

109TH CONGRESS
2D SESSION

S. 2482

To authorize funding for State-administered bridge loan programs, to increase the access of small businesses to export assistance center services in areas in which the President declared a major disaster as a result of Hurricane Katrina of 2005, Hurricane Rita of 2005, or Hurricane Wilma of 2005, to authorize additional disaster loans, to require reporting regarding the administration of the disaster loan programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 30, 2006

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

A BILL

To authorize funding for State-administered bridge loan programs, to increase the access of small businesses to export assistance center services in areas in which the President declared a major disaster as a result of Hurricane Katrina of 2005, Hurricane Rita of 2005, or Hurricane Wilma of 2005, to authorize additional disaster loans, to require reporting regarding the administration of the disaster loan programs, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Gulf Coast Open for
3 Business Act of 2006”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) 43 percent of businesses that close following
7 a natural disaster never reopen;

8 (2) an additional 29 percent of businesses close
9 down permanently within 2 years of a natural dis-
10 aster;

11 (3) Hurricane Katrina struck the Gulf Coast of
12 the United States on August 29, 2005, negatively
13 impacting small business concerns and disrupting
14 commerce in the States of Louisiana, Mississippi,
15 and Alabama;

16 (4) Hurricane Rita struck the Gulf Coast of the
17 United States on September 24, 2005, negatively
18 impacting small business concerns and disrupting
19 commerce in the States of Texas and Louisiana;

20 (5) Hurricane Wilma struck the Gulf Coast of
21 the United States on October 24, 2005, negatively
22 impacting small business concerns and disrupting
23 commerce in the State of Florida;

24 (6) according to the United States Chamber of
25 Commerce, more than 125,000 small and medium-
26 sized businesses in the Gulf Coast were disrupted by

1 Hurricane Katrina or Hurricane Rita and, as of
2 March 2006, local chambers of commerce reported
3 that as many as $\frac{2}{3}$ of their members had not re-
4 sumed business operations;

5 (7) as of March 29, 2006, 7 months will have
6 passed since Hurricane Katrina impacted the Gulf
7 Coast, yet despite that passage of time, small busi-
8 ness concerns in the affected States are still in need
9 of assistance;

10 (8) due to a slow initial Federal response and
11 the widespread devastation in the affected States,
12 businesses impacted by Hurricane Katrina are in
13 dire need of increased access to capital, access to
14 State and Federal recovery contracts, and technical
15 assistance to recover and prosper; and

16 (9) without the full recovery and prosperity of
17 affected businesses, the Gulf Coast, and the rest of
18 the United States, will be negatively impacted.

19 **SEC. 3. DEFINITIONS.**

20 In this Act—

21 (1) the terms “Administration” and “Adminis-
22 trator” mean the Small Business Administration
23 and the Administrator thereof, respectively;

1 (2) the term “disaster loan program” means
2 the disaster loan program authorized under section
3 7 of the Small Business Act (15 U.S.C. 636);

4 (3) the term “Disaster Area” means an area in
5 which the President has declared a major disaster in
6 response to Hurricane Katrina of 2005, Hurricane
7 Rita of 2005, or Hurricane Wilma of 2005;

8 (4) the term “major disaster” has the meaning
9 given the term in section 102 of the Robert T. Staf-
10 ford Disaster Relief and Emergency Assistance Act
11 (42 U.S.C. 5122);

12 (5) the term “relevant area” means an area in
13 which the President has declared a major disaster,
14 during the period in which such declaration is in ef-
15 fect;

16 (6) the term “small business concern” has the
17 meaning given the term in section 3 of the Small
18 Business Act (15 U.S.C. 632); and

19 (7) the term “2006 Atlantic hurricane season”
20 means the period beginning on June 1, 2006, and
21 ending on November 30, 2006.

22 **SEC. 4. STATE BRIDGE LOAN PROGRAMS.**

23 (a) IN GENERAL.—There is authorized to be appro-
24 priated to the Secretary of Commerce \$50,000,000 for the
25 Economic Development Administration of the Department

1 of Commerce to make grants to the appropriate State gov-
 2 ernment agencies in Louisiana, Alabama, Mississippi,
 3 Texas, and Florida, to carry out this section.

4 (b) DISBURSEMENT OF FUNDS.—The Department of
 5 Commerce shall disburse the funds authorized under sub-
 6 section (a) in the most expeditious manner possible to the
 7 designated States, based on—

8 (1) the number of businesses directly damaged
 9 or disrupted by Hurricane Katrina of 2005, Hurri-
 10 cane Rita of 2005, or Hurricane Wilma of 2005, in
 11 the State;

12 (2) the number of residents displaced from the
 13 State by Hurricane Katrina of 2005, Hurricane Rita
 14 of 2005, or Hurricane Wilma of 2005;

15 (3) the number of jobs lost or disrupted by
 16 Hurricane Katrina of 2005, Hurricane Rita of 2005,
 17 or Hurricane Wilma of 2005, in the State;

18 (4) the extent of economic disruption by Hurri-
 19 cane Katrina of 2005, Hurricane Rita of 2005, or
 20 Hurricane Wilma of 2005, in the State; and

21 (5) the number of evacuees from any other
 22 State due to Hurricane Katrina of 2005, Hurricane
 23 Rita of 2005, or Hurricane Wilma of 2005, to whom
 24 the designated State is providing assistance.

25 (c) USE OF FUNDS.—

1 (1) IN GENERAL.—Grants awarded to a State
2 under subsection (a) shall be used by the State to
3 provide bridge loans, which may be made to any per-
4 son located in a Disaster Area who was negatively
5 impacted by Hurricane Katrina of 2005, Hurricane
6 Rita of 2005, or Hurricane Wilma of 2005, to assist
7 such person in covering costs until the person is able
8 to obtain loans through Administration assistance
9 programs or other sources.

10 (2) REIMBURSEMENT.—A State may use a
11 grant awarded under subsection (a) as reimburse-
12 ment for any State funds used to provide bridge
13 loans to any person located in a Disaster Area who
14 was negatively impacted by Hurricane Katrina of
15 2005, Hurricane Rita of 2005, or Hurricane Wilma
16 of 2005, before the date on which the funds author-
17 ized under subsection (a) are disbursed.

18 (3) CRITERIA.—Notwithstanding any other pro-
19 vision of law, in making bridge loans under para-
20 graph (1), the State may use such criteria as the
21 State determines appropriate, and shall not be re-
22 quired to apply eligibility criteria for programs ad-
23 ministered by the Federal Government, including the
24 Department of Commerce.

1 (4) TERMS.—Any loan made by a State under
 2 paragraph (1) may initially be a noncollateralized,
 3 low-interest loan.

4 (5) ADMINISTRATIVE EXPENSES.—The Depart-
 5 ment of Commerce may use not more than
 6 \$1,000,000 of the funds authorized under subsection
 7 (a) to administer the provision of grants to the des-
 8 ignated States under this subsection.

9 **SEC. 5. TRADE OUTREACH AT GULF COAST UNITED STATES**

10 **EXPORT ASSISTANCE CENTERS.**

11 (a) INCREASE IN SMALL BUSINESS INTERNATIONAL
 12 TRADE STAFF.—The Administrator shall hire 1 full-time
 13 international finance specialist for the Office of Inter-
 14 national Trade of the Administration.

15 (b) LOCATION AND SERVICE AREA.—The inter-
 16 national finance specialist hired under subsection (a)—

17 (1) may be located in the New Orleans, Lou-
 18 isiana United States Export Assistance Center or in
 19 the Jackson, Mississippi United States Export As-
 20 sistance Center; and

21 (2) shall—

22 (A) help to carry out the export promotion
 23 efforts described in section 22 of the Small
 24 Business Act (15 U.S.C. 649); and

1 (B) provide such services in the States of
 2 Louisiana, Mississippi, Alabama, and Arkansas.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—

4 (1) IN GENERAL.—There are authorized to be
 5 appropriated to the Administration to carry out this
 6 section—

7 (A) \$105,475 for each of fiscal years 2006
 8 through 2011; and

9 (B) such sums as are necessary for each
 10 fiscal year thereafter.

11 (2) AVAILABILITY OF FUNDS.—Amounts made
 12 available under this subsection shall remain available
 13 until expended.

14 **SEC. 6. SMALL BUSINESS DEVELOPMENT CENTERS.**

15 (a) WAIVER OF MAXIMUM AMOUNT.—Section
 16 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4))
 17 is amended by adding at the end the following:

18 “(D) FISCAL YEARS 2005 AND 2006.—For fiscal
 19 years 2005 and 2006, the Administrator has the au-
 20 thority to waive the maximum amount of \$100,000
 21 for grants under subparagraph (C)(viii), and such
 22 grants shall be made available for small business de-
 23 velopment centers assisting small business concerns
 24 adversely affected by Hurricane Katrina of 2005,

1 Hurricane Rita of 2005, or Hurricane Wilma of
2 2005.”.

3 (b) ASSISTANCE AFTER HURRICANE KATRINA, HUR-
4 RICANE RITA, AND HURRICANE WILMA.—Section 21(b) of
5 the Small Business Act (15 U.S.C. 648(b)) is amended
6 by adding at the end the following:

7 “(4) ASSISTANCE AFTER HURRICANE KATRINA, HUR-
8 RICANE RITA, AND HURRICANE WILMA.—

9 “(A) IN GENERAL.—The Administration shall
10 authorize any small business development center, re-
11 gardless of location, to provide advice, information,
12 and assistance, as described in subsection (c), to a
13 small business concern located in an area in which
14 the President has designated as a major disaster (as
15 that term is defined in section 102 of the Robert T.
16 Stafford Disaster Relief and Emergency Assistance
17 Act (42 U.S.C. 5122)) as a result of Hurricane
18 Katrina of 2005, Hurricane Rita of 2005, Hurricane
19 Wilma of 2005.

20 “(B) CONTINUITY OF SERVICES.—A small busi-
21 ness development center that provides counselors to
22 an area described in subparagraph (A) shall, to the
23 maximum extent practicable, ensure continuity of
24 services in the State it currently serves.”.

1 **SEC. 7. DISASTER LOANS AFTER HURRICANE KATRINA,**
 2 **HURRICANE RITA, AND HURRICANE WILMA.**

3 (a) IN A DISASTER AREA.—Section 7(b) of the Small
 4 Business Act (15 U.S.C. 636(b)) is amended by inserting
 5 immediately after paragraph (3) the following:

6 “(4) AUTHORITY FOR LENDERS TO PROCESS
 7 DISASTER LOANS.—The Administrator may enter
 8 into an agreement with a qualified lender, as deter-
 9 mined by the Administrator, to process loans under
 10 this section, under which the Administrator shall
 11 pay the lender a fee for each loan processed.

12 “(5) AUTHORITY FOR THE ADMINISTRATOR TO
 13 CONTRACT WITH LENDERS FOR LOAN LOSS
 14 VERIFICATION SERVICES.—The Administrator may
 15 enter into an agreement with a qualified lender or
 16 loss verification professional, as determined by the
 17 Administrator, to verify losses for loans under this
 18 section, under which the Administrator shall pay the
 19 lender or verification professional a fee for each loan
 20 for which such lender or verification professional
 21 verifies losses.

22 “(6) DISASTER LOANS AFTER HURRICANE
 23 KATRINA, HURRICANE RITA, AND HURRICANE WILMA
 24 IN A DISASTER AREA.—

25 “(A) DEFINITIONS.—In this paragraph—

1 “(i) the term ‘Disaster Area’ means
2 an area in which the President has de-
3 clared a major disaster in response to Hur-
4 ricane Katrina of 2005, Hurricane Rita of
5 2005, or Hurricane Wilma of 2005; and

6 “(ii) the term ‘qualified borrower’
7 means a person to whom the Administrator
8 made a loan under this section because of
9 Hurricane Katrina of 2005, Hurricane
10 Rita of 2005, or Hurricane Wilma of
11 2005.

12 “(B) LOANS TO NONPROFITS.—In addition
13 to any other loan authorized by this subsection,
14 the Administrator may make such loans under
15 this subsection (either directly or in cooperation
16 with banks or other lending institutions through
17 agreements to participate on an immediate or
18 deferred basis) as the Administrator determines
19 appropriate to a nonprofit organization, includ-
20 ing a religious organization, that was located in
21 a Disaster Area on August 29, 2005, and was
22 negatively impacted or is providing services to
23 persons who were negatively impacted by Hurri-
24 cane Katrina of 2005, Hurricane Rita of 2005,
25 or Hurricane Wilma of 2005.

1 “(C) DEFERMENT OF DISASTER LOAN PAY-
2 MENTS.—

3 “(i) IN GENERAL.—Notwithstanding
4 any other provision of law, payments of
5 principal and interest on a loan to a quali-
6 fied borrower made before August 24,
7 2007, shall be deferred, and no interest
8 shall accrue with respect to such loan, dur-
9 ing the time period described in clause (ii).

10 “(ii) TIME PERIOD.—The time period
11 for purposes of clause (i) shall be 1 year
12 from the later of the date of enactment of
13 this paragraph or the date on which funds
14 are distributed under a loan described in
15 clause (i), but may be extended to 2 years
16 from such date, at the discretion of the
17 Administrator.

18 “(iii) RESUMPTION OF PAYMENTS.—
19 At the end of the time period described in
20 clause (ii), the payment of periodic install-
21 ments of principal and interest shall be re-
22 quired with respect to such loan, in the
23 same manner and subject to the same
24 terms and conditions as would otherwise be

1 applicable to any other loan made under
2 this subsection.

3 “(D) EXTENDED APPLICATION PERIOD.—

4 Notwithstanding any other provision of law, the
5 Administrator shall accept applications for as-
6 sistance under this subsection as a result of
7 Hurricane Katrina of 2005, Hurricane Rita of
8 2005, or Hurricane Wilma of 2005 until 1 year
9 after the date on which the President declared
10 a major disaster, as that term is defined in sec-
11 tion 102 of the Robert T. Stafford Disaster Re-
12 lief and Emergency Assistance Act (42 U.S.C.
13 5122), as a result of Hurricane Katrina of
14 2005, Hurricane Rita of 2005, or Hurricane
15 Wilma of 2005, as the case may be.

16 “(E) PROHIBITION ON SALE OF DISASTER
17 LOANS.—No loan under this subsection made as
18 a result of Hurricane Katrina of 2005, Hurri-
19 cane Rita of 2005, or Hurricane Wilma of 2005
20 may be sold.”.

21 (b) NATIONWIDE DISASTER LOANS.—Section 7(b) of
22 the Small Business Act (15 U.S.C. 636(b)), as amended
23 by this Act, is amended by inserting immediately after
24 paragraph (6) the following:

1 “(7) NATIONWIDE LOANS AFTER HURRICANE
 2 KATRINA, HURRICANE RITA, AND HURRICANE
 3 WILMA.—In addition to any other loan authorized by
 4 this subsection, the Administrator may make such
 5 loans under this subsection (either directly or in co-
 6 operation with banks or other lending institutions
 7 through agreements to participate on an immediate
 8 or deferred basis) as the Administrator determines
 9 appropriate to a small business concern, small agri-
 10 cultural cooperative, small nursery, or small pro-
 11 ducer cooperative located anywhere in the United
 12 States that demonstrates a direct adverse economic
 13 impact caused by Hurricane Katrina of 2005, Hurri-
 14 cane Rita of 2005, or Hurricane Wilma of 2005,
 15 based on such criteria as the Administrator may set
 16 by rule, regulation, or order.”.

17 (c) DISASTER MITIGATION.—

18 (1) IN GENERAL.—Section 7(b)(1)(A) of the
 19 Small Business Act (15 U.S.C. 636(b)(1)(A)) is
 20 amended by inserting “of the aggregate costs of
 21 such damage or destruction (whether or not com-
 22 pensated for by insurance or otherwise)” after “20
 23 per centum”.

24 (2) EFFECTIVE DATE.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), the amendment made by
3 paragraph (1) shall apply with respect to a loan
4 or guarantee made after the date of enactment
5 of this Act.

6 (B) LOANS IN A DISASTER AREA.—For
7 any loan or guarantee to a person located in a
8 Disaster Area, the amendment made by para-
9 graph (1), shall apply with respect to a loan or
10 guarantee under which funds are disbursed on
11 or after the date on which the President de-
12 clared a major disaster as a result of Hurricane
13 Katrina of 2005, Hurricane Rita of 2005, or
14 Hurricane Wilma of 2005, as the case may be.

15 (d) MONTHLY ACCOUNTING REPORT TO CON-
16 GRESS.—

17 (1) IN GENERAL.—On the first Monday of each
18 month, the Administrator shall provide to the Com-
19 mittee on Small Business and Entrepreneurship of
20 the Senate and to the Committee on Small Business
21 of the House of Representatives a report on the dis-
22 aster loan program for the preceding month.

23 (2) CONTENTS.—Each report under paragraph
24 (1) shall include—

1 (A) the daily average lending volume, in
2 number of loans and dollars, and the percent by
3 which each category has increased or decreased
4 since the previous report under paragraph (1);

5 (B) the weekly average lending volume, in
6 number of loans and dollars, and the percent by
7 which each category has increased or decreased
8 since the previous report under paragraph (1);

9 (C) the amount of funding spent over the
10 month for loans, both in appropriations and
11 program level, and the percent by which each
12 category has increased or decreased since the
13 previous report under paragraph (1);

14 (D) the amount of funding available for
15 loans, both in appropriations and program level,
16 and the percent by which each category has in-
17 creased or decreased, noting the source of any
18 additional funding;

19 (E) an estimate of how long the available
20 funding for such loans will last, based on the
21 spending rate;

22 (F) the amount of funding spent over the
23 month for staff, along with the number of staff,
24 and the percent by which each category has in-

1 creased or decreased since the previous report
2 under paragraph (1);

3 (G) the amount of funding spent over the
4 month for administrative costs, and the percent
5 by which spending has increased or decreased
6 since the previous report under paragraph (1);

7 (H) the amount of funding available for
8 salaries and expenses combined, and the per-
9 cent by which funding has increased or de-
10 creased, noting the source of any additional
11 funding; and

12 (I) an estimate of how long the available
13 funding for salaries and expenses will last,
14 based on the spending rate.

15 (e) DAILY DISASTER UPDATES TO CONGRESS FOR
16 PRESIDENTIALLY DECLARED DISASTERS.—

17 (1) IN GENERAL.—During the period beginning
18 on the date on which the President declares a major
19 disaster and ending on the date on which such dec-
20 laration terminates, on each day, excluding Federal
21 holidays and weekends, the Administrator shall pro-
22 vide to the Committee on Small Business and Entre-
23 preneurship of the Senate and to the Committee on
24 Small Business of the House of Representatives a
25 report on the operation of the disaster loan program

1 for the area in which the President declared such
2 major disaster.

3 (2) CONTENTS.—Each report under paragraph
4 (1) shall include—

5 (A) the allocations of loan processing, loss
6 verification, and additional field staff at Admin-
7 istration offices nationwide, as well as the allo-
8 cations of such staff at the various disaster
9 field offices, disaster recovery centers, and
10 workshops in each State in the relevant area;

11 (B) the daily number of applications re-
12 ceived from applicants in the relevant area, as
13 well as a breakdown of such figures by State;

14 (C) the daily number of applications pend-
15 ing application entry from applicants in the rel-
16 evant area, as well as a breakdown of such fig-
17 ures by State;

18 (D) the daily number of applications with-
19 drawn by applicants in the relevant area, as
20 well as a breakdown of such figures by State;

21 (E) the daily number of applications sum-
22 marily declined by the Administrator from ap-
23 plicants in the relevant area, as well as a break-
24 down of such figures by State;

1 (F) the daily number of applications de-
2 clined by the Administrator from applicants in
3 the relevant area, as well as a breakdown of
4 such figures by State;

5 (G) the daily number of applications in
6 process from applicants in the relevant area, as
7 well as a breakdown of such figures by State;

8 (H) the daily number of applications ap-
9 proved by the Administrator from applicants in
10 the relevant area, as well as a breakdown of
11 such figures by State;

12 (I) the daily dollar amount of applications
13 approved by the Administrator from applicants
14 in the relevant area, as well as a breakdown of
15 such figures by State;

16 (J) the daily amount of loans dispersed,
17 both partially and fully, by the Administrator to
18 applicants in the relevant area, as well as a
19 breakdown of such figures by State;

20 (K) the daily dollar amount of loans dis-
21 persed, both partially and fully, from the Dis-
22 aster Area, as well as a breakdown of such fig-
23 ures by State;

24 (L) the number of applications approved,
25 including dollar amount approved, as well as

1 applications partially and fully dispersed, in-
 2 cluding dollar amounts, since the last report
 3 under paragraph (1); and

4 (M) the declaration date, physical damage
 5 closing date, economic injury closing date, and
 6 number of counties included in the declaration
 7 of a major disaster.

8 (f) TECHNICAL AMENDMENTS.—Section 7(b) of the
 9 Small Business Act (15 U.S.C. 636(b)) is amended—

10 (1) in the matter preceding paragraph (1), by
 11 striking “the, Administration” and inserting “the
 12 Administration”;

13 (2) in paragraph (2)(A), by striking “Disaster
 14 Relief and Emergency Assistance Act” and inserting
 15 “Robert T. Stafford Disaster Relief and Emergency
 16 Assistance Act (42 U.S.C. 5121 et seq.)”; and

17 (3) in the undesignated matter at the end—

18 (A) by striking “, (2), and (4)” and insert-
 19 ing “and (2)”; and

20 (B) by striking “, (2), or (4)” and insert-
 21 ing “(2)”.

22 **SEC. 8. HUBZONES.**

23 (a) IN GENERAL.—Section 3(p)(1) of the Small Busi-
 24 ness Act (15 U.S.C. 632(p)(1)) is amended—

1 (1) in subparagraph (D), by striking “or” at
2 the end;

3 (2) in subparagraph (E), by striking the period
4 at the end and inserting “; or”; and

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

6 “(F) an area in which the President has
7 declared a major disaster, as that term is de-
8 fined in 102 of the Robert T. Stafford Disaster
9 Relief and Emergency Assistance Act (42
10 U.S.C. 5122), in response to Hurricane Katrina
11 of 2005, Hurricane Rita of 2005, or Hurricane
12 Wilma of 2005”.

13 (b) TERMINATION.—

14 (1) IN GENERAL.—The amendments made by
15 subsection (a) are repealed effective on the date that
16 is 5 years after the date of enactment of this Act.

17 (2) REPORT.—Not later than the date de-
18 scribed in paragraph (1), the Administrator shall
19 submit to the Committee on Small Business and En-
20 trepreneurship of the Senate and the Committee on
21 Small Business of the House of Representatives a
22 report—

23 (A) describing the impact of designating as
24 a HUBZone any area that the President de-
25 clared a major disaster as a result of Hurricane

1 Katrina of 2005, Hurricane Rita of 2005, or
2 Hurricane Wilma of 2005;

3 (B) assessing the efficacy of the designa-
4 tion described in subparagraph (A) in creating
5 a positive economic impact in the area described
6 in subparagraph (A); and

7 (C) making recommendations, if any, re-
8 garding the extension of the designation de-
9 scribed in subparagraph (A).

10 **SEC. 9. SMALL BUSINESS PARTICIPATION.**

11 (a) IN GENERAL.—It is the policy of the United
12 States that small business concerns with headquarters in
13 the region affected by Hurricane Katrina of 2005, Hurri-
14 cane Rita of 2005, or Hurricane Wilma of 2005, or em-
15 ploying a significant number of individuals from that re-
16 gion, shall have the maximum practicable opportunity to
17 participate in the performance of contracts let by any Fed-
18 eral agency for activities related to relief, recovery, or re-
19 construction as a result of Hurricane Katrina of 2005,
20 Hurricane Rita of 2005, or Hurricane Wilma of 2005.

21 (b) GOALS.—To facilitate the maximum practicable
22 utilization of small business concerns in the federally fund-
23 ed projects described in subsection (a), the Administrator
24 and the head of any Federal agency making procurements
25 related to relief, recovery, or reconstruction in the region

1 described in subsection (a) shall set a goal, effective not
2 later than 90 days after the date of enactment of this Act,
3 to award not less than 30 percent of amounts expended
4 for prime contracts and not less than 40 percent of
5 amounts expended for subcontracts on procurements by
6 such agency related to the aftermath of Hurricane Katrina
7 of 2005, Hurricane Rita of 2005, or Hurricane Wilma of
8 2005 to small business concerns described in subsection
9 (a).

10 (c) REPORT.—Not later than 7 days after the date
11 of enactment of this Act, and every 7 days thereafter, the
12 Administrator shall compile data using the Federal Pro-
13 curement Data System and provide to the Committee on
14 Small Business and Entrepreneurship of the Senate and
15 the Committee on Small Business of the House of Rep-
16 resentatives a report of the utilization of small business
17 concerns and amount of contracts awarded to small busi-
18 ness concerns for disaster relief, recovery, and reconstruc-
19 tion related to the aftermath of Hurricane Katrina of
20 2005, Hurricane Rita of 2005, and Hurricane Wilma of
21 2005.

22 **SEC. 10. USE OF LOCAL FIRMS AND INDIVIDUALS.**

23 Section 307 of the Robert T. Stafford Disaster Relief
24 and Emergency Assistance Act (42 U.S.C. 5150) is
25 amended to read as follows:

1 **“SEC. 307. USE OF LOCAL FIRMS AND INDIVIDUALS.**

2 “In the expenditure of Federal funds for debris clear-
3 ance, distribution of supplies, reconstruction, and other
4 major disaster or emergency assistance activities which
5 may be carried out by contract or agreement with private
6 organizations, firms, or individuals, preference shall be
7 given, to the maximum extent practicable, to those organi-
8 zations, firms, and individuals residing or doing business
9 primarily in the area affected by such disaster or emer-
10 gency. The Federal Government shall establish a goal to
11 award not less than 10 percent of such contracts to firms
12 within or in close proximity of the area in which the Presi-
13 dent has declared a major disaster during the term of such
14 designation. This section shall not be considered to restrict
15 the use of Department of Defense resources in the provi-
16 sion of major disaster assistance under this Act.”.

17 **SEC. 11. NONDISCRIMINATION IN DISASTER ASSISTANCE.**

18 Section 308(b) of the Robert T. Stafford Disaster Re-
19 lief and Emergency Assistance Act (42 U.S.C. 5151(b))
20 is amended by adding at the end the following: “The re-
21 quirements of this subsection shall also apply to the
22 awarding of contracts for debris clearance, distribution of
23 supplies, reconstruction, and other major disaster or emer-
24 gency assistance activities and shall require governmental
25 bodies to fully consider the utilization of expedited pro-
26 curement tools for small business concerns, small business

1 concerns owned and controlled by service-disabled vet-
 2 erans, and HUBZone small business concerns, as such
 3 terms are defined in section 3 of the Small Business Act
 4 (15 U.S.C. 632) and for small business concerns owned
 5 and controlled by socially and economically disadvantaged
 6 individuals, as such term is defined in section 8 of the
 7 Small Business Act (15 U.S.C. 637).”.

8 **SEC. 12. REMOVING BARRIERS TO BONDING FOR SMALL**
 9 **BUSINESSES.**

10 (a) REQUISITIONS.—Notwithstanding any other pro-
 11 vision of law, for any procurement related to Hurricane
 12 Katrina of 2005, Hurricane Rita of 2005, or Hurricane
 13 Wilma of 2005 that has been set-aside for small business
 14 concerns, the Administrator shall negotiate with the head
 15 of the Federal agency making such procurement an agree-
 16 ment to permit contracting officers to submit requisitions
 17 on a biweekly basis.

18 (b) SURETIES.—

19 (1) IN GENERAL.—The Administrator shall
 20 waive any increase in guarantee fees for a surety
 21 providing guarantees related to contracts for dis-
 22 aster relief, recovery, or reconstruction related to the
 23 aftermath of Hurricane Katrina of 2005, Hurricane
 24 Rita of 2005, or Hurricane Wilma of 2005 under
 25 the Surety Bond Guarantee Program under part B

1 of title IV of the Small Business Investment Act of
2 1958 (15 U.S.C. 694a et seq.) during the 5-year pe-
3 riod beginning on the date of enactment of this Act.

4 (2) PREFERRED PROGRAM.—For any contract
5 for relief, recovery, or reconstruction related to the
6 aftermath of Hurricane Katrina of 2005, Hurricane
7 Rita of 2005, or Hurricane Wilma of 2005, the Ad-
8 ministrator may permit a surety participating in the
9 Preferred Surety Bond Guarantee Program under
10 section 411(a)(3) of the Small Business Investment
11 Act of 1958 (15 U.S.C. 694b(a)(3)) to use rates ap-
12 proved by the insurance commissioner in the State
13 in which such contract will be performed.

14 (3) REPORTING.—Not later than 180 days after
15 the date of enactment of this Act and annually
16 thereafter, the Administrator shall report to the
17 Committee on Small Business and Entrepreneurship
18 of the Senate and the Committee on Small Business
19 of the House of Representatives on availability of
20 bonds to small business concerns performing con-
21 tracts for disaster relief, recovery, or reconstruction
22 related to the aftermath of Hurricane Katrina of
23 2005, Hurricane Rita of 2005, or Hurricane Wilma
24 of 2005.

1 **SEC. 13. HURRICANE RESPONSE PLAN FOR THE 2006 HUR-**
2 **RICANE SEASON.**

3 (a) IN GENERAL.—Not later than May 31, 2006, the
4 Administrator shall submit to the Committee on Small
5 Business and Entrepreneurship of the Senate and the
6 Committee on Small Business of the House of Representa-
7 tives a 2006 Atlantic hurricane season disaster response
8 plan.

9 (b) CONTENTS.—The disaster response plan required
10 under subsection (a) shall include—

11 (1) the plan of the Administrator for respond-
12 ing quickly and efficiently after the occurrence of a
13 major disaster during the 2006 Atlantic hurricane
14 season, including a plan on prepositioning disaster
15 response resources and staff, such as loss verifiers
16 and small business development center staff;

17 (2) a description of how the Administrator
18 plans to integrate and coordinate the response to a
19 major disaster with the staff and resources of the
20 Federal Emergency Management Agency, including
21 details on where and when joint training simulations
22 are planned during the 2006 Atlantic hurricane sea-
23 son;

24 (3) a description of how the Administrator
25 plans to integrate and coordinate the response to a
26 major disaster with the technical assistance pro-

grams of the Administration, including the small business development centers;

(4) the contingency plans of the Administration, if any, for handling increases in the volume of applications under the disaster loan program during the 2006 Atlantic hurricane season, including detailed plans for using local banks, credit unions, and businesses in an area in which the President declares a major disaster or the hiring of additional loan processing and loss verification staff;

(5) figures and job descriptions regarding the full-time planning and full-time disaster response staff of the Administration;

(6) the in-service and pre-service training procedures for disaster response staff of the Administration;

(7) the standard operating procedures of the Administration for responding to hurricanes; and

(8) a description of the findings and recommendations, if any, based on a review of the response of the Administration to Hurricane Katrina of 2005, Hurricane Rita of 2005, and Hurricane Wilma of 2005.

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