, shall  
 4           provide technical assistance and guidance to each el-  
 5           igible intermediary receiving a grant under sub-  
 6           section (b) regarding the collection and analysis of  
 7           information to evaluate the effectiveness of drug-free  
 8           workplace programs established with assistance pro-  
 9           vided under this section, including the information  
 10          referred to in paragraph (1). Such assistance shall  
 11          include the identification of additional information  
 12          suitable for measuring the benefits of drug-free  
 13          workplace programs to the small business concern  
 14          and to the concern’s employees and the identification  
 15          of methods suitable for analyzing such information.

16          “(3) STUDY AND REPORT.—Not later than 18  
 17          months after the date of enactment of the Small  
 18          Business Reauthorization and Manufacturing Assist-  
 19          ance Act of 2004, the Administrator, in consultation  
 20          with the Secretary of Labor, the Secretary of Health  
 21          and Human Services, and the Director of National  
 22          Drug Control Policy, shall—

23                 “(A) compile and analyze the information  
 24                 collected under this subsection;

25                 “(B) identify trends in such information;

1           “(C) evaluate the effectiveness of the drug-  
 2           free workplace programs established with assist-  
 3           ance provided under this section; and

4           “(D) submit to the Congress a report that  
 5           describes the results of the analysis conducted  
 6           under subparagraph (A), the trends identified  
 7           under subparagraph (B), and the results of the  
 8           evaluation conducted under subparagraph  
 9           (C).”.

10       (d) AUTHORIZATIONS.—Section 27(h) of the Small  
 11       Business Act, as redesignated by subsection (c)(2), is  
 12       amended—

13           (1) by amending paragraph (1) to read as fol-  
 14       lows:

15           “(1) IN GENERAL.—There are authorized to be  
 16       appropriated to carry out this section, except for  
 17       subsection (b)(2), \$5,000,000 for each of the fiscal  
 18       years 2005 and 2006, which shall remain available  
 19       until expended.”;

20           (2) by redesignating paragraph (2) as para-  
 21       graph (3);

22           (3) by inserting after paragraph (1) the fol-  
 23       lowing:

24           “(2) ADDITIONAL AUTHORIZATION.—There are  
 25       authorized to be appropriated to carry out sub-



1 section (b)(2), \$1,500,000 for each of the fiscal  
 2 years 2005 and 2006, which shall remain available  
 3 until expended.”;

4 (4) by amending paragraph (3), as redesign-  
 5 nated, to read as follows:

6 “(3) SMALL BUSINESS DEVELOPMENT CEN-  
 7 TERS.—Of the total amount made available under  
 8 this subsection for fiscal years 2005 and 2006, not  
 9 more than the greater of 10 percent or \$500,000  
 10 may be used to carry out section 21(c)(3)(T).”; and

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

12 “(4) ADMINISTRATIVE COSTS.—Of the total  
 13 amount made available under this subsection for any  
 14 fiscal year, not more than 5 percent of such amount  
 15 shall be used for administrative costs, which percent-  
 16 age shall be determined without regard to the ad-  
 17 ministrative costs of eligible intermediaries.”.

## 18 **TITLE III—ADMINISTRATION AC-** 19 **COUNTABILITY AND MANAGE-** 20 **MENT**

### 21 **SEC. 301. DOCUMENT RETENTION AND INVESTIGATIONS.**

22 Section 10(e) of the Small Business Act (15 U.S.C.  
 23 639(e)) is amended by striking the matter preceding para-  
 24 graph (2) and inserting the following:

25 “(e) DOCUMENT RETENTION; INVESTIGATIONS.—

1           “(1) DOCUMENT RETENTION.—The Adminis-  
2           trator and the Inspector General of the Administra-  
3           tion shall—

4                   “(A) retain all documents and records, in-  
5                   cluding correspondence, records of inquiry,  
6                   memoranda (including those relating to all in-  
7                   vestigations conducted by or for the Adminis-  
8                   tration), reports, studies, analyses, contracts,  
9                   agreements, opinions, computer entries, e-mail  
10                  messages, forms, manuals, briefing materials,  
11                  press releases, and books for a period of not  
12                  less than 2 years from the date such documents  
13                  are created;

14                  “(B) keep the items described in subpara-  
15                  graph (A) available at all times for inspection  
16                  and examination by the Committee on Small  
17                  Business and Entrepreneurship of the Senate  
18                  and the Committee on Small Business of the  
19                  House of Representatives, or their duly author-  
20                  ized representatives; and

21                  “(C) upon the written request of the Com-  
22                  mittee on Small Business and Entrepreneurship  
23                  of the Senate or the Committee on Small Busi-  
24                  ness of the House of Representatives pursuant  
25                  to subparagraph (B), the Administrator or the

1           Inspector General, as applicable, shall make  
 2           such documents or records available to the re-  
 3           questing committee or its duly authorized rep-  
 4           resentative within 5 business days of the re-  
 5           quest, and if a document or record cannot be  
 6           made available within such timeframe, the Ad-  
 7           ministrator or the Inspector General, as appli-  
 8           cable, shall provide the requesting committee  
 9           with a written explanation stating the reason  
 10          that each document or record requested has not  
 11          been provided and a date certain for its produc-  
 12          tion.”.

13 **SEC. 302. MANAGEMENT OF THE SMALL BUSINESS ADMIN-**  
 14 **ISTRATION.**

15          Section 4 of the Small Business Act (15 U.S.C. 633)  
 16          is amended—

17               (1) by striking “SEC. 4.” and inserting the fol-  
 18          lowing:

19 **“SEC. 4. MANAGEMENT OF THE SMALL BUSINESS ADMINIS-**  
 20 **TRATION.”;**

21               (2) in subsection (a), by striking “(a)” and in-  
 22          serting the following:

23          “(a) ESTABLISHMENT.—”;

24               (3) in subsection (b)—

1 (A) by striking “(b)(1)” and inserting the  
 2 following:

3 “(b) AUTHORITY OF ADMINISTRATOR.—

4 “(1) IN GENERAL.—

5 “(A) APPOINTMENT.—”;

6 (B) in paragraph (1)—

7 (i) by striking “The Administrator  
 8 shall not engage” and inserting the fol-  
 9 lowing:

10 “(B) SOLE EMPLOYMENT.—The Adminis-  
 11 trator shall not engage”;

12 (ii) by striking “In carrying out” and  
 13 inserting the following:

14 “(C) NONDISCRIMINATION; SPECIAL CON-  
 15 sideration FOR VETERANS.—In carrying out”;

16 and

17 (iii) by striking “The President” and  
 18 inserting the following:

19 “(D) APPOINTMENT OF DEPUTY ADMINIS-  
 20 TRATOR; ASSOCIATE ADMINISTRATORS.—The  
 21 President”; and

22 (C) in paragraph (2), by striking “the Ad-  
 23 ministrator also” and inserting “RESPONSIBIL-  
 24 ITIES OF ADMINISTRATOR.—The Adminis-  
 25 trator”; and

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

2 “(g) OFFICE OF LENDER OVERSIGHT.—The Director  
3 of the Office of Lender Oversight shall—

4 “(1) formulate, execute, and promote policies  
5 and procedures of the Administration that provide  
6 adequate and effective oversight and review of lend-  
7 ers participating in, or applying to participate in,  
8 the loan and loan guaranty programs for small busi-  
9 ness concerns under this Act and the Small Business  
10 Investment Act of 1958 (15 U.S.C. 661 et seq.); and

11 “(2) report directly to the Chief Financial Offi-  
12 cer of the Administration.”.

## 13 **TITLE IV—ENTREPRENEURIAL** 14 **DEVELOPMENT PROGRAMS**

### 15 **Subtitle A—Office of** 16 **Entrepreneurial Development**

#### 17 **SEC. 401. SERVICE CORPS OF RETIRED EXECUTIVES.**

18 (a) IN GENERAL.—Section 8(b)(1)(B) of the Small  
19 Business Act (15 U.S.C. 637(b)(1)(B)) is amended—

20 (1) by striking “this Act; and to”, and inserting  
21 “this Act. To”;

22 (2) by striking “may maintain at its head-  
23 quarters” and all that follows through “That any”  
24 and inserting “shall maintain at its headquarters  
25 and pay the salaries, benefits, and expenses of a vol-

1       unteer and professional staff to manage and oversee  
2       the program. Any”; and

3               (3) by striking the period at the end and insert-  
4       ing the following: “and the management of the con-  
5       tributions received.”.

6       (b) REGULATIONS.—The Administrator shall, not  
7       later than 180 days after the date of enactment of this  
8       Act, promulgate regulations to carry out the amendments  
9       made by subsection (a).

10       (c) EXTENSION OF COSPONSORSHIP AUTHORITY.—  
11       Section 401(a)(2) of the Small Business Administration  
12       Reauthorization and Amendments Act of 1994 (15 U.S.C.  
13       637 note, 108 Stat. 4190) is amended by striking “Sep-  
14       tember 30, 2003” and inserting “September 30, 2006”.

15       **SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PRO-**  
16                               **GRAM.**

17       (a) PRIVACY REQUIREMENTS.—Section 21(a) of the  
18       Small Business Act (15 U.S.C. 648(a)) is amended by  
19       adding at the end the following:

20               “(7) PRIVACY REQUIREMENTS.—

21                       “(A) IN GENERAL.—A small business de-  
22       velopment center, consortium of small business  
23       development centers, or contractor or agent of  
24       a small business development center may not  
25       disclose the name, address, or telephone num-

ber of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

“(i) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

“(ii) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a small business development center, but a disclosure under this clause shall be limited to the information necessary for such audit.

“(B) ADMINISTRATION USE OF INFORMATION.—This section shall not—

“(i) restrict Administration access to program activity data; or

“(ii) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

“(C) REGULATIONS.—The Administrator shall issue regulations to establish standards for

1 requiring disclosures during a financial audit  
 2 under subparagraph (A)(ii).”.

3 (b) **TERM CHANGE.**—Section 21(k) of the Small  
 4 Business Act (15 U.S.C. 648(k)) is amended—

5 (1) by striking “CERTIFICATION” each place it  
 6 appears and inserting “ACCREDITATION”; and

7 (2) by striking “certification” each place it ap-  
 8 pears and inserting “accreditation”.

9 **Subtitle B—Office of Veterans**  
 10 **Business Development**

11 **SEC. 431. ADVISORY COMMITTEE ON VETERANS BUSINESS**  
 12 **AFFAIRS.**

13 (a) **RETENTION OF DUTIES.**—Section 33(h) of the  
 14 Small Business Act (15 U.S.C. 657c(h)) is amended by  
 15 striking “October 1, 2004” and inserting “October 1,  
 16 2006”.

17 (b) **EXTENSION OF AUTHORITY.**—Section 203(h) of  
 18 the Veterans Entrepreneurship and Small Business Devel-  
 19 opment Act of 1999 (15 U.S.C. 657b note) is amended  
 20 by striking “September 30, 2004” and inserting “Sep-  
 21 tember 30, 2006”.

22 **SEC. 432. OUTREACH GRANTS FOR VETERANS.**

23 Section 8(b)(17) of the Small Business Act (15  
 24 U.S.C. 637(b)(17)) is amended by inserting before the pe-



1 riod at the end the following: “, veterans, and members  
2 of a reserve component of the Armed Forces”.

3 **SEC. 433. AUTHORIZATION OF APPROPRIATIONS.**

4 Section 32 of the Small Business Act (15 U.S.C.  
5 657b) is amended by adding at the end the following:

6 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
7 are authorized to be appropriated for carrying out the pro-  
8 visions of this section—

9 “(1) \$1,500,000 for fiscal year 2005; and

10 “(2) \$2,000,000 for fiscal year 2006.”.

11 **SEC. 434. NATIONAL VETERANS BUSINESS DEVELOPMENT**  
12 **CORPORATION.**

13 Section 33(a) of the Small Business Act (15 U.S.C.  
14 657c(a)) is amended by adding at the end the following:  
15 “Notwithstanding any other provision of law, the Corpora-  
16 tion is a private entity and is not an agency, instrumen-  
17 tality, authority, entity, or establishment of the United  
18 States Government.”.

19 **TITLE V—SMALL BUSINESS**  
20 **PROCUREMENT OPPORTUNITIES**

21 **SEC. 501. WOMEN-OWNED SMALL BUSINESS CONCERNS; AU-**  
22 **THORITIES OF ADMINISTRATOR.**

23 Section 8 of the Small Business Act (15 U.S.C. 637)  
24 is amended—

1           (1) by amending subsection (m) to read as fol-  
 2       lows:

3       “(m) PROCUREMENT PROGRAM FOR WOMEN-OWNED  
 4       SMALL BUSINESS CONCERNS.—

5           “(1) DEFINITIONS.—In this subsection, the fol-  
 6       lowing definitions apply:

7           “(A) SMALL BUSINESS CONCERN OWNED  
 8       AND CONTROLLED BY WOMEN.—The term  
 9       ‘small business concern owned and controlled by  
 10      women’ has the meaning given such term in  
 11      section 3(n), except that ownership shall be de-  
 12      termined without regard to any community  
 13      property law.

14          “(2) AUTHORITY TO RESTRICT COMPETITION.—  
 15      In accordance with this subsection, a contracting of-  
 16      ficer may restrict competition for any contract for  
 17      the procurement of goods or services by the Federal  
 18      Government to small business concerns owned and  
 19      controlled by women, if—

20          “(A) each of the concerns is not less than  
 21      51 percent owned by 1 or more women who are  
 22      economically disadvantaged (and such owner-  
 23      ship is determined without regard to any com-  
 24      munity property law);

1           “(B) the contracting officer has a reason-  
2           able expectation that 2 or more small business  
3           concerns owned and controlled by women will  
4           submit offers for the contract;

5           “(C) the contract is for the procurement of  
6           goods or services with respect to an industry  
7           identified by the Administrator pursuant to  
8           paragraph (4);

9           “(D) the anticipated award price of the  
10          contract (including options) does not exceed—

11           “(i) \$5,000,000, in the case of a con-  
12          tract assigned an industrial classification  
13          code in sector 31, 32, or 33 of the North  
14          American Industrial Classification System;  
15          or

16           “(ii) \$3,000,000, in the case of all  
17          other contracts;

18          “(E) in the estimation of the contracting  
19          officer, the contract award can be made at a  
20          fair and reasonable price; and

21          “(F) each of the concerns—

22           “(i) is certified by a Federal agency  
23          or a State government as a small business  
24          concern owned and controlled by women;

1           “(ii) is certified by a national certi-  
 2           fying entity approved by the Administrator  
 3           as a small business concern owned and  
 4           controlled by women; or

5           “(iii) certifies to the contracting offi-  
 6           cer that it is a small business concern  
 7           owned and controlled by women and pro-  
 8           vides adequate documentation in accord-  
 9           ance with standards established by the Ad-  
 10          ministration to support such certification.

11          “(3) WAIVER.—With respect to a small busi-  
 12          ness concern owned and controlled by women, the  
 13          Administrator may waive subparagraph (2)(A) if the  
 14          Administrator determines that the concern is in an  
 15          industry in which small business concerns owned  
 16          and controlled by women are substantially underrep-  
 17          resented.

18          “(4) IDENTIFICATION OF INDUSTRIES.—

19               “(A) IN GENERAL.—The Administrator  
 20               shall conduct a study to identify industries in  
 21               which small business concerns owned and con-  
 22               trolled by women are underrepresented with re-  
 23               spect to Federal procurement contracting.

1 “(B) DEADLINE.—Not later than 90 days  
 2 after the date of the enactment of this subpara-  
 3 graph the Administrator shall—

4 “(i) ensure the completion of the  
 5 study described in this paragraph;

6 “(ii) approve national certifying enti-  
 7 ties for the purposes of paragraph  
 8 (2)(F)(ii); and

9 “(iii) make determinations in accord-  
 10 ance with paragraph (3).

11 “(5) ENFORCEMENT; PENALTIES.—

12 “(A) VERIFICATION OF ELIGIBILITY.—In  
 13 carrying out this subsection, the Administrator  
 14 shall use existing procedures established by the  
 15 Office of Hearings and Appeals relating to—

16 “(i) the filing, investigation, and dis-  
 17 position by the Administrator of any chal-  
 18 lenge to the eligibility of a small business  
 19 concern to receive assistance under this  
 20 subsection (including a challenge, filed by  
 21 an interested party, relating to the veracity  
 22 of a certification made or information pro-  
 23 vided to the Administrator by a small busi-  
 24 ness concern under paragraph (2)(F)); and

1 “(ii) verification by the Administrator  
 2 of the accuracy of any certification made  
 3 or information provided to the Adminis-  
 4 trator by a small business concern under  
 5 paragraph (2)(F).

6 “(B) EXAMINATIONS.—The procedures es-  
 7 tablished under subparagraph (A) may provide  
 8 for program examinations (including random  
 9 program examinations) by the Administrator of  
 10 any small business concern making a certifi-  
 11 cation or providing information to the Adminis-  
 12 trator under paragraph (2)(F).

13 “(C) PENALTIES.—In addition to the pen-  
 14 alties described in section 16(d), any small busi-  
 15 ness concern that is determined by the Admin-  
 16 istrator to have misrepresented the status of  
 17 that concern as a small business concern owned  
 18 and controlled by women for purposes of this  
 19 subsection, shall be subject to—

20 “(i) section 1001 of title 18, United  
 21 States Code; and

22 “(ii) sections 3729 through 3733 of  
 23 title 31, United States Code.

24 “(6) PROVISION OF DATA.—Upon the request  
 25 of the Administrator, the head of any Federal de-

1       partment or agency shall promptly provide to the  
 2       Administrator such information as the Adminis-  
 3       trator determines to be necessary to carry out this  
 4       subsection.”; and

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

6       “(o) AUTHORITIES OF ADMINISTRATOR.—In carrying  
 7       out its functions under sections 7(i), 8(a), and 8(b), the  
 8       Administrator may do the following:

9               “(1) Utilize, with their consent, the services and  
 10       facilities of Federal agencies without reimbursement,  
 11       and, with the consent of any State or political sub-  
 12       division of a State, accept and utilize the services  
 13       and facilities of such State or subdivision without re-  
 14       imbursement.

15              “(2) Accept voluntary and uncompensated serv-  
 16       ices, notwithstanding section 1342 of title 31,  
 17       United States Code.

18              “(3) Employ experts and consultants or organi-  
 19       zations thereof as authorized by section 3109 of title  
 20       5, United States Code. No individual may be em-  
 21       ployed under the authority of this paragraph for  
 22       more than 100 days in any fiscal year. No individual  
 23       employed under this paragraph may be compensated  
 24       at rates in excess of the daily equivalent of the high-  
 25       est rate payable under section 5332 of title 5,

1 United States Code, including travel time. Individ-  
 2 uals employed under this paragraph may be allowed,  
 3 while away from their homes or regular places of  
 4 business, travel expenses (including per diem in lieu  
 5 of subsistence) as authorized by section 5703 of title  
 6 5, United States Code for persons in the Govern-  
 7 ment service employed intermittently. Contracts for  
 8 employment under this paragraph may be renewed  
 9 annually.”.

10 **SEC. 502. PROCUREMENT CENTER REPRESENTATIVES.**

11 Section 15(l) of the Small Business Act (15 U.S.C.  
 12 644(l)) is amended—

13 (1) by striking “(l)(1)” and inserting “(2)”;

14 (2) by redesignating paragraphs (2) through  
 15 (7) as paragraphs (3) through (8), respectively;

16 (3) by inserting before paragraph (2), as so re-  
 17 designated, the following:

18 “(l)(1) The Administrator shall assign not fewer than  
 19 1 procurement center representative at each major pro-  
 20 curement center, in addition to no less than 1 for each  
 21 State.”;

22 (4) in paragraph (2), as redesignated, by strik-  
 23 ing “to the representative referred to in subsection  
 24 (k)(6)” and inserting “to the traditional procure-  
 25 ment center representative and the commercial mar-



1 ket representative, with each such position filled by  
2 a different individual, and each such representative  
3 having separate and distinct duties and responsibil-  
4 ities.”; and

5 (5) by striking “paragraph (2)” each place that  
6 term appears and inserting “paragraph (3)”.

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