

domestic receivables that can be financed. Finally, a number of exporters with small transactions are not considered bankable because they are new-to-export, having relied on family, friends, second mortgages and credit cards to start their businesses. SBA helps move them closer to becoming bankable.

The legislation I am introducing will restore parity among small and large exporters in Federal export financing terms, and help assure that no small business loses an export sale just because the financing is not there. Mr. Bennett Schwartz of BayBank and who is also vice president of the Coalition of New England Companies for Trade, a group of more than 100 companies, makes a compelling case for this bill:

The single greatest obstacle to small business exports is the inability to obtain adequate financing;

The EWCP program was initiated only on October 1, 1994 and it is clear that the 90 percent guarantee provides a critically needed incentive for lenders to make these loans. At a 75/80 percent guarantee this already difficult to obtain financing will become even less attractive to banks and the loans will likely not be made;

Under the harmonization of export finance programs with the Ex-Im Bank, whose Working Capital Guarantee program is not changed, small businesses will be discriminated against. In addition, the SBA underwriting criteria are different than Ex-Im's in that SBA emphasizes transactional based finance over balance sheet lending, precisely the type of financing most difficult to come by for small businesses.

The average exporting deal for small businesses ranges from \$30,000-\$400,000. The average size of approved SBA EWCP loans has been \$300,000.

Many smaller banks without International Departments will participate in an SBA program because they are comfortable with the Agency. The SBA focus on providing advice on structuring a deal so that it meets a bank's criteria is particularly effective in making this type of program work.

The General Accounting Office also supports the principle behind this legislation, arguing there is a clear rationale for treating export guarantees differently than other 7(a) guarantees: banks that make export guarantees have a greater risk and lower profit than banks making other 7(a) loans. ECWP loans are short-term and cannot be sold on the secondary market, making them relatively less profitable than conventional 7(a) loans. SBA testified before the House Small Business Committee last September 7, that a 90 percent loan guarantee rate for ECWP loans "will not really affect the Section 7(a) program subsidy rate \* \* \* even if the ECWP doubles in the fiscal year 1996, it will still represent less than 1 percent of the total 7(a) loan portfolio." At the same hearing, a representative for the Bankers' Association for Foreign Trade argued the difference in the two guarantee rates would raise "serious concerns about the future involvement by banks in this area of trade finance."

Since October 1, 1994, the harmonized program has been solely responsible for

ensuring 285.3 million dollar's worth of additional United States exports. In fiscal year 1995, SBA approved more than 132 transactions worth \$44.3 million as compared to 77 transactions worth \$27.4 million in fiscal year 1994. While these numbers clearly demonstrate to me the importance of the loan guarantees to small business exporters, in enacting S. 895 last year, Congress requested SBA to evaluate the impact of the disparity in export loan guarantee rates. SBA surveyed lenders and borrowers throughout the United States, using its field offices, small business associations and the President's Export Council. Not surprisingly, the results of SBA's Impact Study,

... overwhelmingly illustrate that the reduction in SBA's maximum guarantee percentage has had, and will continue to have, a detrimental effect on SBA's ability to expand access to working capital for small business exporters. Ultimately, this will likely have a negative effect on the ability of small businesses to enter the global marketplace as they continue to be unable to obtain the financing they critically need.

Specifically, the Impact Study found: Access to working capital trade finance by small businesses will be severely reduced. Three-quarters of the small businesses interviewed stated that the lower guarantee will have an adverse effect on their ability to obtain export financing.

Many lenders will retreat from making trade finance loans due to decreased risk mitigation. Over half of the banks interviewed stated that they would not have made a loan under the EWCP at the 75/80 percent guarantee rate.

Small banks, in particular, will be less likely to offer export finance to their customers.

The ability of small business to compete in the global marketplace will be negatively affected.

Mr. President, small business exporters in Massachusetts tell me they need this legislation to help them continue to obtain critical financing. I am sure this is also the case for small business exporters across this Nation. At a time when exports are a key component of continued economic growth and the creation of family-wage jobs, it is incumbent upon Congress to do all it can to help rather than hurt America's small business exporters. I am pleased to have Senator LAUTENBERG join me in introducing this bill and urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1603

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Export Enhancement Act of 1996".

#### SEC. 2. LEVEL OF PARTICIPATION IN GUARANTEED LOANS UNDER EXPORT WORKING CAPITAL PROGRAM.

Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended by adding at the end the following new subparagraph:

"(D) PARTICIPATION UNDER EXPORT WORKING CAPITAL PROGRAM.—Notwithstanding subparagraph (A), in an agreement to participate in a loan on a deferred basis under the Export Working Capital Program established pursuant to paragraph (14)(A), such participation by the Administration shall be equal to the rate specified under this paragraph as in effect on the day before the date of the enactment of the Small Business Lending Enhancement Act of 1995."•

#### ADDITIONAL COSPONSORS

S. 771

At the request of Mr. PRYOR, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 942

At the request of Mr. BOND, the names of the Senator from Indiana [Mr. COATS], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 942, a bill to promote increased understanding of Federal regulations and increased voluntary compliance with such regulations by small entities, to provide for the designation of regional ombudsmen and oversight boards to monitor the enforcement practices of certain Federal agencies with respect to small business concerns, to provide relief from excessive and arbitrary regulatory enforcement actions against small entities, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Ohio [Mr. GLENN], the Senator from Alaska [Mr. STEVENS], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1025

At the request of Mr. BUMPERS, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1025, a bill to provide for the exchange of certain federally owned lands and mineral interests therein, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1249

At the request of Mr. FRIST, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1249, a bill to amend the

Internal Revenue Code of 1986 to establish medical savings account, and for other purposes.

S. 1317

At the request of Mr. D'AMATO, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1317, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

S. 1460

At the request of Mrs. BOXER, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1460, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1563

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1563, a bill to amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes.

#### SENATE CONCURRENT RESOLUTION 43

At the request of Mr. THOMAS, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Colorado [Mr. BROWN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Concurrent Resolution 43, a concurrent resolution expressing the sense of the Congress regarding proposed missile tests by the People's Republic of China.

#### AMENDMENTS SUBMITTED

#### THE 1996 BALANCED BUDGET DOWN PAYMENT ACT, II

#### HATFIELD AMENDMENT NO. 3466

Mr. HATFIELD proposed an amendment to the bill (H.R. 3019) making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1996, and for other purposes, namely:

#### TITLE I—OMNIBUS APPROPRIATIONS

SEC. 101. (a) Such amounts as may be necessary for programs, projects or activities provided for in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996 at a rate of operations and to the extent and in the manner provided as follows, to be effective as if it had been enacted into law as the regular appropriations Act:

#### AN ACT

Making appropriations for the Departments of Commerce, Justice, and State, the

Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

#### TITLE I—DEPARTMENT OF JUSTICE

##### GENERAL ADMINISTRATION SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, \$74,282,000; including not to exceed \$3,317,000 for the Facilities Program 2000, and including \$5,000,000 for management and oversight of Immigration and Naturalization Service activities, both sums to remain available until expended: *Provided*, That not to exceed 76 permanent positions and 90 full-time equivalent workyears and \$9,487,000 shall be expended for the Offices of Legislative Affairs, Public Affairs and Policy Development: *Provided further*, That the latter three aforementioned offices shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or non-reimbursable basis or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis.

##### COUNTERTERRORISM FUND

For necessary expenses, as determined by the Attorney General, \$16,898,000, to remain available until expended, to reimburse any Department of Justice organization for (1) the costs incurred in reestablishing the operational capability of an office or facility which has been damaged or destroyed as a result of the bombing of the Alfred P. Murrah Federal Building in Oklahoma City or any domestic or international terrorist incident, (2) the costs of providing support to counter, investigate or prosecute domestic or international terrorism, including payment of rewards in connection with these activities, and (3) the costs of conducting a terrorism threat assessment of Federal agencies and their facilities: *Provided*, That funds provided under this section shall be available only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

##### ADMINISTRATIVE REVIEW AND APPEALS

For expenses necessary for the administration of pardon and clemency petitions and immigration related activities, \$38,886,000: *Provided*, That the obligated and unobligated balances of funds previously appropriated to the General Administration, Salaries and Expenses appropriation for the Executive Office for Immigration Review and the Office of the Pardon Attorney shall be merged with this appropriation.

##### VIOLENT CRIME REDUCTION PROGRAMS, ADMINISTRATIVE REVIEW AND APPEALS

For activities authorized by sections 130005 and 130007 of Public Law 103-322, \$47,780,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund: *Provided*, That the obligated and unobligated balances of funds previously appropriated to the General Administration, Salaries and Expenses appropriation under title VIII of Public Law 103-317 for the Executive Office for Immigration Review shall be merged with this appropriation.

##### OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$28,960,000; including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and for the acquisition, lease, maintenance and operation of motor vehicles

without regard to the general purchase price limitation.

##### UNITED STATES PAROLE COMMISSION SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission as authorized by law, \$5,446,000.

##### LEGAL ACTIVITIES SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

##### (INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed \$20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government-owned space in the District of Columbia; \$401,929,000; of which not to exceed \$10,000,000 for litigation support contracts shall remain available until expended: *Provided*, That of the funds available in this appropriation, not to exceed \$22,618,000 shall remain available until expended for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys, the Antitrust Division, and offices funded through "Salaries and Expenses", General Administration: *Provided further*, That of the total amount appropriated, not to exceed \$1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses: *Provided further*, That notwithstanding 31 U.S.C. 1342, the Attorney General may accept on behalf of the United States and credit to this appropriation, gifts of money, personal property and services, for the purpose of hosting the International Criminal Police Organization's (INTERPOL) American Regional Conference in the United States during fiscal year 1996.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed \$4,028,000, to be appropriated from the Vaccine Injury Compensation Trust Fund, as authorized by section 6601 of the Omnibus Budget Reconciliation Act, 1989, as amended by Public Law 101-512 (104 Stat. 1289).

In addition, for Salaries and Expenses, General Legal Activities, \$12,000,000 shall be made available to be derived by transfer from unobligated balances of the Working Capital Fund in the Department of Justice.

##### VIOLENT CRIME REDUCTION PROGRAMS, GENERAL LEGAL ACTIVITIES

For the expeditious deportation of denied asylum applicants, as authorized by section 130005 of Public Law 103-322, \$7,591,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund.

##### SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, \$65,783,000: *Provided*, That notwithstanding any other provision of law, not to exceed \$48,262,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 1996, so as to result in a final fiscal year 1996 appropriation from the General Fund estimated at not more than \$17,521,000: *Provided further*, That any fees received in excess of \$48,262,000 in fiscal