

too) believe that it is time to stop studying this issue and start instituting mandatory price reporting, numerous Nebraska pork producers have expressed concern that this well-intended legislation, in fact, could delay meaningful price reporting.

This Member intends to again support comprehensive and mandatory livestock price reporting legislation in this Congress that will offer transparency and a level playing field for all producers. That legislation should be enacted as soon as possible.

Mr. STENHOLM. Mr. Speaker, the last few years have been very difficult for the U.S. livestock industry. In addition to the recent drought, an epidemic of low prices has further erased producer equity. During these years, producers of beef, lamb, and more recently, pork have all experienced prices that are simply too low to endure.

Livestock products account for more than half the value of all our domestic agricultural production. Consequently, if we are to maintain a viable and stable rural America, we must pay particular attention to the livestock producers who help sustain those rural communities. When livestock producers suffer, their losses spill over to all the small, rural businesses that depend on their patronage.

Reflecting on this economic difficulty, many have questioned whether the prices currently paid to livestock producers reflect the true market-value of their products. As more and more animals are sold in "closed" trades, which are not included in reported average prices, the actual value of those remaining animals sold in open, "cash" markets has been cast into some doubt.

With this in mind, language was added to last year's Omnibus Appropriations bill, requiring a one-year pilot study of comprehensive, mandatory price reporting for beef and lamb. Now, this bill before us, H.R. 169, would simply add pork to that one-year study. Given the recent disastrous drop in pork prices, it is not difficult to understand why pork producers are anxious to have insights into the curious behavior of their markets.

While this pilot study does not begin to solve the problems facing U.S. livestock producers, it is a small step in the right direction. I hope that the information from this study will help us to decide if permanent price reporting would in fact result in more accurate markets for beef, lamb, and pork. It is logical and reasonable to settle that question once and for all, so we can consider whether further action is warranted. I encourage all members to support our livestock producers by voting for H.R. 169.

Mr. PETERSON of Minnesota. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. COMBEST) that the House suspend the rules and pass the bill, H.R. 169, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 391, SMALL BUSINESS PAPERWORK REDUCTION ACT AMENDMENTS OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-13) on the resolution (H. Res. 42) providing for consideration of the bill (H.R. 391) to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 436, GOVERNMENT WASTE, FRAUD AND ERROR REDUCTION ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-14) on the resolution (H. Res. 43) providing for consideration of the bill (H.R. 436) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 437, PRESIDENTIAL AND EXECUTIVE OFFICE FINANCIAL ACCOUNTABILITY ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-15) on the resolution (H. Res. 44) providing for consideration of the bill (H.R. 437) to provide for a Chief Financial Officer in the Executive Office of the President, which was referred to the House Calendar and ordered to be printed.

□ 1430

MICROLOAN PROGRAM TECHNICAL CORRECTIONS ACT OF 1999

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 440) to make technical correc-

tions to the Microloan Program, as amended.

The Clerk read as follows:

H.R. 440

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 "Microloan Program Technical Corrections Act of 1999".

SEC. 2. TECHNICAL CORRECTIONS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) by amending paragraph (7)(B) to read as follows:

“(B) AVAILABILITY OF FUNDS.—Subject to appropriations, the Administration shall ensure that at least \$800,000 of new loan funds are available for each State in any fiscal year. All funds are to be made available subject to approval of the Administration. If, at the beginning of the third quarter of a fiscal year, the Administration determines that the funds necessary to comply with this provision are unlikely to be awarded that year, the Administration may make those funds available to any State or intermediary.”;

(2) in paragraph (8)—

(A) by inserting “and providing funding to intermediaries” after “program applicants”; and

(B) by inserting “and provide funding to” after “shall select”.

SEC. 3. LOAN LOSS RESERVE.

Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended to read as follows:

“(D)(i) IN GENERAL.—The Administrator shall, by regulation, require each intermediary to establish a loan loss reserve fund, and to maintain such reserve fund until all obligations owed to the Administration under this subsection are repaid.

“(ii) LEVEL OF LOAN LOSS RESERVE FUND.—

“(I) IN GENERAL.—Subject to subclause (III), the Administrator shall require the loan loss reserve fund of an intermediary to be maintained at a level equal to 15 percent of the outstanding balance of the notes receivable owed to the intermediary.

“(II) REVIEW OF LOAN LOSS RESERVE.—After the initial 5 years of an intermediary's participation in the program authorized by this subsection, the Administrator shall, at the request of the intermediary, conduct a review of the annual loss rate of the intermediary. Any intermediary in operation under this subsection prior to October 1, 1994, that requests a reduction in its loan loss reserve shall be reviewed based on the most recent 5-year period preceding the request.

“(III) REDUCTION OF THE LOAN LOSS RESERVE.—Subject to the requirements of subclause IV, the Administrator may reduce the annual loan loss reserve requirement to reflect the actual average loan loss rate for the intermediary during the preceding 5-year period, except that in no case shall the loan loss reserve be reduced to less than 10 percent of the outstanding balance of the notes receivable owed to the intermediary.

“(IV) REQUIREMENTS.—The Administrator may reduce the annual loan loss reserve requirement of an intermediary only if the intermediary demonstrates to the satisfaction of the Administrator that—

“(aa) the average annual loss rate for the intermediary during the preceding 5-year period is less than 15 percent; and

“(bb) that no other factors exist that may impair the ability of the intermediary to repay all obligations owed to the Administration under this subsection.”.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the rule, the

gentleman from Missouri (Mr. TALENT) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. TALENT).

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by thanking my colleague, the ranking member on the Committee on Small Business, the gentlewoman from New York (Ms. Velázquez), for her generous support in moving this bill, as well as thanking the gentleman from Illinois (Mr. DAVIS) for co-managing and bringing this bill with me to the House floor.

Mr. Speaker, the microloan program was established as a pilot program in 1991 and was made permanent in 1997. The program provides small loans, under \$25,000, to the Nation's smallest entrepreneurs. These loans are made through intermediaries, SBA-certified and approved nonprofit lending and business development organizations.

These intermediaries borrow funds from the SBA and, in turn, lend those funds to small businesses. In order to protect taxpayer assets, the intermediaries are required to maintain a loss reserve based on the amount of microloans they have outstanding.

When the program was made permanent in 1997, changes were also made to modify the loan loss reserve for microloan intermediaries. That legislation specified microloan borrowers were to maintain a loss reserve of 15 percent of their outstanding microloans for the first 5 years of their participation in the program. After that, intermediaries were to maintain a loss reserve equal to 10 percent of their outstanding loans or twice their loss rate, whichever was greater.

Unfortunately, this provision was interpreted by the Small Business Administration to mean an amount equal to twice an intermediary's aggregate losses. That interpretation created an immense burden on microloan intermediaries. We attempted to fix that problem last year with statutory language similar to H.R. 440. Unfortunately, that failed to pass prior to Congress's adjournment.

H.R. 440 is necessary to correct this interpretation and clearly establish that the loss loan reserve will be 15 percent for the first 5 years for all intermediaries, and that intermediaries may apply for a reduction of that reserve to reflect their actual annual average loss rate, but no less than 10 percent.

The loan loss reserve reduction is to be based on the actual annual average loss rate over a 5-year period. We want to make that legislative history absolutely clear. The committee expects that intermediaries will request such reviews no more than annually, and that such reviews will not affect the SBA's ability to conduct further reviews for oversight and management purposes.

H.R. 440 also replaces the cap on the amount of microloan funds that can be

made available to intermediaries in any one State. This cap was originally imposed to ensure that microloan funds would not be used disproportionately in those States with more aggressive microloan programs. As the program has matured, however, the restrictions become unnecessary.

Finally, H.R. 440 will establish a floor for the availability of microloan funds for all States. The availability of these funds is subject to appropriations and the approval of the SBA. In addition, the committee expects any reserve established by the SBA will be held for no more than the first half of the fiscal year.

Mr. Speaker, this bill will have a real impact on the very smallest of businesses in this country seeking start-up financing, and at the end of the day, that is one of our most important jobs.

Let me again thank my colleague, the gentlewoman from New York (Ms. Velázquez) and her staff for their assistance in moving the measure before us.

Mr. Speaker, I urge my colleagues to support H.R. 440, and I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 440, the Microloan Program Technical Corrections Act, and I commend the gentleman from Missouri (Chairman TALENT) and the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ) for moving quickly to pass this important legislation.

As a matter of fact, I would further note that it is a pleasure to serve on the Committee on Small Business because of the leadership provided by the gentleman from Missouri (Chairman TALENT) and that of the ranking member, the gentlewoman from New York (Ms. VELAZQUEZ).

These changes are important for small entrepreneurs because they will allow lenders to make more loans and increase technical assistance. In my district, the Seventh District of Illinois, there are many small businesses eager to take advantage of these resources which are being made available to them.

Everyone agrees that the challenge facing most entrepreneurs is access to capital. However, it is often far more difficult, if not impossible, for many small and very small businesses to get the financing they need. Microborrowers are either very small, start-up, or growth-phased businesses which are unable to meet a lender's collateral or credit requirements.

For this reason, many private lenders consider these borrowers too risky for loan consideration, thus leaving these businesses without the capital to grow and expand.

To address this problem, the Small Business Administration launched the Microloan Pilot Project in 1992. This program was designed to help under-

served, start-up, and existing small business owners that did not have access to financing.

Since its beginning, the microloan program has helped countless businesses to start up and to grow. Today, with over 100 participating intermediaries, the small business microloan program is the largest Federal program of its kind. It has a proven track record of giving small businesses the support they need to succeed.

One of the most important aspects of the microloan program is its ability to reach women and other minority groups. This population may need just a small loan to create or expand a business. Often women and minorities do not have the credit history or necessary capital to get a loan from a bank or other traditional channel. This is where the microloan program steps in and provides the necessary tools to help these business owners achieve the American dream. In fact, the microloan program has become a traditional funding source for women entrepreneurs.

This legislation is straightforward. The first thing the Microloan Program Technical Corrections Act of 1999 would do is remove the State formula caps. The caps were put in place in order to ensure equitable distribution of funds, but resulted in just the opposite. By removing the cap, we will be ensuring that all States have access to the program.

By allowing lenders with successful loan portfolios to make more loans and to provide additional technical assistance, today's legislation will only help more microenterprises grow. Providing additional technical assistance to businesses will enable entrepreneurs who are on the threshold of moving forward the opportunity to do so.

Finally, the microloan program has proved invaluable in helping America's small businesses to grow. This bill will give those businesses in these communities access to increased resources to help them grow and further expand. I am indeed pleased that we are moving quickly to pass this crucial legislation, and that we are looking for ways to improve this important program.

Mr. Speaker, I think this is indeed a tremendous piece of legislation that has been brought to us very early in this session. Again, I would commend the gentleman from Missouri (Chairman TALENT) and the ranking member, the gentlewoman from New York (Ms. VELAZQUEZ) for the expeditious manner in which they have acted.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will close by saying I appreciate very much the gentleman's kind words. I really should emphasize what he is saying. This program is very important to the smallest of our entrepreneurs, those just getting started. It

many cases, these are folks who are moving off of lives in some cases of dependency into lives of entrepreneurship. They are the people who need these small loans.

In order to make this program work we have to correct this misperception, as well as make some other technical corrections. So it is a very important bill. I thank the gentleman for his support, and I urge my colleagues to support H.R. 440.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the bill, H.R. 440, as amended.

The question was taken.

Mr. TALENT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

PAPERWORK ELIMINATION ACT OF 1999

Mrs. KELLY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 439) to amend chapter 35 of title 44, United States Code, popularly known as the Paperwork Reduction Act, to minimize the burden of Federal paperwork demands upon small businesses, educational and nonprofit institutions, Federal contractors, State and local governments, and other persons through the sponsorship and use of alternative information technologies.

The Clerk read as follows:

H.R. 439

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 "Paperwork Elimination Act of 1999".

SEC. 2. PROMOTION OF USE OF ELECTRONIC INFORMATION TECHNOLOGY.

Section 3504(h) of title 44, United States Code, is amended by striking "and" after the semicolon at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting "; and", and by adding at the end the following:

"(6) specifically promote the acquisition and use of alternative information technologies that provide for electronic submission, maintenance, or disclosure of information as a substitute for paper and for the use and acceptance of electronic signatures.".

SEC. 3. ASSIGNMENT OF TASKS AND DEADLINES.

Section 3505(a)(3) of title 44, United States Code, is amended by striking "and" after the semicolon at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting "; and", and by adding at the end the following:

"(D) a description of progress in providing for the acquisition and use of alternative information technologies that provide for electronic submission, maintenance, or disclosure of information as a substitute for paper and for the use and acceptance of electronic signatures, including the extent to which such progress accomplishes reduction of burden on small businesses or other persons.".

SEC. 4. FEDERAL AGENCY RESPONSIBILITIES.

(a) PROVIDING FOR USE OF ELECTRONIC INFORMATION MANAGEMENT.—Section 3506(c)(1)(B) of title 44, United States Code, is amended by striking "and" after the semicolon at the end of clause (ii) and by adding at the end the following:

"(iv) provides to persons required to submit information the option to use, where appropriate, electronic submission, maintenance, or disclosure of information; and".

(b) PROMOTION OF ELECTRONIC INFORMATION MANAGEMENT.—Section 3506(c)(3)(C) of title 44, United States Code, is amended by striking "or" after the semicolon at the end of clause (ii), by adding "or" after the semicolon at the end of clause (iii), and by adding at the end the following:

"(iv) the promotion and optional use, where appropriate, of electronic submission, maintenance, or disclosure of information.".

(c) USE OF ALTERNATIVE INFORMATION TECHNOLOGIES.—Section 3506(c)(3)(J) of title 44, United States Code, is amended to read as follows:

"(J) to the maximum extent practicable, uses information technology, including alternative information technologies, that provide for electronic submission, maintenance, or disclosure of information, to reduce burden and improve data quality, agency efficiency, and responsiveness to the public.".

SEC. 5. PUBLIC INFORMATION COLLECTION ACTIVITIES; SUBMISSION TO DIRECTOR; APPROVAL AND DELEGATION.

Section 3507(a)(1)(D)(ii) of title 44, United States Code, is amended by striking "and" after the semicolon at the end of subclause (V), by adding "and" after the semicolon at the end of subclause (VI), and by adding at the end the following:

"(VII) a description of how respondents may, if appropriate, electronically submit, maintain, or disclose information under the collection of information.".

SEC. 6. RESPONSIVENESS TO CONGRESS.

Section 3514(a)(2) of title 44, United States Code, is amended by striking "and" after the semicolon at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following:

"(E) reduced the collection of information burden on small businesses and other persons through the use of electronic submission, maintenance, or disclosure of information as a substitute for the use of paper, including—

"(i) a description of instances where such substitution has added to burden; and

"(ii) specific identification of such instances relating to the Internal Revenue Service.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New York (Mrs. KELLY) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House considers H.R. 439, the Paperwork Elimination Act of 1999. This is legislation that is not new to the House. In both the 104th Congress and the 105th Congress virtually identical legislation was considered and overwhelmingly passed. In the 104th Congress, the House passed this bill by a vote of 418 to zero. In the 105th Congress, the House passed this bill by a vote of 395 to zero. I certainly hope we can continue this trend this afternoon.

Before I take a moment to explain the bill, I would like to thank my colleague, the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member of the Committee on Small Business, as well as the rest of my friends on the Democratic side, for their help in moving this legislation forward. The ranking member and her staff have been very cooperative, and deserve much of the credit for bringing this legislation to the floor.

Mr. Speaker, paperwork burdens are literally strangling the productivity of our Nation's economy, particularly small businesses. Consider the fact that in 1996 the government-wide burden hour estimate reached 6.7 billion hours. That means that Americans spent 6.7 billion, that is "billion" with a "B", filling out paperwork required by the Federal Government. That figure is up almost 350 percent from the 1.5 billion burden hour estimate in 1980.

As I said a moment ago, paperwork burdens impact our Nation's small businesses particularly hard. A recent study indicated that for companies with fewer than 20 employees, complying with paperwork requirements cost an average of \$2,017 per employee per year. For companies with 20 to 499 employees, our small businesses, that cost was almost as much.

For these companies, complying with paperwork requirements cost an average of \$1,931 per employee per year. But for companies with 500 employees or more, the costs were much lower. For these companies, complying with paperwork requirements cost an average of \$1,086 per employee per year. Clearly, for the sake of our Nation's small businesses, we need to start reducing the overall burden of complying with federally-mandated paperwork.

One of the ways in which we can do this is to enable the Federal Government to take advantage of the Information Age. The Committee on Small Business has recognized the need to encourage the Federal Government to utilize new information technology to reduce the public costs of meeting the Federal government's information needs. Nowhere is this need more acute than in the small business community.

Because small businesses typically do not have the resources to hire employees whose explicit purpose is to deal with paperwork and regulatory requirements, there is a specific need to allow these small businesses, as well as other taxpayers, with access to computers and modems to use them when dealing with the Federal Government. That is the goal that the Paperwork Elimination Act of 1999 is intended to accomplish.

Let me briefly run down exactly what is contained in this legislation. First, it specifically requires the director of the Office of Management and Budget, the OMB, to promote the acquisition and use of electronic transmission of information as a substitute for paper when small businesses and individuals are required to comply with