

By Mr. CRAIG:

S. 1781. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for epoxide resins; to the Committee on Finance.

S. 1782. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain injection molding machines; to the Committee on Finance.

S. 1783. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain semi-manufactured forms of gold; to the Committee on Finance.

By Mr. BOND:

S. 1784. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Small Business.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EXON (for himself and Mr. KERREY):

S. 1780. A bill to revise the boundary of the North Platte National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

##### NORTH PLATTE WILDLIFE REFUGE LEGISLATION

Mr. EXON. Mr. President, I rise today to introduce legislation along with Senator KERREY to revise the boundary of the North Platte National Wildlife Refuge in western Nebraska. This bill, which passed the House on April 23 of this year, would remove 2,470 acres of land from the North Platte National Wildlife Refuge.

This bill was created through the joint efforts of the community leaders of western Nebraska and the U.S. Fish and Wildlife Service. It is indeed a great example of how government works best when Federal, State and local governments work together.

The refuge, located just outside Scottsbluff, NE, was established in the early part of this century as a preserve and breeding ground for native waterfowl. The refuge is also home to a Bureau of Reclamation irrigation project. Over the years the refuge has been managed jointly by the U.S. Fish and Wildlife Service and the Bureau of Reclamation. The Fish and Wildlife Service managed the wildlife aspects of the refuge and the Bureau managed the recreation. In 1986, the Bureau turned over management of the recreational aspects to the Fish and Wildlife Service.

In 1990, a directive was issued that required the Fish and Wildlife Service to bring all areas of the refuge, including Lake Minatare, into compliance with Federal regulations. It soon became apparent to local residents that this directive essentially would prohibit all recreational and residential use of Lake Minatare, uses that had been commonplace under the jurisdiction of the Bureau of Reclamation.

There was no doubt that this directive would have a significant impact on local tourism and the economy of the Scottsbluff area. Likewise, interest in maintaining the recreational use of the lake was very strong among local citi-

zens. At the urging of local leaders, the Fish and Wildlife Service agreed to perform an environmental assessment of the refuge. At the end of their assessment, the Fish and Wildlife Service concluded that the best course of action would be to end their jurisdiction over portions of the refuge that were no longer as effective as wildlife habitat as they once were and were really better suited for recreational use.

I am pleased to report, Mr. President, that this bill has the overwhelming support of the Department of the Interior and the U.S. Fish and Wildlife Service.

I might also mention that my district office in Scottsbluff received numerous letters from local citizens in support of this effort. I am proud of the work of the citizens of western Nebraska on this issue and of the cooperation they received from the Fish and Wildlife Service. This effort is indeed a fine example of how the Federal Government and local citizens can and should work together to manage our Nation's wildlife areas to the benefit of everyone involved.

Mr. President, I urge my colleagues to quickly support this important legislation.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

##### PRESS RELEASE

WASHINGTON, DC—U.S. Senators Jim Exon (D-NE) and Bob Kerrey (D-NE) today introduced a bill that will allow continued recreational use of Lake Minatare near Scottsbluff. The bill would revise the boundary of the North Platte National Wildlife Refuge in western Nebraska so that the lake can continue to be used by boaters, campers, and fishermen.

The legislation is needed because of a directive issued in 1990 that requires the U.S. Fish and Wildlife Service to bring 2,500 acres of the lake and surrounding area into compliance with Federal rules governing the use of wildlife refuges. The directive would declare motorized boats off limits and prohibit the use of cabins near the lake.

"This is an example of how we can work together to change a federal rule that doesn't make any sense," Exon and Kerrey said. "There is no doubt that the original directive would have endangered local tourism and damaged the economy of the Panhandle. This bill will ensure both the protection of wildlife in the refuge and the continued use of Lake Minatare as an important recreation area for Nebraska residents and visitors."

The legislation was created through the joint efforts of community leaders, the U.S. Fish and Wildlife Service and the state's congressional delegation. Exon and Kerrey said many residents have called their western Nebraska senate office in support of the bill. Representative Bill Barrett introduced identical legislation in the House that passed last month. It is supported by both the U.S. Department of the Interior and the U.S. Fish and Wildlife Service.

Mr. KERREY. Mr. President, I rise to the floor today to support the North Platte National Wildlife Refuge boundary revision. The proposed bill would remove about 2,470 acres of land from

the refuge and transfer it to the Bureau of Reclamation. The U.S. Fish and Wildlife Service reports that the land, establish as a refuge early in this century, no longer serves the goals of the national refuge system. Although the area is no longer suitable as a wildlife refuge, it does offer citizens of Nebraska a valuable recreation area. Thousands of Nebraska's citizens enjoy both water and land recreation in the area. The transfer of the land to the Bureau of Reclamation will allow the Bureau to lease the land to the Nebraska Game and Parks Commission who will manage the property. The Department of the Interior strongly supports this legislation.

I commend both Federal and State officials for working closely with the local community to achieve this coordinated agreement. It is a fine example of the Federal Government, the State government, and the local community working together to improve the quality and accessibility public areas.

By Mr. BOND:

S. 1784. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Small Business.

##### THE SMALL BUSINESS INVESTMENT COMPANY IMPROVEMENT ACT OF 1996

• Mr. BOND. Mr. President, I introduce the Small Business Investment Company Improvement Act of 1996. Since 1958, firms licensed under the Small Business Investment Company Program have made venture capital investment funds available to small businesses when traditional lending sources, such as banks and Wall Street investment firms, would not meet their funding needs.

The Small Business Investment Company Improvement Act of 1996 would take some significant strides to enhance the safety and soundness of the SBIC program. For the past year, the Committee on Small Business has conducted a series of hearings on the SBIC program. Government and private sector witnesses have testified on ways to improve the program and build on the legislation passed by the Congress in 1992 that created the Participating Security Program.

This bill incorporates portions of the recommendations from the SBIC Re-invention Council, operating SBIC's and Specialized SBIC's, and the President's fiscal year 1997 budget request. The bill would reduce the risk of SBIC defaults by putting in place statutory standards governing the licensing and leveraging of SBIC's. In addition, it imposes important safeguards governing the operating practices of SBIC's by requiring frequent and meaningful examinations of SBIC licensees and their investments. This bill would also require that all SBIC's invest in smaller enterprises, which are small businesses at the lower end of the eligible size standards. Lastly, the bill would increase fees paid by SBIC's to help lower

the cost of the program to the Federal Government.

Mr. President, I ask unanimous consent that the full 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. 1784

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

# **SECTION 1. SHORT TITLE; INCORPORATED DEFINITIONS.**

This Act may be cited as the "Small Business Investment Company Improvement Act of 1996".

## **SEC. 2. DEFINITIONS.**

(a) **SMALL BUSINESS CONCERN.**—Section 103(5) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)) is amended by inserting before the semicolon the following: " , except that, for purposes of this Act, an investment by a venture capital firm, investment company (including a small business investment company) employee welfare benefit plan or pension plan, or trust, foundation, or endowment that is exempt from Federal income taxation—

"(A) shall not cause a business concern to be deemed not independently owned and operated;

"(B) shall be disregarded in determining whether a business concern satisfies size standards established pursuant to section 3(a)(2) of the Small Business Act; and

"(C) shall be disregarded in determining whether a small business concern is a smaller enterprise".

(b) **PRIVATE CAPITAL.**—Section 103(9) of the Small Business Investment Act of 1958 (15 U.S.C. 662(9)) is amended to read as follows:

"(9) the term 'private capital'—

"(A) means the sum of—

"(i) the paid-in capital and paid-in surplus of a corporate licensee, the contributed capital of the partners of a partnership licensee, or the equity investment of the members of a limited liability company licensee; and

"(ii) unfunded binding commitments, from investors that meet criteria established by the Administrator, to contribute capital to the licensee; provided that such unfunded commitments may be counted as private capital for purposes of approval by the Administrator of any request for leverage, but leverage shall not be funded based on such commitments; and

"(B) does not include any—

"(i) funds borrowed by a licensee from any source;

"(ii) funds obtained through the issuance of leverage; or

"(iii) funds obtained directly or indirectly from any Federal, State, or local government, or any government agency or instrumentality, except for—

"(I) funds invested by an employee welfare benefit plan or pension plan; and

"(II) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the licensee);".

(c) **NEW DEFINITIONS.**—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended by striking paragraph (10) and inserting the following:

"(10) the term 'leverage' includes—

"(A) debentures purchased or guaranteed by the Administration;

"(B) participating securities purchased or guaranteed by the Administration; and

"(C) preferred securities outstanding as of October 1, 1995;

"(11) the term 'third party debt' means any indebtedness for borrowed money, other than indebtedness owed to the Administration;

"(12) the term 'smaller enterprise' means any small business concern that, together with its affiliates—

"(A) has—

"(i) a net financial worth of not more than \$6,000,000, as of the date on which assistance is provided under this Act to that business concern; and

"(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this Act to that business concern, of not more than \$2,000,000, after Federal income taxes (excluding any carryover losses); or

"(B) satisfies the standard industrial classification size standards established by the Administration for the industry in which the small business concern is primarily engaged;

"(13) the term 'qualified nonprivate funds' means any—

"(A) funds directly or indirectly invested in any applicant or licensee on or before August 16, 1982, by any Federal agency, other than the Administration, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital';

"(B) funds directly or indirectly invested in any applicant or licensee by any Federal agency under a provision of law enacted after September 4, 1992, explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

"(C) funds invested in any applicant or licensee by one or more State or local government entities (including any guarantee extended by those entities) in an aggregate amount that does not exceed—

"(i) 33 percent of the private capital of the applicant or licensee if such funds were invested before June 30, 1996; or

"(ii) 20 percent of the private capital of the applicant or licensee if such funds were invested on or after June 30, 1996;

"(14) the terms 'employee welfare benefit plan' and 'pension plan' have the same meanings as in section 3 of the Employee Retirement Income Security Act of 1974, and are intended to include—

"(A) public and private pension or retirement plans subject to such Act; and

"(B) similar plans not covered by such Act that have been established and that are maintained by the Federal Government or any State or political subdivision, or any agency or instrumentality thereof, for the benefit of employees;

"(15) the term 'member' means, with respect to a licensee that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company; and

"(16) the term 'limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company statute approved by the Administration.".

## **SEC. 3. ORGANIZATION OF SMALL BUSINESS INVESTMENT COMPANIES.**

(a) **LIMITED LIABILITY COMPANIES.**—Section 301(a) of the Small Business Investment Act of 1958 (15 U.S.C. 681(a)) is amended in the first sentence, by striking "body or" and inserting "body, a limited liability company, or".

(b) **ISSUANCE OF LICENSE.**—Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended to read as follows:

"(c) **ISSUANCE OF LICENSE.**—

"(1) **SUBMISSION OF APPLICATION.**—Each applicant for a license to operate as a small business investment company under this Act shall submit to the Administrator an application, in a form and including such docu-

mentation as may be prescribed by the Administrator.

"(2) **PROCEDURES.**—

"(A) **STATUS.**—Not later than 90 days after the initial receipt by the Administrator of an application under this subsection, the Administrator shall provide the applicant with a written report detailing the status of the application and any requirements remaining for completion of the application.

"(B) **APPROVAL OR DISAPPROVAL.**—Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall—

"(i) approve the application and issue a license for such operation to the applicant if the requirements of this section are satisfied; or

"(ii) disapprove the application and notify the applicant in writing of the disapproval.

"(3) **MATTERS CONSIDERED.**—In reviewing and processing any application under this subsection, the Administrator—

"(A) shall determine whether—

"(i) the applicant meets the requirements of subsections (a) and (c) of section 302; and

"(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this Act;

"(B) shall take into consideration—

"(i) the need for and availability of financing for small business concerns in the geographic area in which the applicant is to commence business;

"(ii) the general business reputation of the owners and management of the applicant; and

"(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

"(C) shall not take into consideration any projected shortage or unavailability of leverage.

"(4) **EXCEPTION.**—

"(A) **IN GENERAL.**—Notwithstanding any other provision of this Act, the Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, approve an application and issue a license under this subsection with respect to any applicant that—

"(i) has private capital of not less than \$3,000,000;

"(ii) would otherwise be issued a license under this subsection, except that the applicant does not satisfy the requirements of section 302(a); and

"(iii) has a viable business plan reasonably projecting profitable operations and a reasonable timetable for achieving a level of private capital that satisfies the requirements of section 302(a).

"(B) **LEVERAGE.**—An applicant licensed pursuant to the exception provided in this paragraph shall not be eligible to receive leverage as a licensee until the applicant satisfies the requirements of section 302(a)."

(c) **SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.**—Section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)) is repealed.

## **SEC. 4. CAPITAL REQUIREMENTS.**

(a) **INCREASED MINIMUM CAPITAL REQUIREMENTS.**—Section 302(a) of the Small Business Investment Act of 1958 (15 U.S.C. 682(a)) is amended by striking "(a)" and all that follows through "The Administration shall also determine the ability of the company," and inserting the following:

"(a) **AMOUNT.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), the private capital of each licensee shall be not less than—

"(A) \$5,000,000; or

"(B) \$10,000,000, with respect to each licensee authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Administration under this Act.

"(2) EXCEPTION.—The Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, permit the private capital of a licensee authorized or seeking authorization to issue participating securities to be purchased or guaranteed by the Administration to be less than \$10,000,000, but not less than \$5,000,000, if the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

"(3) ADEQUACY.—In addition to the requirements of paragraph (1), the Administrator shall—

"(A) determine whether the private capital of each licensee is adequate to assure a reasonable prospect that the licensee will be operated soundly and profitably, and managed actively and prudently in accordance with its articles; and

"(B) determine that the licensee will be able."

(b) EXEMPTION FOR CERTAIN LICENSEES.—Section 302(a) of the Small Business Investment Act of 1958 (15 U.S.C. 682(a)) is amended by adding at the end the following new paragraph:

"(4) EXEMPTION FROM CAPITAL REQUIREMENTS.—

"(A) AUTHORITY TO EXEMPT.—The Administrator may, in the discretion of the Administrator, exempt from the capital requirements in paragraph (1) any licensee licensed under subsection (c) or (d) of section 301 before the date of enactment of the Small Business Investment Company Improvement Act of 1996, if—

"(i) the private capital of the licensee is not less than \$2,500,000;

"(ii) the licensee certifies in writing that not less than 50 percent of the aggregate dollar amount of its financings after the date of enactment of the Small Business Investment Company Improvement Act of 1996 will be provided to smaller enterprises; and

"(iii) the Administrator determines that the licensee—

"(I) has a record of profitable operations; and

"(II) has not committed any serious or continuing violation of any applicable provision of Federal or State law or regulation.

"(B) REDUCTION OF PRIVATE CAPITAL REQUIREMENT.—If the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the United States Government, the Administrator, in the discretion of the Administrator and based on a showing of special circumstances and good cause, may reduce the private capital requirement under subparagraph (A)(i) with respect to any licensee."

(c) DIVERSIFICATION OF OWNERSHIP.—Section 302(c) of the Small Business Investment Act of 1958 (15 U.S.C. 682(c)) is amended to read as follows:

"(c) DIVERSIFICATION OF OWNERSHIP.—The Administrator shall ensure that the management of each licensee licensed after the date of enactment of the Small Business Investment Company Improvement Act of 1996 is sufficiently diversified from and unaffiliated with the ownership of the licensee in a manner that ensures independence and objectivity in the financial management and oversight of the investments and operations of the licensee."

#### SEC. 5. BORROWING.

(a) DEBENTURES.—Section 303(b) of the Small Business Investment Act of 1958 (15

U.S.C. 683(b)) is amended in the first sentence, by striking "(but only" and all that follows through "terms)".

(b) THIRD PARTY DEBT.—Section 303(c) of the Small Business Investment Act of 1958 (15 U.S.C. 683(c)) is amended to read as follows:

"(c) THIRD PARTY DEBT.—The Administrator—

"(1) shall not permit a licensee having outstanding leverage to incur third party debt that would create or contribute to an unreasonable risk of default or loss to the Federal Government; and

"(2) shall permit such licensees to incur third party debt only on such terms and subject to such conditions as may be established by the Administrator, by regulation or otherwise."

(c) REQUIREMENT TO FINANCE SMALLER ENTERPRISES.—Section 303(d) of the Small Business Investment Act of 1958 (15 U.S.C. 683(d)) is amended to read as follows:

"(d) REQUIREMENT TO FINANCE SMALLER ENTERPRISES.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing that not less than 20 percent of the aggregate dollar amount of the financings of the licensee will be provided to smaller enterprises."

(d) CAPITAL IMPAIRMENT REQUIREMENTS.—Section 303(e) of the Small Business Investment Act of 1958 (15 U.S.C. 683(e)) is amended to read as follows:

"(e) CAPITAL IMPAIRMENT.—Before approving any application for leverage submitted by a licensee under this Act, the Administrator—

"(1) shall determine that the private capital of the licensee meets the requirements of section 302(a); and

"(2) shall determine, taking into account the nature of the assets of the licensee, the amount and terms of any third party debt owed by such licensee, and any other factors determined to be relevant by the Administrator, that the private capital of the licensee has not been impaired to such an extent that the issuance of additional leverage would create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government."

(e) EQUITY INVESTMENT REQUIREMENT.—Section 303(g)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(4)) is amended by striking "and maintain".

(f) FEES.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b), in the fifth sentence, by striking "1 per centum," and all that follows before the period at the end of the sentence and inserting the following: "1 percent, plus an additional charge of .50 percent per annum which shall be paid to and retained by the Administration";

(2) in subsection (g)(2), by striking "1 per centum," and all that follows before the period at the end of the paragraph and inserting the following: "1 percent, plus an additional charge of .50 percent per annum which shall be paid to and retained by the Administration"; and

(3) by adding at the end the following new subsections:

"(i) LEVERAGE FEE.—With respect to leverage granted by the Administration to a licensee, the Administration shall collect from the licensee a nonrefundable fee in an amount equal to 3 percent of the face amount of leverage granted to the licensee, payable upon the earlier of the date of entry into any commitment for such leverage or the date on which the leverage is drawn by the licensee.

"(j) CALCULATION OF SUBSIDY RATE.—All fees, interest, and profits received and re-

tained by the Administration under this section shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures and participating securities under this Act."

#### SEC. 6. LIABILITY OF THE UNITED STATES.

Section 308(e) of the Small Business Investment Act of 1958 (15 U.S.C. 687(e)) is amended by striking "Nothing" and inserting "Except as expressly provided otherwise in this Act, nothing".

#### SEC. 7. EXAMINATIONS; VALUATIONS.

(a) EXAMINATIONS.—Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended in the first sentence by inserting "which may be conducted with the assistance of a private sector entity that has both the qualifications to conduct and expertise in conducting such examinations," after "Investment Division of the Administration,".

(b) VALUATIONS.—Section 310(d) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(d)) is amended to read as follows:

"(d) VALUATIONS.—

"(1) FREQUENCY OF VALUATIONS.—

"(A) IN GENERAL.—Each licensee shall submit to the Administrator a written valuation of the loans and investments of the licensee not less often than semiannually or otherwise upon the request of the Administrator, except that any licensee with no leverage outstanding shall submit such valuations annually, unless the Administrator determines otherwise.

"(B) MATERIAL ADVERSE CHANGES.—Not later than 30 days after the end of a fiscal quarter of a licensee during which a material adverse change in the aggregate valuation of the loans and investments or operations of the licensee occurs, the licensee shall notify the Administrator in writing of the nature and extent of that change.

"(C) INDEPENDENT CERTIFICATION.—

"(i) IN GENERAL.—Not less than once during each fiscal year, each licensee shall submit to the Administrator the financial statements of the licensee, audited by an independent certified public accountant approved by the Administrator.

"(ii) AUDIT REQUIREMENTS.—Each audit conducted under clause (i) shall include—

"(I) a review of the procedures and documentation used by the licensee in preparing the valuations required by this section; and

"(II) a statement by the independent certified public accountant that such valuations were prepared in conformity with the valuation criteria applicable to the licensee established in accordance with paragraph (2).

"(2) VALUATION CRITERIA.—Each valuation submitted under this subsection shall be prepared by the licensee in accordance with valuation criteria, which shall—

"(A) be established or approved by the Administrator; and

"(B) include appropriate safeguards to ensure that the noncash assets of a licensee are not overvalued."

#### SEC. 8. TRUSTEE OR RECEIVERSHIP OVER LICENSEES.

(a) IN GENERAL.—Section 311 of the Small Business Investment Act of 1958 (15 U.S.C. 687c) is amended by adding at the end the following new subsection:

"(d) APPOINTMENT OF PRINCIPAL RECEIVERS AND AGENTS.—

"(1) IN GENERAL.—Upon appointment as a receiver, as described in subsection (c), the Administrator may appoint principal receivers and receiver's agents.

"(2) COMPENSATION.—A receiver's agent appointed under paragraph (1) may be paid—

“(A) at any time from salaries and expense amounts appropriated for the Administration, and the Administration may be reimbursed for such amounts from amounts recovered from the liquidation of any assets of the licensee at the conclusion of the receivership; or

“(B) from amounts recovered from the liquidation of any assets of the licensee, but only at the conclusion of the receivership.”.

(b) **CONTRACTS WITH PRIVATE SECTOR ENTITIES.**—

(1) **IN GENERAL.**—Not later than June 30, 1997, the Small Business Administration shall enter into one or more contracts or arrangements with private sector entities to provide for the orderly liquidation of all licensee assets in liquidation, including assets of licensees in receivership or in trust with respect to which the court has appointed the Administration as receiver or trustee under section 311 of the Small Business Investment Act of 1958.

(2) **DEFINITION.**—For purposes of this subsection, the term “licensee” has the same meaning as in section 103 of the Small Business Investment Act of 1958.

#### SEC. 9. BOOK ENTRY REGISTRATION.

Subsection 321(f) of the Small Business Investment Act of 1958 (15 U.S.C. 687f) is amended by adding at the end the following new paragraph:

“(5) Nothing in this subsection shall prohibit the utilization of a book entry or other electronic form of registration for trust certificates.”.

#### SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.

The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(1) in section 303—

(A) in subsection (a), by striking “debenture bonds,” and inserting “securities.”;

(B) by striking subsection (f) and inserting the following:

“(f) **REDEMPTION OR REPURCHASE OF PREFERRED STOCK.**—Notwithstanding any other provision of law—

“(1) the Administrator may allow the issuer of any preferred stock sold to the Administration before November 1, 1989 to redeem or repurchase such stock, upon the payment to the Administration of an amount less than the par value of such stock, for a repurchase price determined by the Administrator after consideration of all relevant factors, including—

“(A) the market value of the stock;

“(B) the value of benefits provided and anticipated to accrue to the issuer;

“(C) the amount of dividends paid, accrued, and anticipated; and

“(D) the Administrator’s estimate of any anticipated redemption; and

“(2) any moneys received by the Administration from the repurchase of preferred stock shall be available solely to provide debenture leverage to licensees having 50 percent or more in aggregate dollar amount of their financings invested in smaller enterprises.”; and

(C) in subsection (g)(8)—

(i) by striking “partners or shareholders” and inserting “partners, shareholders, or members”;

(ii) by striking “partner’s or shareholder’s” and inserting “partner’s, shareholder’s, or member’s”; and

(iii) by striking “partner or shareholder” and inserting “partner, shareholder, or member”;

(2) in section 308(h), by striking “subsection (c) or (d) of section 301” each place that term appears and inserting “section 301”;

(3) in section 310(c)(4), by striking “not less than four years in the case of section 301(d) licensees and in all other cases.”;

(4) in section 312—

(A) by striking “shareholders or partners” and inserting “shareholders, partners, or members”; and

(B) by striking “shareholder, or partner” each place that term appears and inserting “shareholder, partner, or member”;

(5) by striking sections 317 and 318, and redesignating sections 319 through 322 as sections 317 through 320, respectively;

(6) in section 319, as redesignated—

(A) in subsection (a), by striking “, including companies operating under the authority of section 301(d).”; and

(B) in subsection (f)(2), by inserting “or investments in obligations of the United States” after “accounts”;

(7) in section 320, as redesignated, by striking “section 321” and inserting “section 319”; and

(8) in section 509—

(A) in subsection (a)(1), by striking the second sentence; and

(B) in subsection (e)(1)(B), by striking “subsection (c) or (d) of section 301” and inserting “section 301”.

#### SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

Section 20(p)(3) of the Small Business Act (15 U.S.C. 631 note) is amended by striking subparagraph (B) and inserting the following:

“(B) \$300,000,000 in guarantees of debentures; and”.

#### SEC. 12. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of enactment of this Act.●

### ADDITIONAL COSPONSORS

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor 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. 1487

At the request of Mr. GRAMM, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive medicare reimbursement for health care services provided to certain medicare-eligible covered military beneficiaries.

S. 1522

At the request of Mr. LEVIN, his name was withdrawn as a cosponsor of S. 1522, a bill to provide for the transfer of six obsolete tugboats of the Navy.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1596

At the request of Mr. MURKOWSKI, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1596, a bill to direct a property conveyance in the State of California.

S. 1624

At the request of Mr. HATCH, the names of the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Nevada [Mr. BRYAN], the Senator from Montana [Mr. BAUCUS], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 1624, a bill to reauthorize the Hate Crime Statistics Act, and for other purposes.

S. 1646

At the request of Mr. DOMENICI, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1646, a bill to authorize and facilitate a program to enhance safety, training, research and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

#### SENATE CONCURRENT RESOLUTION 42

At the request of Mrs. KASSEBAUM, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

#### SENATE RESOLUTION 117

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 117, a resolution expressing the sense of the Senate that the current Federal income tax deduction for interest paid on debt secured by a first or second home located in the United States should not be further restricted.

#### AMENDMENT NO. 3981

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

At the request of Mr. EXON, his name was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, *supra*.

At the request of Mr. KERRY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, *supra*.

At the request of Mr. MCCAIN his name was withdrawn as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, *supra*.

#### AMENDMENT NO. 3991

At the request of Mr. KERRY, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of amendment No. 3991 proposed to S.Con.Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.