

110TH CONGRESS  
1ST SESSION

# S. 738

To amend the Small Business Act to improve the Office of International Trade, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 1, 2007

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

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## A BILL

To amend the Small Business Act to improve the Office of International Trade, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Small Business Inter-  
5       national Trade Enhancements Act of 2007”.

6       **SEC. 2. SMALL BUSINESS ADMINISTRATION ASSOCIATE AD-**  
7       **MINISTRATOR FOR INTERNATIONAL TRADE.**

8       (a) ESTABLISHMENT.—Section 22(a) of the Small  
9       Business Act (15 U.S.C. 649(a)) is amended by adding  
10      at the end the following: “The head of the Office shall

1 be the Associate Administrator for International Trade,  
 2 who shall be responsible to the Administrator.”.

3 (b) AUTHORITY FOR ADDITIONAL ASSOCIATE AD-  
 4 MINISTRATOR.—Section 4(b)(1) of the Small Business Act  
 5 (15 U.S.C. 633(b)(1)) is amended—

6 (1) in the fifth sentence, by striking “five Asso-  
 7 ciate Administrators” and inserting “Associate Ad-  
 8 ministrators”; and

9 (2) by adding at the end the following: “One of  
 10 the Associate Administrators shall be the Associate  
 11 Administrator for International Trade, who shall be  
 12 the head of the Office of International Trade estab-  
 13 lished under section 22.”.

14 (c) DISCHARGE OF ADMINISTRATION INTER-  
 15 NATIONAL TRADE RESPONSIBILITIES.—Section 22 of the  
 16 Small Business Act (15 U.S.C. 649) is amended by adding  
 17 at the end the following:

18 “(h) DISCHARGE OF ADMINISTRATION INTER-  
 19 NATIONAL TRADE RESPONSIBILITIES.—The Adminis-  
 20 trator shall ensure that—

21 “(1) the responsibilities of the Administration  
 22 regarding international trade are carried out  
 23 through the Associate Administrator for Inter-  
 24 national Trade;

1           “(2) the Associate Administrator for Inter-  
 2           national Trade has sufficient resources to carry out  
 3           such responsibilities; and

4           “(3) the Associate Administrator for Inter-  
 5           national Trade has direct supervision and control  
 6           over the staff of the Office of International Trade,  
 7           and over any employee of the Administration whose  
 8           principal duty station is a United States Export As-  
 9           sistance Center or any successor entity.”.

10          (d) ROLE OF ASSOCIATE ADMINISTRATOR IN CAR-  
 11 RYING OUT INTERNATIONAL TRADE POLICY.—Section  
 12 2(b)(1) of the Small Business Act (15 U.S.C. 631(b)(1))  
 13 is amended in the matter preceding subparagraph (A)—

14           (1) by inserting “the Administrator of” before  
 15           “the Small Business Administration”; and

16           (2) by inserting “through the Associate Admin-  
 17           istrator for International Trade, and” before “in co-  
 18           operation with”.

19          (e) TECHNICAL AMENDMENT.—Section 22(c)(5) of  
 20 the Small Business Act (15 U.S.C. 649(c)(5)) is amended  
 21 by striking the period at the end and inserting a semi-  
 22 colon.

23          (f) EFFECTIVE DATE.—Not later than 90 days after  
 24 the date of enactment of this Act, the Administrator of  
 25 the Small Business Administration shall appoint an Asso-

1 ciate Administrator for International Trade under section  
 2 22 of the Small Business Act (15 U.S.C. 649), as amend-  
 3 ed by this section.

4 **SEC. 3. OFFICE OF INTERNATIONAL TRADE.**

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

7 (1) by striking “**SEC. 22.** (a) There” and in-  
 8 serting the following:

9 **“SEC. 22. OFFICE OF INTERNATIONAL TRADE.**

10 “(a) ESTABLISHMENT.—There”;

11 (2) in subsection (a), by inserting “(referred to  
 12 in this section as the ‘Office’),” after “Trade”;

13 (3) in subsection (b)—

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

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

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

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

1       tration, the small business development center net-  
 2       work, the women’s business center network, and ex-  
 3       port centers for—

4               “(A) trade promotion;

5               “(B) trade finance;

6               “(C) trade adjustment;

7               “(D) trade remedy assistance; and

8               “(E) trade data collection.”;

9       (4) in subsection (c)—

10           (A) by redesignating paragraphs (1)  
 11           through (8) as paragraphs (2) through (9), re-  
 12           spectively;

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

15           “(1) establish annual goals for the Office relat-  
 16           ing to—

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

20               “(B) facilitating technology transfers;

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

1           “(D) increasing the access to capital by  
2           small business concerns;

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

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

9           (C) in paragraph (2), as so redesignated,  
10          by striking “mechanism for” and all that fol-  
11          lows through “(D)” and inserting the following:  
12          “mechanism for—

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

16               “(B) identifying areas of demand in for-  
17               eign markets;

18               “(C) prescreening foreign buyers for com-  
19               mercial and credit purposes; and

20               “(D)”;

21          (D) in paragraph (9), as so redesignated—

22               (i) in the matter preceding subpara-  
23               graph (A)—

24                       (I) by striking “full-time export  
25                       development specialists to each Ad-

1                   ministration regional office and as-  
2                   signing”; and

3                   (II) by striking “office. Such spe-  
4                   cialists” and inserting “office and pro-  
5                   viding each Administration regional  
6                   office with a full-time export develop-  
7                   ment specialist, who”;

8                   (ii) in subparagraph (D), by striking  
9                   “and” at the end;

10                  (iii) in subparagraph (E), by striking  
11                  the period at the end and inserting a semi-  
12                  colon; and

13                  (iv) by adding at the end the fol-  
14                  lowing:

15                  “(F) participate jointly with employees of  
16                  the Office in an annual training program that  
17                  focuses on current small business needs for ex-  
18                  porting; and

19                  “(G) jointly develop and conduct training  
20                  programs for exporters and lenders in coopera-  
21                  tion with the United States Export Assistance  
22                  Centers, the Department of Commerce, small  
23                  business development centers, and other rel-  
24                  evant Federal agencies.”;

25                  (5) in subsection (d)—

1 (A) by inserting “EXPORT FINANCING  
2 PROGRAMS.—” after “(d)”;

3 (B) by redesignating paragraphs (1)  
4 through (5) as clauses (i) through (v), respec-  
5 tively, and adjusting the margins accordingly;

6 (C) by striking “The Office shall work in  
7 cooperation” and inserting the following:

8 “(1) IN GENERAL.—The Office shall work in  
9 cooperation”; and

10 (D) by striking “To accomplish this goal,  
11 the Office shall work” and inserting the fol-  
12 lowing:

13 “(2) TRADE FINANCIAL SPECIALIST.—To ac-  
14 complish the goal established under paragraph (1),  
15 the Office shall—

16 “(A) designate at least 1 individual within  
17 the Administration as a trade financial spe-  
18 cialist to oversee international loan programs  
19 and assist Administration employees with trade  
20 finance issues; and

21 “(B) work”;

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

24 (7) by amending subsection (f) to read as fol-  
25 lows:



1       “(f) REPORTING REQUIREMENT.—The Office shall  
2 submit an annual report to the Committee on Small Busi-  
3 ness and Entrepreneurship of the Senate and the Com-  
4 mittee on Small Business of the House of Representatives  
5 that contains—

6               “(1) a description of the progress of the Office  
7 in implementing the requirements of this section;

8               “(2) the destinations of travel by Office staff  
9 and benefits to the Administration and to small  
10 business concerns therefrom; and

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

13              (8) in subsection (g), by inserting “STUD-  
14 IES.—” after “(g)”; and

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

16       “(i) EXPORT ASSISTANCE CENTERS.—

17              “(1) IN GENERAL.—During the period begin-  
18 ning on October 1, 2006, and ending on September  
19 30, 2009, the Administrator shall ensure that the  
20 number of full-time equivalent employees of the Of-  
21 fice assigned to the one-stop shops referred to in  
22 section 2301(b) of the Omnibus Trade and Competi-  
23 tiveness Act of 1988 (15 U.S.C. 4721 (b)) is not less  
24 than the number of such employees so assigned on  
25 January 1, 2003.

1           “(2) PRIORITY OF PLACEMENT.—Priority shall  
2       be given, to the maximum extent practicable, to  
3       placing employees of the Administration at any Ex-  
4       port Assistance Center that—

5           “(A) had an Administration employee as-  
6       signed to such Center before January 2003;  
7       and

8           “(B) has not had an Administration em-  
9       ployee assigned to such Center during the pe-  
10      riod beginning January 2003, and ending on  
11      the date of enactment of this subsection, either  
12      through retirement or reassignment.

13          “(3) NEEDS OF EXPORTERS.—The Adminis-  
14      trator shall, to the maximum extent practicable,  
15      strategically assign Administration employees to Ex-  
16      port Assistance Centers, based on the needs of ex-  
17      porters.

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

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

1 **SEC. 4. INTERNATIONAL TRADE LOANS.**

2 (a) IN GENERAL.—Section 7(a)(3)(B) of the Small  
3 Business Act (15 U.S.C. 636(a)(3)(B)) is amended by  
4 striking “\$1,750,000, of which not more than  
5 \$1,250,000” and inserting “\$2,750,000 (or if the gross  
6 loan amount would exceed \$3,670,000), of which not more  
7 than \$2,000,000”.

8 (b) WORKING CAPITAL.—Section 7(a)(16)(A) of the  
9 Small Business Act (15 U.S.C. 636(a)(16)(A)) is amend-  
10 ed—

11 (1) in the matter preceding clause (i), by strik-  
12 ing “in—” and inserting “—”;

13 (2) in clause (i)—

14 (A) by inserting “in” after “(i)”; and

15 (B) by striking “or” at the end;

16 (3) in clause (ii)—

17 (A) by inserting “in” after “(ii)”; and

18 (B) by striking the period and inserting “;  
19 or”; and

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

21 “(iii) by providing working capital.”.

22 (c) COLLATERAL.—Section 7(a)(16)(B) of the Small  
23 Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

24 (1) by striking “Each loan” and inserting the  
25 following:

1 “(i) IN GENERAL.—Except as pro-  
 2 vided in clause (ii), each loan”; and

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

4 “(ii) EXCEPTION.—A loan under this  
 5 paragraph may be secured by a second lien  
 6 position on the property or equipment fi-  
 7 nanced by the loan or on other assets of  
 8 the small business concern, if the Adminis-  
 9 trator determines such lien provides ade-  
 10 quate assurance of the payment of such  
 11 loan.”.

12 (d) REFINANCING.—Section 7(a)(16)(A)(ii) of the  
 13 Small Business Act (15 U.S.C. 636(a)(16)(A)(ii)), as  
 14 amended by this section, is amended by inserting “, in-  
 15 cluding any debt that qualifies for refinancing under any  
 16 other provision of this subsection” before the semicolon.

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