

who belong to this organization. I am pleased to be an original cosponsor of this legislation, and thank the gentleman from Arizona, Chairman STUMP, for his leadership in bringing this bill to the floor today.

For 100 years, the Veterans of Foreign Wars has been representing the interests of the men and women of our armed forces who have served our nation overseas. This group was founded in Columbus, Ohio on September 29th, 1899 by 13 decorated veterans who fought in Cuba during the Spanish-American War. These men gathered not only to remember those killed during the War, but also to see what they could do for those who remained.

One hundred years later, the VFW has maintained that commitment to helping their fellow veterans, and many others in our local communities. From 1997 to 1998, the VFW and the Ladies Auxiliary devoted over 12 million hours to volunteer service, and donated millions of dollars to various programs, including \$2.7 million for college scholarships, \$3 million for breast cancer research and over \$15 million through the "Buddy Poppy" program to help needy veterans.

As a proud member of VFW Post 3401 in Morris Plains, New Jersey, I am very familiar with the contributions of this post, and many others across America, to their communities. I urge all my colleagues in joining me to pay tribute to these men and women who have given so generously of themselves, both in times of peace and in times of war.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.J. Res. 34. This resolution recognizes the historic significance of the 100th anniversary of the founding of the Veterans of Foreign Wars of the United States, and congratulates the VFW on achieving that milestone.

It is fitting that as we near the celebration of our nation's birth that we pause and remember the significant contribution, which the VFW has made to our nation. The VFW has become a national force representing veterans and their families, and in calling upon the government to maintain a strong national defense to prevent future wars. With over 100 years of experience the VFW has served the nation and its veterans in numerous ways.

The VFW has been and continues to be a leader in supporting our troops. Whether in Kosovo or in the heart of Texas the VFW has supported those who serve our nation. Through its use of letters, holiday cards, gift packages, USO shows, public rallies and with free phone cards the VFW has brought comfort and a touch of home to our soldiers serving throughout the world.

Perhaps its greatest contribution to the nation is the recognition and remembrance of the hardships and sacrifices made in the nation's defense. On the national level the VFW has made contributions to the Vietnam Memorial, the Korean War Veterans Memorial, the Vietnam Women's Memorial, and the Women in Military Service for America Memorial. They have been a major partner in the effort to honor our veterans from World War II with their own memorial on the national mall.

The VFW has closely heeded its motto, which is "Honor the dead by helping the living." The collective experience of our 25 million living veterans encompass the turbulence and progress America has experienced throughout the twentieth century. The nation's

veterans have written much of the history of the last hundred years. They have served this nation without reservation or hesitation during its darker moments.

The VFW has honored this service by establishing the first national veterans service office. This network provides assistance to veterans who need assistance in obtaining benefits, which they deserve from their service to the nation. In addition, this network provides service to many homeless veterans by providing care and counseling.

In pausing to remember the contributions which the VFW has made to the nation and to this nation's veterans, I am reminded of President Lincoln's call "to care for him who shall have borne the battle." I know that the VFW has answered this challenge with dedication and tireless commitment to the 1,646,700 veterans living in Texas and to all the veterans across our nation.

Mr. Speaker, I ask all my colleagues to support H.J. Res. 34 and let us honor an organization, which has made such a strong commitment to our veterans.

Mr. SMITH of New Jersey. Mr. Speaker, as Vice Chairman of the House Committee on Veterans' Affairs, I rise today in support of H.J. Res. 34, a resolution recognizing the 100th anniversary of the founding of the Veterans of Foreign Wars. It is a credit to the VFW that as they celebrate their centennial this year, they continue to be such a strong, successful advocate and service provider for our nation's heroes.

In my own state of New Jersey, the role of the VFW cannot be overstated. Their willingness to speak out about the problems facing our veterans and bringing them to Congress' attention really helps the New Jersey Congressional delegation as it seeks to secure the funding needed for New Jersey's veterans. Having the insights, first hand knowledge, and research data of the VFW and its network of members is critical to our efforts as we prioritize federal programs in Congress and work to give America's veterans the benefits they earned.

Since their founding in 1921, the VFW, with a membership of 63,926 in my state alone, has successfully underscored the principles of love of country, sacrifice in the line of duty, and our collective responsibility as Americans to ensure that our veterans and their dependents are never forgotten.

Today, as we send our young men and women in uniform to Kosovo, Haiti, Korea, Bosnia, and the Persian Gulf, just to name a few places where the United States has sent our troops abroad, the VFW strives to ensure that they are fully supported while in the field, as well as when they return home.

Mr. Speaker, I ask my colleagues today to join with me in passing H.J. Res. 34, and I congratulate the VFW on their anniversary. If the next 100 years of service are as successful as the first 100 years, our future veterans will be in good hands.

Mr. RODRIGUEZ. Mr. Speaker, I take this opportunity to commend the Veterans of Foreign Wars (VFW) on this, their 100th Anniversary.

South Texas is home to several proud VFW chapters, making me especially proud to support the legislation and recognize the many accomplishments of the VFW.

This resolution calls upon the President to issue a proclamation recognizing the 100th

anniversary of the VFW, and calls upon the people of the United States to observe the anniversary with appropriate ceremonies and celebrations.

For those VFW members back home, and to all 2 million VFW members across this country, I offer a heartfelt congratulations, and thank you for your service to our nation. We owe you our debt of gratitude.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and agree to the joint resolution, H.J. Res. 34.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1500

#### VETERANS ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT ACT OF 1999

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1568) to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1568

*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 "Veterans Entrepreneurship and Small Business Development Act of 1999".

#### SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.

Sec. 2. Table of contents.

#### TITLE I—GENERAL PROVISIONS

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#### TITLE II—VETERANS BUSINESS DEVELOPMENT

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#### TITLE III—TECHNICAL ASSISTANCE

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Sec. 302. Entrepreneurial assistance.

Sec. 303. Business development and management assistance for military reservists' small businesses.

#### TITLE IV—FINANCIAL ASSISTANCE

Sec. 401. General business loan program.

Sec. 402. Assistance to active duty military reservists.

Sec. 403. Microloan program.

Sec. 404. Delta loan program.

Sec. 405. State development company program.

#### TITLE V—PROCUREMENT ASSISTANCE

Sec. 501. Subcontracting.

Sec. 502. Participation in Federal procurement.

TITLE VI—REPORTS AND DATA  
COLLECTION

- Sec. 601. Reporting requirements.  
 Sec. 602. Report on small business and competition.  
 Sec. 603. Annual report of the Administrator.  
 Sec. 604. Data and information collection.

TITLE VII—MISCELLANEOUS  
PROVISIONS

- Sec. 701. Administrator's order.  
 Sec. 702. Small Business Administration Office of Advocacy.  
 Sec. 703. Study of fixed-asset small business loans.

## TITLE I—GENERAL PROVISIONS

## SEC. 101. FINDINGS.

Congress finds the following:

(1) Veterans of the United States Armed Forces have been and continue to be vital to the small business enterprises of the United States.

(2) In serving the United States, veterans often faced great risks to preserve the American dream of freedom and prosperity.

(3) The United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.

(4) Medical advances and new medical technologies have made it possible for service-disabled veterans to play a much more active role in the formation and expansion of small business enterprises in the United States.

(5) The United States must provide additional assistance and support to veterans to better equip them to form and expand small business enterprises, thereby enabling them to realize the American dream that they fought to protect.

## SEC. 102. PURPOSE.

The purpose of this Act is to expand existing and establish new assistance programs for veterans who own or operate small businesses. This Act accomplishes this purpose by—

(1) expanding the eligibility for certain small business assistance programs to include veterans;

(2) directing certain departments and agencies of the United States to take actions that enhance small business assistance to veterans; and

(3) establishing new institutions to provide small business assistance to veterans or to support the institutions that provide such assistance.

## SEC. 103. DEFINITIONS.

(a) SMALL BUSINESS ACT.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

“(q) DEFINITIONS RELATING TO VETERANS.—In this Act, the following definitions apply:

“(1) SERVICE-DISABLED VETERAN.—The term ‘service-disabled veteran’ means a veteran with a disability that is service-connected (as defined in section 101(16) of title 38, United States Code).

“(2) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.—The term ‘small business concern owned and controlled by service-disabled veterans’ means a small business concern—

“(A) not less than 51 percent of which is owned by 1 or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more service-disabled veterans; and

“(B) the management and daily business operations of which are controlled by 1 or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

“(3) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS.—The term ‘small business concern owned and controlled by veterans’ means a small business concern—

“(A) not less than 51 percent of which is owned by 1 or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more veterans; and

“(B) the management and daily business operations of which are controlled by 1 or more veterans.

“(4) VETERAN.—The term ‘veteran’ has the meaning given the term in section 101(2) of title 38, United States Code.”.

(b) APPLICABILITY TO THIS ACT.—In this Act, the definitions contained in section 3(q) of the Small Business Act, as added by this section, apply.

TITLE II—VETERANS BUSINESS  
DEVELOPMENTSEC. 201. VETERANS BUSINESS DEVELOPMENT IN  
THE SMALL BUSINESS ADMINISTRATION.

(a) IN GENERAL.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the 5th sentence, by striking “four Associate Administrators” and inserting “five Associate Administrators”; and

(2) by inserting after the 5th sentence the following: “One such Associate Administrator shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32.”.

(b) OFFICE OF VETERANS BUSINESS DEVELOPMENT; ASSOCIATE ADMINISTRATOR.—The Small Business Act (15 U.S.C. 631 et seq.) is further amended—

(1) by redesignating section 32 as section 34; and

(2) by inserting after section 31 the following:

## “SEC. 32. VETERANS PROGRAMS.

“(a) OFFICE OF VETERANS BUSINESS DEVELOPMENT.—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the ‘Associate Administrator’) appointed under section 4(b)(1).

“(b) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—The Associate Administrator—

“(1) shall be an appointee in the Senior Executive Service;

“(2) shall be responsible for the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans. The Associate Administrator shall act as an ombudsman for full consideration of veterans in all programs of the Administration; and

“(3) shall report to and be responsible directly to the Administrator.”.

## SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

The Small Business Act (15 U.S.C. 631 et seq.) is further amended by adding after section 32 (as added by this Act) the following:

## “SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

“(a) ESTABLISHMENT.—There is established a federally chartered corporation to be known as the National Veterans Business Development Corporation (in this section referred to as the ‘Corporation’) which shall be incorporated under the laws of the District of Columbia and which shall have the powers granted in this section.

“(b) PURPOSES OF THE CORPORATION.—The purposes of the Corporation shall be—

“(1) to expand the provision of and improve access to technical assistance regarding entrepreneurship for the Nation's veterans; and

“(2) to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns by working with and organizing public and private resources, including those of the Small Business Administration, the Department of Veterans Affairs, the Department of Labor, the Department of Commerce, the Department of Defense, the Service Corps of Retired Executives (described in section 8(b)(1)(B) of this Act), the Small Business Development Centers (described in section 21 of this Act), and the business development staffs of each department and agency of the United States.

“(c) BOARD OF DIRECTORS.—

“(1) IN GENERAL.—The management of the Corporation shall be vested in a Board of Directors composed of 9 voting members and 3 nonvoting ex officio members.

“(2) APPOINTMENT OF VOTING MEMBERS.—The President shall appoint United States citizens to be voting members of the Board of Directors as follows:

“(A) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the House of Representatives.

“(B) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the Senate.

“(C) 1 from a list of individuals nominated by the ranking minority member of the Committee on Small Business of the House of Representatives.

“(D) 1 from a list of individuals nominated by the ranking minority members of the Committee on Small Business of the Senate.

“(E) 1 from a list of individuals nominated by the chairman of the Committee on Veterans' Affairs of the House of Representatives.

“(F) 1 from a list of individuals nominated by the chairman of the Committee on Veterans' Affairs of the Senate.

“(G) 1 from a list of individuals nominated by the ranking minority member of the Committee on Veterans' Affairs of the House of Representatives.

“(H) 1 from a list of individuals nominated by the ranking minority member of the Committee on Veterans' Affairs of the Senate.

“(I) 1 of the President's own choosing.

“(3) EX OFFICIO MEMBERS.—The Administrator of the Small Business Administration, the Secretary of Defense, and the Secretary of Veterans Affairs shall serve as the nonvoting ex officio members of the Board of Directors.

“(4) CHAIRPERSON.—The members of the Board of Directors appointed under paragraph (2) shall elect one such member to serve as chairperson of the Board of Directors for a term of 2 years.

“(5) TERMS OF APPOINTED MEMBERS.—

“(A) IN GENERAL.—Each member of the Board of Directors appointed under paragraph (2) shall serve a term of 6 years, except as provided in subparagraph (B).

“(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

“(i) 3 shall be for a term of 2 years; and

“(ii) 3 shall be for a term of 4 years.

“(C) UNEXPIRED TERMS.—Any member of the Board of Directors appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of the term. A member may serve after the expiration of that member's term until a successor has taken office.

“(6) VACANCIES.—Any vacancy on the Board of Directors shall be filled in the manner in which the original appointment was

made. In the case of a vacancy in the office of the Administrator of the Small Business Administration or the Secretary of Veterans Affairs, and pending the appointment of a successor, an acting appointee for such vacancy may serve as an *ex officio* member.

“(7) INELIGIBILITY FOR OTHER OFFICES.—No voting member of the Board of Directors may be an officer or employee of the United States while serving as a member of the Board of Directors or during the 2-year period preceding such service.

“(8) IMPARTIALITY AND NONDISCRIMINATION.—The Board of Directors shall administer the affairs of the Corporation fairly and impartially and without discrimination.

“(9) OBLIGATIONS AND EXPENSES.—The Board of Directors shall prescribe the manner in which the obligations of the Corporation may be incurred and in which its expenses shall be allowed and paid.

“(10) QUORUM.—5 voting members of the Board of Directors shall constitute a quorum, but a lesser number may hold hearings.

“(d) CORPORATE POWERS.—On October 1, 1999, the Corporation shall become a body corporate and as such shall have the authority to do the following:

“(1) To adopt and use a corporate seal.

“(2) To have succession until dissolved by an Act of Congress.

“(3) To make contracts or grants.

“(4) To sue and be sued, and to file and defend against lawsuits in State or Federal court.

“(5) To appoint, through the actions of its Board of Directors, officers and employees of the Corporation, to define their duties and responsibilities, fix their compensations, and to dismiss at will such officers or employees.

“(6) To prescribe, through the actions of its Board of Directors, bylaws not inconsistent with Federal law and the law of the State of incorporation, regulating the manner in which its general business may be conducted and the manner in which the privileges granted to it by law may be exercised.

“(7) To exercise, through the actions of its Board of Directors or duly authorized officers, all powers specifically granted by the provisions of this section, and such incidental powers as shall be necessary.

“(8) To solicit, receive, and disburse funds from private, Federal, State and local organizations.

“(9) To accept and employ or dispose of in furtherance of the purposes of this section any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

“(10) To accept voluntary and uncompensated services.

“(e) CORPORATE FUNDS.—

“(1) DEPOSIT OF FUNDS.—The Board of Directors shall deposit all funds of the Corporation in federally chartered and insured depository institutions until such funds are disbursed under paragraph (2).

“(2) DISBURSEMENT OF FUNDS.—Funds of the Corporation may be disbursed only for purposes that are—

“(A) approved by the Board of Directors by a recorded vote with a quorum present; and

“(B) in accordance with the purposes of the Corporation as specified in subsection (b).

“(f) NETWORK OF INFORMATION AND ASSISTANCE CENTERS.—In carrying out the purpose described in subsection (b), the Corporation shall establish and maintain a network of information and assistance centers for use by veterans and the public.

“(g) ANNUAL REPORT.—On or before October 1 of each year, the Board of Directors shall transmit a report to the President and Congress describing the activities and accomplishments of the Corporation for the preceding year and the Corporation's find-

ings regarding the efforts of Federal, State and private organizations to assist veterans in the formation and expansion of small business concerns.

“(h) ASSUMPTION OF DUTIES OF ADVISORY COMMITTEE.—On October 1, 2004, the Corporation established under this section shall assume the duties, responsibilities, and authority of the Advisory Committee on Veterans Affairs established under section 203 of this Act.

“(i) USE OF MAILS.—The Corporation may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

“(j) PROFESSIONAL CERTIFICATION ADVISORY BOARD.—

“(1) IN GENERAL.—Acting through the Board of Directors, the Corporation shall establish a Professional Certification Advisory Board to create uniform guidelines and standards for the professional certification of members of the Armed Services to aid in their efficient and orderly transition to civilian occupations and professions and to remove potential barriers in the areas of licensure and certification.

“(2) MEMBERSHIP.—The members of the Advisory Board shall serve without compensation, shall meet in the District of Columbia no less than quarterly, and shall be appointed by the Board of Directors as follows:

“(A) PRIVATE SECTOR MEMBERS.—The Corporation shall appoint not less than 7 members for terms of 2 years to represent private sector organizations and associations, including the American Association of Community Colleges, the Society for Human Resource Managers, the Coalition for Professional Certification, the Council on Licensure and Enforcement, and the American Legion.

“(B) PUBLIC SECTOR MEMBERS.—The Corporation shall invite public sector members to serve at the discretion of their departments or agencies and shall—

“(i) encourage the participation of the Under Secretary of Defense for Personnel and Readiness;

“(ii) encourage the participation of 2 officers from each branch of the Armed Forces to represent the Training Commands of their branch; and

“(iii) seek the participation and guidance of the Assistant Secretary of Labor for Veterans' Employment and Training.

“(k) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to the Corporation to carry out this section the following amounts:

“(A) \$2,000,000 for fiscal year 2000;

“(B) \$4,000,000 for fiscal year 2001;

“(C) \$4,000,000 for fiscal year 2002; and

“(D) \$2,000,000 for fiscal year 2003.

“(2) PRIVATIZATION.—The Corporation shall institute and implement a plan to raise private funds and become a self-sustaining corporation.”.

#### SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.

(a) IN GENERAL.—There is established an advisory committee to be known as the “Advisory Committee on Veterans Business Affairs” (in this section referred to as the “Committee”), which shall serve as an independent source of advice and policy recommendations to—

(1) the Administrator of the Small Business Administration (in this section referred to as the “Administrator”);

(2) the Associate Administrator for Veterans Business Development of the Small Business Administration;

(3) Congress;

(4) the President; and

(5) other United States policymakers.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Committee shall be composed of 15 members, of whom—

(A) 8 shall be veterans who are owners of small business concerns (within the meaning of the term under section 3 of the Small Business Act (15 U.S.C. 632)); and

(B) 7 shall be representatives of veterans organizations.

(2) APPOINTMENT.—

(A) IN GENERAL.—The members of the Committee shall be appointed by the Administrator in accordance with this section.

(B) INITIAL APPOINTMENTS.—Not later than 90 days after the date of enactment of this Act, the Administrator shall appoint the initial members of the Committee.

(3) POLITICAL AFFILIATION.—Not more than 8 members of the Committee shall be of the same political party as the President.

(4) PROHIBITION ON FEDERAL EMPLOYMENT.—

(A) IN GENERAL.—Except as provided in subsection (B), no member of the Committee may serve as an officer or employee of the United States.

(B) EXCEPTION.—A member of the Committee who accepts a position as an officer or employee of the United States after the date of the member's appointment to the Committee may continue to serve on the Committee for not more than 30 days after such acceptance.

(5) TERM OF SERVICE.—

(A) IN GENERAL.—Subject to subparagraph (B), the term of service of each member of the Committee shall be 3 years.

(B) TERMS OF INITIAL APPOINTEES.—As designated by the Administrator at the time of appointment, of the members first appointed—

(i) 6 shall be appointed for a term of 4 years; and

(ii) 5 shall be appointed for a term of 5 years.

(6) VACANCIES.—The Administrator shall fill any vacancies on the membership of the Committee not later than 30 days after the date on which such vacancy occurs.

(7) CHAIRPERSON.—

(A) IN GENERAL.—The members of the Committee shall elect one of the members to be Chairperson of the Committee.

(B) VACANCIES IN OFFICE OF CHAIRPERSON.—Any vacancy in the office of the Chairperson of the Committee shall be filled by the Committee at the first meeting of the Committee following the date on which the vacancy occurs.

(c) DUTIES.—The duties of the Committee shall be the following:

(1) Review, coordinate, and monitor plans and programs developed in the public and private sectors, that affect the ability of small business concerns owned and controlled by veterans to obtain capital and credit and to access markets.

(2) Promote the collection of business information and survey data as they relate to veterans and small business concerns owned and controlled by veterans.

(3) Monitor and promote plans, programs, and operations of the departments and agencies of the United States that may contribute to the formation and growth of small business concerns owned and controlled by veterans.

(4) Develop and promote initiatives, policies, programs, and plans designed to foster small business concerns owned and controlled by veterans.

(5) In cooperation with the National Veterans Business Development Corporation, develop a comprehensive plan, to be updated annually, for joint public-private sector efforts to facilitate growth and development of small business concerns owned and controlled by veterans.

(d) POWERS.—

(1) HEARINGS.—Subject to subsection (e), the Committee may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Committee considers advisable to carry out its duties.

(2) INFORMATION FROM FEDERAL AGENCIES.—Upon request of the Chairperson of the Committee, the head of any department or agency of the United States shall furnish such information to the Committee as the Committee considers to be necessary to carry out its duties.

(3) USE OF MAILS.—The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(4) GIFTS.—The Committee may accept, use, and dispose of gifts or donations of services or property.

(e) MEETINGS.—

(1) IN GENERAL.—The Committee shall meet, not less than three times per year, at the call of the Chairperson or at the request of the Administrator.

(2) LOCATION.—Each meeting of the full Committee shall be held at the headquarters of the Small Business Administration located in Washington, District of Columbia. The Administrator shall provide suitable meeting facilities and such administrative support as may be necessary for each full meeting of the Committee.

(3) TASK GROUPS.—The Committee may, from time to time, establish temporary task groups as may be necessary in order to carry out its duties.

(f) COMPENSATION AND EXPENSES.—

(1) NO COMPENSATION.—Members of the Committee shall serve without compensation for their service to the Committee.

(2) EXPENSES.—The members of the Committee shall be reimbursed for travel and subsistence expenses in accordance with section 5703 of title 5, United States Code.

(g) REPORT.—Not later than 30 days after the end of each fiscal year beginning after the date of enactment of this section, the Committee shall transmit to Congress and the President a report describing the activities of the Committee and any recommendations developed by the Committee for the promotion of small business concerns owned and controlled by veterans.

(h) TERMINATION.—The Committee shall terminate its business on September 30, 2004.

### TITLE III—TECHNICAL ASSISTANCE

#### SEC. 301. SCORE PROGRAM.

(a) IN GENERAL.—The Administrator of the Small Business Administration shall enter into a memorandum of understanding with the Service Core of Retired Executives (described in section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)) and in this section referred to as "SCORE") to provide for the following:

(1) The appointment by SCORE in its national office of an individual to act as National Veterans Business Coordinator, whose duties shall relate exclusively to veterans business matters, and who shall be responsible for the establishment and administration of a program to coordinate counseling and training regarding entrepreneurship to veterans through the chapters of SCORE throughout the United States.

(2) The assistance of SCORE in the establishing and maintaining a toll-free telephone number and an Internet website to provide access for veterans to information about the counseling and training regarding entrepreneurship available to veterans through SCORE.

(3) The collection of statistics concerning services provided by SCORE to veterans, including service-disabled veterans, for inclusion in each annual report published by the

Administrator under section 4(b)(2)(B) of the Small Business Act (15 U.S.C. 633(b)(2)(B)).

(b) RESOURCES.—The Administrator shall provide to SCORE such resources as the Administrator determines necessary for SCORE to carry out the requirements of the memorandum of understanding specified in paragraph (1).

#### SEC. 302. ENTREPRENEURIAL ASSISTANCE.

Not later than 180 days after the date of enactment of this Act, the Secretary of Veterans Affairs, the Administrator of the Small Business Administration, and the head of the association formed pursuant to section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) shall enter into a memorandum of understanding with respect to entrepreneurial assistance to veterans, including service-disabled veterans, through Small Business Development Centers (described in section 21 of the Small Business Act (15 U.S.C. 648)) and facilities of the Department of Veterans Affairs. Such assistance shall include the following:

(1) Conducting of studies and research, and the distribution of information generated by such studies and research, on the formation, management, financing, marketing, and operation of small business concerns by veterans.

(2) Provision of training and counseling to veterans concerning the formation, management, financing, marketing, and operation of small business concerns.

(3) Provision of management and technical assistance to the owners and operators of small business concerns regarding international markets, the promotion of exports, and the transfer of technology.

(4) Provision of assistance and information to veterans regarding procurement opportunities with Federal, State, and local agencies, especially such agencies funded in whole or in part with Federal funds.

(5) Establishment of an information clearinghouse to collect and distribute information, including by electronic means, on the assistance programs of Federal, State, and local governments, and of the private sector, including information on office locations, key personnel, telephone numbers, mail and electronic addresses, and contracting and subcontracting opportunities.

(6) Provision of Internet or other distance learning academic instruction for veterans in business subjects, including accounting, marketing, and business fundamentals.

(7) Compilation of a list of small business concerns owned and controlled by service-disabled veterans that provide products or services that could be procured by the United States and delivery of such list to each department and agency of the United States. Such list shall be delivered in hard copy and electronic form and shall include the name and address of each such small business concern and the products or services that it provides.

#### SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.

(a) IN GENERAL.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

"(1) MANAGEMENT ASSISTANCE FOR SMALL BUSINESSES AFFECTED BY MILITARY OPERATIONS.—The Administration shall utilize, as appropriate, its entrepreneurial development and management assistance programs, including programs involving State or private sector partners, to provide business counseling and training to any small business concern adversely affected by the deployment of units of the Armed Forces of the United States in support of a period of military conflict (as defined in section 7(n)(1))."

(b) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Oper-

ation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendment made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendment made by this section.

### TITLE IV—FINANCIAL ASSISTANCE

#### SEC. 401. GENERAL BUSINESS LOAN PROGRAM.

(a) DEFINITION OF HANDICAPPED INDIVIDUAL.—Section 3(f) of the Small Business Act (15 U.S.C. 632(f)) is amended to read as follows:

"(f) For purposes of section 7 of this Act, the term 'handicapped individual' means an individual—

"(1) who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or

"(2) who is a service-disabled veteran."

(b) AUTHORIZATION TO MAKE LOANS.—Section 7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10)) is amended—

(1) by inserting "guaranteed" after "provide"; and

(2) by inserting, "including service-disabled veterans," after "handicapped individual".

#### SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERVISTS.

(a) REPAYMENT DEFERRAL FOR ACTIVE DUTY RESERVISTS.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

"(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RESERVISTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) ELIGIBLE RESERVIST.—The term 'eligible reservist' means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

"(B) ESSENTIAL EMPLOYEE.—The term 'essential employee' means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern.

"(C) PERIOD OF MILITARY CONFLICT.—The term 'period of military conflict' means—

"(i) a period of war declared by Congress;

"(ii) a period of national emergency declared by Congress or by the President; or

"(iii) a period of a contingency operation, as defined in section 101(a) of title 10, United States Code.

"(D) QUALIFIED BORROWER.—The term 'qualified borrower' means—

"(i) an individual who is an eligible reservist and who received a direct loan under subsection (a) or (b) before being ordered to active duty; or

"(ii) a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an essential employee, was ordered to active duty.

"(2) DEFERRAL OF DIRECT LOANS.—

"(A) IN GENERAL.—The Administration shall, upon written request, defer repayment of principal and interest due on a direct loan made under subsection (a) or (b), if such loan was incurred by a qualified borrower.

"(B) PERIOD OF DEFERRAL.—The period of deferral for repayment under this paragraph shall begin on the date on which the eligible reservist is ordered to active duty and shall

terminate on the date that is 180 days after the date such eligible reservist is discharged or released from active duty.

“(C) INTEREST RATE REDUCTION DURING DEFERRAL.—Notwithstanding any other provision of law, during the period of deferral described in subparagraph (B), the Administration may, in its discretion, reduce the interest rate on any loan qualifying for a deferral under this paragraph.

“(3) DEFERRAL OF LOAN GUARANTEES AND OTHER FINANCINGS.—The Administration shall—

“(A) encourage intermediaries participating in the program under subsection (m) to defer repayment of a loan made with proceeds made available under that subsection, if such loan was incurred by a small business concern that is eligible to apply for assistance under subsection (b)(3); and

“(B) not later than 30 days after the date of enactment of this subsection, establish guidelines to—

“(i) encourage lenders and other intermediaries to defer repayment of, or provide other relief relating to, loan guarantees under subsection (a) and financings under section 504 of the Small Business Investment Act of 1958 that were incurred by small business concerns that are eligible to apply for assistance under subsection (b)(3), and loan guarantees provided under subsection (m) if the intermediary provides relief to a small business concern under this paragraph; and

“(ii) implement a program to provide for the deferral of repayment or other relief to any intermediary providing relief to a small business borrower under this paragraph.”

(b) DISASTER LOAN ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after the undesignated paragraph that begins with “*Provided, That no loan*”, the following:

“(3)(A) In this paragraph—

“(i) the term ‘essential employee’ means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern;

“(ii) the term ‘period of military conflict’ has the meaning given the term in subsection (n)(1); and

“(iii) the term ‘substantial economic injury’ means an economic harm to a business concern that results in the inability of the business concern—

“(I) to meet its obligations as they mature;

“(II) to pay its ordinary and necessary operating expenses; or

“(III) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.

“(B) The Administration may make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of an essential employee of such small business concern being ordered to active military duty during a period of military conflict.

“(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph during the period beginning on the date on which the essential employee is ordered to active duty and ending on the date that is 90 days after the date on which such essential employee is discharged or released from active duty.

“(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

“(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed \$1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the \$1,500,000 limitation.

“(F) For purposes of assistance under this paragraph, no declaration of a disaster area shall be required.”

(c) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendments made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(d) GUIDELINES.—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this section.

(2) DISASTER LOANS.—The amendments made by subsection (b) shall apply to economic injury suffered or likely to be suffered as the result of a period of military conflict occurring or ending on or after March 24, 1999.

#### SEC. 403. MICROLOAN PROGRAM.

Section 7(m)(1)(A)(i) of the Small Business Act (15 U.S.C. 636(m)(1)(A)(i)) is amended by inserting “veteran (within the meaning of such term under section 3(q)),” after “low-income.”

#### SEC. 404. DELTA LOAN PROGRAM.

Section 7(a)(21)(A) Small Business Act (15 U.S.C. 636(a)(21)(A)) is amended in subclause (ii) by inserting “or a veteran” after “qualified individual”.

#### SEC. 405. STATE DEVELOPMENT COMPANY PROGRAM.

Section 501(d)(3) of the Small Business Investment Act (15 U.S.C. 695(d)(3)) is amended—

(1) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively; and

(2) by inserting after subparagraph (D) the following:

“(E) expansion of small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), especially service-disabled veterans, as defined in such section 3(q).”

#### TITLE V—PROCUREMENT ASSISTANCE

##### SEC. 501. SUBCONTRACTING.

(a) STATEMENT OF POLICY.—Section 8(d)(1) of the Small Business Act (15 U.S.C. 637(d)(1)) is amended by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears in the first and second sentences.

(b) CONTRACT CLAUSE.—The contract clause specified in section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)) is amended as follows:

(1) Subparagraph (A) of such clause is amended by inserting “small business concerns owned and controlled by veterans,” after “small business concerns,” the first

place it appears in the first and second sentences.

(2) Subparagraphs (E) and (F) of such clause are redesignated as subparagraphs (F) and (G), respectively, and the following new subparagraph is inserted after subparagraph (D) of such clause:

“(E) The term ‘small business concern owned and controlled by veterans’ shall mean a small business concern—

“(i) which is at least 51 per centum owned by one or more eligible veterans; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more veterans; and

“(ii) whose management and daily business operations are controlled by such veterans. The contractor shall treat as veterans all individuals who are veterans within the meaning of the term under section 3(q) of the Small Business Act.”

(3) Subparagraph (F) of such clause, as redesignated by paragraph (2) of this subsection, is amended by inserting “small business concern owned and controlled by veterans,” after “small business concern,” the first place it appears.

(c) CONFORMING AMENDMENTS.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is further amended by inserting “small business concerns owned and controlled by veterans,” after “small business concerns,” the first place it appears in paragraphs (4)(D), (4)(E), (6)(A), (6)(C), (6)(F), and (10)(B).

#### SEC. 502. PARTICIPATION IN FEDERAL PROCUREMENT.

(a) GOVERNMENT-WIDE PARTICIPATION GOALS.—Subsection (g)(1) of section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) in the first sentence, by inserting “small business concerns owned and controlled by service disabled veterans,” after “small business concerns,” the first place it appears;

(2) by inserting after the second sentence, the following: “The Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year.”; and

(3) in the second to last sentence, by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears.

(b) AGENCY PARTICIPATION GOALS.—Subsection (g)(2) of section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) in the first sentence, by inserting “by small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,”; the first place it appears;

(2) in the second sentence, by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears; and

(3) in the fourth sentence, by inserting “small business concerns owned and controlled by service-disabled veterans, by” after “including participation by”.

#### TITLE VI—REPORTS AND DATA COLLECTION

##### SEC. 601. REPORTING REQUIREMENTS.

(a) REPORTS TO SMALL BUSINESS ADMINISTRATION.—Subsection (h)(1) of section 15 of the Small Business Act (15 U.S.C. 644) is amended by inserting “small business concerns owned and controlled by veterans (including service-disabled veterans),” after “small business concerns,” the first place it appears.

(b) REPORTS TO THE PRESIDENT AND CONGRESS.—Subsection (h)(2) of section 15 of the

Small Business Act (15 U.S.C. 644) is amended—

(1) by inserting "and Congress" before the period at the end of first sentence; and

(2) in subparagraphs (A), (D), and (E), by inserting "small business concerns owned and controlled by service-disabled veterans," after "small business concerns," the first place it appears.

**SEC. 602. REPORT ON SMALL BUSINESS AND COMPETITION.**

Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(1) in paragraph (1), by striking "and" after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by service-disabled veterans, as defined in such section 3(q)."

**SEC. 603. ANNUAL REPORT OF THE ADMINISTRATOR.**

The Administrator of the Small Business Administration shall transmit annually to the Committees on Small Business and Veterans Affairs of the House of Representatives and the Senate a report on the needs of small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans, which shall include information on—

(1) the availability of Small Business Administration programs for such small business concerns and the degree of utilization of such programs by such small business concerns during the preceding 12-month period, including statistical information on such utilization as compared to the small business community as a whole;

(2) the percentage and dollar value of Federal contracts awarded to such small business concerns during the preceding 12-month period; and

(3) proposals to improve the access of such small business concerns to the assistance made available by the United States.

**SEC. 604. DATA AND INFORMATION COLLECTION.**

(a) INFORMATION ON FEDERAL PROCUREMENT PRACTICES.—The Administrator of the Small Business Administration shall, for each fiscal year—

(1) collect information concerning the procurement practices and procedures of each department and agency of the United States having procurement authority;

(2) publish and disseminate such information to procurement officers in all Federal agencies; and

(3) make such information available to any small business concern requesting such information.

(b) IDENTIFICATION OF SMALL BUSINESS CONCERNS OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary of Labor for Veterans' Employment and Training and the Administrator of the Small Business Administration, identify small business concerns owned and controlled by veterans in the United States. The Secretary shall inform each small business concern identified under this paragraph that information on Federal procurement is available from the Administrator.

(c) SELF-EMPLOYMENT OPPORTUNITIES.—The Secretary of Labor, the Secretary of Veterans Affairs, and the Administrator of the Small Business Administration shall enter into a memorandum of understanding to provide for coordination of vocational rehabilitation services, technical and managerial assistance, and financial assistance to

veterans, including service-disabled veterans, seeking to employ themselves by forming or expanding small business concerns. The memorandum of understanding shall include recommendations for expanding existing programs or establishing new programs to provide such services or assistance to such veterans.

**TITLE VII—MISCELLANEOUS PROVISIONS**

**SEC. 701. ADMINISTRATOR'S ORDER.**

The Administrator of the Small Business Administration shall strengthen and reissue the Administrator's order regarding the 3d sentence of section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)), relating to non-discrimination and special considerations for veterans, and take all necessary steps to ensure that its provisions are fully and vigorously implemented.

**SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY.**

Section 202 of Public Law 94-305 (15 U.S.C. 634b) is amended—

(1) in paragraph (10), by striking "and" at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(12) evaluate the efforts of each department and agency of the United States, and of private industry, to assist small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by serviced-disabled veterans, as defined in such section 3(q), and to provide statistical information on the utilization of such programs by such small business concerns, and to make appropriate recommendations to the Administrator of the Small Business Administration and to Congress in order to promote the establishment and growth of those small business concerns."

**SEC. 703. STUDY OF FIXED-ASSET SMALL BUSINESS LOANS.**

(a) IN GENERAL.—The Comptroller General shall conduct a study on whether there would exist any additional risk or cost to the United States if—

(1) up to 10 percent of the loans guaranteed under chapter 37 of title 38, United States Code, were made for the acquisition or construction of fixed assets used in a trade or business rather than for the construction or purchase of residential buildings; and

(2) such loans for acquisition or construction of fixed assets were for a term of not more than 10 years and the terms regarding eligibility, loan limits, interest, fees, and down payment were the same as for other loans guaranteed under such chapter.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the enactment of this Act, the Comptroller General shall transmit the report described in subsection (a) to the Committees on Veterans' Affairs and the Committees on Small Business of the House of Representatives and the Senate.

(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall specifically address the following:

(A) With respect to the change in the veterans' housing loan program contemplated under subsection (a):

(i) The increase or decrease in administrative costs to the Department of Veterans Affairs.

(ii) The increase or decrease in the degree of exposure of the United States as the guarantor of the loans.

(iii) The increase or decrease in the Federal subsidy rate that would be possible.

(iv) Any increase in the interest rate or fees charged to the borrower or lender that would be required to maintain present program costs.

(B) Information regarding the delinquency rates, default rates, length of time required for recovery after default, for fixed-asset business loans, of a size and duration comparable to those contemplated under subsection (a), made available in the private market or under section 503 of the Small Business Investment Act.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the rule, the gentleman from Missouri (Mr. TALENT) and the gentlewoman from New York (Mrs. MCCARTHY) 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, in November 1998, the Small Business Administration's Veterans Affairs Task Force for Entrepreneurship filed its report. The task force examined all SBA programs, including business development, education and training, financial assistance, government contracting and advocacy to determine ways to improve SBA's ability to assist veterans. The task force identified certain high priority recommendations. It is the purpose of this bill, H.R. 1568, to implement those high priority recommendations.

First, the task force recommended guaranteed loan opportunities. H.R. 1568 makes veterans eligible for funds under the microloan, Delta Loan and State Development Company programs. This enables veterans to access capital markets currently available to women, low-income, minority entrepreneurs and other business owners possessing the capability to operate successful business concerns.

Second, the task force identified an outreach program to assist disabled veterans in business training and management assistance. H.R. 1568 amends the Small Business Development Act to require the Secretary of Veterans Affairs, the Administrator of the Small Business Administration and the small business development center associations to train all veterans, including disabled veterans, in business training and management assistance, procurement opportunities and other business areas.

Third, the task force urged a veterans company or corporation to address veterans small business issues. The Veterans Entrepreneurship and Small Business Development Act creates the National Veterans Business Development Corporation. This corporation will coordinate private and public resources from Federal organizations, for example, the SBA and the Department of Veterans Affairs, to establish and maintain a network of information and assistance centers for use by veterans and the public. H.R. 1568 requires the National Veterans Business Development Corporation to become self-sustaining by eliminating the corporation's minimal Federal funding in 4 years.

Fourth, the task force sought a regulation classifying veteran-owned businesses as a socially and economically

disadvantaged business group. Rather than a regulation, H.R. 1568 affords veteran-owned small businesses an opportunity to compete on the same level with small business concerns owned and controlled by socially and economically disadvantaged individuals.

Finally, Mr. Speaker, I want to thank the gentleman from Illinois (Mr. PHELPS) for offering his amendment which guarantees that reservists in different businesses, say, plumbing, electrician or contractor small business owners who are called to active duty, guarantees them the ability to access loans to keep the business afloat while the reservist/small business owner serves our country. Mr. Speaker, the law already protects employees called to active duty as it should. Thanks to this amendment, it will soon provide some protection to the small business owner.

Mr. Speaker, we all recognize our Armed Forces safeguard our freedoms and liberty at great sacrifice to our servicemen. Our veterans liberated Europe and the Pacific in the 1940s, they stopped the spread of communism in the 1950s, 1960s and 1970s, and they freed oppressed peoples in the 1980s and 1990s. These men and women willingly sacrificed for their country. H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999, provides them the opportunity to enjoy the fruits of their labor and the blessings of liberty which they secured.

Mr. Speaker, I urge my colleagues to support H.R. 1568.

Mr. Speaker, I reserve the balance of my time.

Mrs. MCCARTHY of New York. Mr. Speaker, I yield myself such time as I may consume. I thank the gentleman from Missouri (Mr. TALENT) who is the chairman of the Committee on Small Business and I thank the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member. I think this is something that can show that our committee works very well together, certainly for our veterans but also for our small businesses.

Mr. Speaker, I rise in support of an important piece of legislation that ensures our veterans the resources and access to capital needed to start or expand a small business. As a cosponsor of this legislation, I believe the Veterans Entrepreneurship and Small Business Development Act of 1999 remedies many of the inequities veterans face when looking for small business assistance. Thousands of brave men and women have fought for our country and the freedoms we cherish. Unfortunately when they return to civilian life, veterans encounter numerous barriers when they are attempting to start up or expand their businesses.

This can range from a lack of training to difficulty securing adequate capital. H.R. 1568 helps these men and women become entrepreneurs and embrace the American dream for which they fought so hard to preserve. It is apparent that small businesses have

become the backbone of our economy and continue to provide invaluable services. Currently, out of a total business population of 23.2 million, 5.5 million are owned or operated by veterans.

The district I represent on Long Island, New York, is dependent on the success of veteran-owned small businesses. Although a number of programs exist at the Small Business Administration to provide assistance, many are not targeted at veterans.

One obvious concern involves the lack of centralized resources from which veterans can obtain information on programs and capital specifically created for them. This legislation would create an Office of Veterans Business Development and an associate administrator within the SBA to promote veteran opportunities. In addition, it calls for the creation of an Advisory Committee on Veterans Business Affairs to serve as an independent source of advice, policy and recommendations to the SBA, the Congress and the President.

Lastly, H.R. 1568 also addresses concerns raised by disabled veterans. Currently there are over 104,000 service-disabled veterans in the business community. The Veterans Entrepreneurship and Small Business Development Act establishes a 5 percent subcontracting goal for service disabled veterans. By taking this step, we are ensuring that veterans, especially those injured fighting for their country, have equal opportunity to government contracts. Too often we see our veterans neglected in their time of need. Under this legislation, veterans will receive greater access to capital and training, programs that will allow them to succeed in a market system they fought so hard to protect. I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. TALENT. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Maryland (Mr. BARTLETT).

Mr. BARTLETT of Maryland. Mr. Speaker, it is time we keep our promises to veterans. I am proud to be a supporter of H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999. This is a bill which deserves the support of every Member of the House.

It was almost a year ago at a joint House subcommittee hearing on May 20, 1998, that representatives of veterans advocacy groups universally blasted the Small Business Administration, SBA, for decades of ignoring congressional mandates to give veterans and veteran-owned small businesses appropriate consideration. That was a hearing I cochaired of the Subcommittee on Government Programs and Oversight of the Committee on Small Business along with the gentleman from New York (Mr. QUINN), who chairs the Subcommittee on Benefits of the Committee on Veterans' Affairs.

We as a Nation must keep the promises we have made to those who served

in our Armed Forces. If we do not keep our promises to veterans, we suffer more than shame and dishonor. How this Nation treats our veterans directly impacts the lives and the families of veterans and those currently on active duty. It also affects our ability to recruit capable men and women to serve in the future.

It is ironic that SBA would have had such a shameful record when entrepreneurial assistance to veterans dates back to World War II and is one of the great success stories of the Federal Government under the GI bill. This current bill is all about keeping promises. H.R. 1568 incorporates the recommendations from that May 20 hearing. It is a good bill. It is a bill that I hope will help restore the faith of our veterans.

Mrs. MCCARTHY of New York. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in strong support of H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999. I would like to take this opportunity to thank the gentleman from Missouri (Mr. TALENT), the chairman of the Committee on Small Business, for introducing this legislation and for his continuing commitment to our veteran community. I would also like to thank the gentlewoman from New York (Mrs. MCCARTHY) for her work on behalf of veterans both in the committee and in the House.

Throughout America's history, countless men and women have served our country and fought for its ideals as members of our armed services. However, when veterans return to civilian life, they have also encountered barriers to starting or expanding a business.

Although there are a number of programs at the SBA to provide assistance, many of these are not specifically targeted at veterans. The legislation before us today seeks to remedy some of the inequities that our service men and women face upon their return to civilian life. In doing so, H.R. 1568 will provide greater opportunity for the 5.5 million businesses owned or operated by veterans. Additionally, this bill will help the 104,000 service disabled veterans within the business community.

This legislation, H.R. 1568, will give a boost to veterans seeking to start their own business by creating a National Veterans Development Corporation to provide training and counseling. Additionally, it establishes a veterans advisory board to counsel SBA on veterans issues and expands veterans' access to capital and Federal contracting opportunities.

Often overlooked is the fact that many current small business owners also serve in the Reserves or National Guard. When the call to serve comes, they selflessly heed it and leave their

business behind. Unfortunately, too often this results in economic hardship. I would like to thank the gentleman from Illinois (Mr. PHELPS) for offering an amendment that provides these individuals with the capital and expertise they need to continue their businesses. The call-up during Kosovo has demonstrated the importance of our Reserves, and I commend the gentleman from Illinois for helping our service men and women.

This is the time of year in which we celebrate the liberties that members of our armed services have fought so hard to attain for every citizen of this great Nation. This legislation will help ensure that those individuals that have placed their lives in jeopardy for this country will be able to fulfill the American dream. With all they have done for us, this is the least that we can do. I strongly support the goals of this legislation, and I urge my colleagues to do the same.

Mr. Speaker, at this time I would also like to take this opportunity to recognize Mike Klier, one of the Democratic committee staff who worked on this legislation and will be leaving shortly. Mike has been a valuable member of the Committee on Small Business staff and will be sorely missed. On behalf of the members of the committee, I want to thank him and wish him good luck.

Mr. TALENT. Mr. Speaker, I yield myself 15 seconds to thank the distinguished ranking member for her comments and join her in her comments about Mike. We wish him all the best.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today to pledge my support for this measure, the Veterans Entrepreneurship and Small Business Development Act which authorizes technical, financial and procurement assistance to veteran-owned businesses through a variety of ways. I commend the gentleman from Missouri (Mr. TALENT) and the gentlewoman from New York (Mrs. MCCARTHY) for bringing this measure to the floor at this time.

As veterans make the transition from honorably serving their Nation to the competitive business world of our Nation, they confront many obstacles that stand in their way of achieving success. As national leaders, we have a responsibility to help these men and women in helping them realize their dreams. The Veterans Small Business Act has the power to do just that, to return hope to the courageous many who find themselves currently slipping on once sturdy ground.

H.R. 1568 effectively expands the eligibility for certain small business as-

sistance programs to include veterans, while additionally directing the SBA to assist veteran-owned small businesses through the creation of new development agencies and offices, such as the National Veterans Business Development Center. This bill will strengthen and expand existing small business assistance programs to ensure the longevity of programs already proven to work, like the renowned microloan and Delta Loan programs. In doing so, veterans will receive a much needed boost economically in the small business sector, an area that has been dampened by insufficient funding and technical assistance in the past.

With the economy still booming as we approach the millennium, it is imperative that we act sensibly and provide for veterans in small businesses while we have the funding to do so. Veterans affairs should be our top priority in this Congress. It is our duty as patriots to aid those who were willing to sacrifice for our Nation.

In closing, I urge my colleagues to support this worthy legislation providing small business assistance to veterans as we work to improve their welfare in this country.

Mrs. MCCARTHY of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. PASCRELL).

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Mr. PASCRELL. Mr. Speaker, as a member of the Committee on Small Business and as a veteran myself, I rise today to encourage the swift passage of the Veterans Entrepreneurship and Small Business Development Act of 1999. It is an outstanding piece of legislation that will go a long way in assisting the veterans of our Nation.

Last week our chairman, the gentleman from Missouri (Mr. TALENT), and our ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ) once again demonstrated their commitment to passing meaningful bipartisan legislation when our committee voted unanimously in support of the measure now before the House. I want to credit both of them for their dedication to our Nation's small businesses and to our nation's veterans. H.R. 1568 will help veterans who are attempting to start their own small businesses. It will accomplish this in several ways:

First, by creating an Associate Administrator for Veterans Business Development at the Small Business Administration. The bill ensures that veterans will have full access to all SBA programs and will guarantee them a seat at the table, and they have earned it.

It will accomplish and establish a national veterans' business development corporation which will organize public and private resources to help assist veterans with financing and advice.

The legislation will establish also within a very successful SCORE program the appointment of a national

veterans business coordinator. The program is comprised of retired executives who provide advice and technical assistance through a network of volunteers.

And lastly, this measure provides a 5 percent goal for government contracting with small business concerns owned and controlled by service disabled veterans.

We have adjusted the wheels of other SBA programs, Mr. Speaker, in order to respond to the needs of women and minorities. We are right to do so today for veterans. We need to readjust them to respond to the needs of our veterans, and that is exactly what this bill accomplishes.

Members of the military put themselves at a great risk to protect American interests around the world. And in return for this service, the Federal Government has made a commitment to both active duty and retired military personnel to provide certain benefits. With the measure before us today, we attempt to go beyond those benefits that the VA provides. We aim to bring veteran owned businesses into the winners circle of those small businesses that thrive and prosper year after year.

As a veteran, I have always maintained a personal commitment to protecting the rights of those who have served, and I have striven to be an advocate on their behalf. Two weekends ago in our district, we had a veterans registration drive, Mr. Speaker. Four hundred fifty veterans signed up, bringing those heroes to the point where they can access the benefits they have earned. Many of our veterans do not even know what they are entitled to. We cannot sit by idly and let that exist.

This bill is another aspect of that commitment to those who have made the ultimate commitment to our Nation. It will ensure that veterans have greater access to capital and business training programs, and for those entrepreneurial veterans, among them 48,000 in my own district, I believe throughout America making access, making veterans available and reaching out to them in a very positive way is what we should be all about. I believe this measure will lower the barriers they face, our veterans, help them build and develop businesses that will flourish.

Our veterans helped shape the prosperity our Nation currently enjoys. This bill, will help these veterans share in that very prosperity. It is the right thing to do.

As a cosponsor of this legislation, I urge my colleagues to support H.R. 1568, the Veterans Entrepreneurship Small Business Development Act of 1999.

Mr. TALENT. Mr. Speaker, I yield myself 1 minute just to comment to the gentleman's speech. As always, he inspires me and particularly in this field. There is no stronger advocate for veterans than the gentleman from New Jersey. He is absolutely correct, and

maybe I should quote one of the witnesses from one of the veterans organizations who testified in support of this bill, when one of the members of the committee asked him what was available in terms of outreach programs for veterans, and he responded by saying:

"Look, the good thing about this bill is it lets us help ourselves. We set up these assistance centers, and then we will have veterans in these communities networking and connecting veterans with entrepreneurship opportunities and, by the way, going beyond that, to do other things that can help veterans and their families. I think it's a tremendous way of increasing the infrastructure available for veterans' assistance."

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. STUMP), the chairman of the Committee on Veterans' Affairs, and I want to thank him for his work on this bill and his advocacy on behalf of veterans.

Mr. STUMP. Mr. Speaker, I thank the gentleman for yielding me this time. I just want to take this opportunity to thank the chairman, the gentleman from Missouri (Mr. TALENT) of the Committee on Small Business, and his ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), and all of the members of this committee for the tremendous efforts that they have put forth in bringing this bill before the House today.

I think that the reasoned report of the Congressional Commission of Veterans Transition Assistance pretty much says it all with regards to this bill, and I quote: As a matter of fundamental fairness, Congress should accord veterans a full opportunity to participate in the economic system that their services sustained. That certainly is this bill's objective, and many of our veterans will benefit from this.

And once again my congratulations to the chairman of the committee on this.

Mrs. MCCARTHY of New York. Mr. Speaker, I yield as much time as he may consume to the gentleman from Illinois (Mr. PHELPS).

(Mr. PHELPS asked and was given permission to revise and extend his remarks.)

Mr. PHELPS. Mr. Speaker, I want to thank first the gentlewoman from New York (Mrs. MCCARTHY) for yielding me the time and the opportunity. I certainly want to thank the gentleman from Missouri (Mr. TALENT) for his hard work on such a valuable piece of legislation and for allowing me to incorporate my bill, the Military Reservists Small Business Act to the Veterans Entrepreneurship and Small Business Act and also not to overlook the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), for her leadership and her help and assistance. As a new Member, I certainly appreciate it.

Mr. Speaker, I rise today to support this very important legislation which I have cosponsored. The Veterans Entre-

preneurship and Small Business Development Act will ensure that those who have helped sustain the American economy through their military service and sacrifice will deservedly receive a fair share of assistance through the Small Business Administration.

This legislation includes veterans in the full range of programs and services at SBA and establishes some key additional programs specifically for veterans. I specially support the program which incorporates my legislation to assist military reservists who have been called to service in Kosovo. This program ensures that reservists who are small business owners or entrepreneurs do not have to risk their business while risking their lives for the principles of freedom and human rights.

This program offers three types of assistance by first authorizing a deferral of loan repayments on any direct loan from the SBA; secondly, establish a low-interest loan, economic injury loan program to provide interim operating capital to any small business if the departure of a military reservist to key active duty causes economic harm. And finally, directing SBA and all of its private sector partners to engage in outreach training and counseling programs to assist businesses that might experience significant disruption due to the effects of military reservists reporting to duty in Kosovo.

The upcoming Fourth of July holiday reminds us all of the importance of independence and freedom. Veterans have fought hard for their country, and this measure gives us the opportunity to recognize their efforts by supporting their entrepreneurial efforts. We can never repay veterans for their sacrifices, but we can certainly assist their efforts to become as successful in business as they have been in the military.

This legislation ensures that veterans even after their service is over have the opportunity to continue contributing to our national security by creating jobs and strengthening our economy.

Mr. Speaker, I urge you and colleagues to join me in supporting H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999.

Mr. TALENT. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. BONO).

Mrs. BONO. Mr. Speaker, I am proud to rise in support of H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999. Of all individuals Congress attempts to assist, I believe the men and women who served our country in war and peace are especially deserving of our help and special consideration. Over 30 military and veterans service organizations representing more than 12 million veterans support H.R. 1568. These organizations are not asking for a handout. All they want is for us to let them help themselves.

One of the most important functions of this bill is to create a national veterans' business development corporation. This corporation will fund centers throughout the country to provide technical assistance for interested veterans, and with the support of veterans groups there is a provision in this bill to make certain that after 4 years these centers will become self-sufficient. I can think of no better way for Congress to give veterans a means toward achieving financial independence.

H.R. 1568 also establishes an Office of Veterans Business Development at the Small Business Administration. Over the years, Congress has encouraged the SBA to take up the cause of helping veterans. However, it is apparent that we need to strengthen our will. Hopefully this office within the SBA will serve as a means to highlight and serve the needs of veterans in business.

Riverside County in California, a significant part of which I represent, has 143,380 veterans. My resolve to help these brave men and women will never wane. Mr. Speaker, I want to make sure our veterans have the best chance available to make it on their own. With a little bit of technical assistance, our veterans will take charge and find the success they so rightly deserve.

Mrs. MCCARTHY of New York. Mr. Speaker, I yield as much time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Speaker, I thank my colleague for yielding this time to me. Mr. Speaker, I rise today in support of H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999, to also commend our chairman, the gentleman from Missouri (Mr. TALENT) for introducing this bill and to commend both him and our ranking member for their untiring efforts on behalf of small businesses in this country.

Mr. Speaker, there have been several bills brought to this floor today that recognize meaningful and tangible ways the contributions our Nation's veterans have made and the debt this country owes to them. I am proud to support them all.

As we all are aware, veterans, particularly those who served during and since Vietnam, encounter many barriers in transitioning to civilian life. Part of this transitioning includes obtaining meaningful employment or starting their own businesses. Our disabled veterans, like other citizens and residents with special health care needs, have particularly difficult times entering the economic mainstream. H.R. 1568 seeks to break down many of those barriers.

One of the most significant things this legislation does is to create a national veterans business development corporation charged with increasing entrepreneurship and technical assistance to veterans. It also requires that small businesses owned by veterans be included in all government contracting and sets a goal. And it creates a small

business relief program for reservists and members of the National Guard who own small businesses when they are called up to active duty. Passage of the Veterans Entrepreneurship and Small Business Development Act of 1999 will ensure that veterans, even after their service is over, have the opportunity to pursue their dreams to achieve success and to share in the prosperity of this great Nation.

In sum, this bill enables our veterans to become self-sufficient. With all that they have done for this country, as has been said earlier, this is the least that we can do for them. I urge my colleagues to vote in favor of H.R. 1568.

Mrs. MCCARTHY of New York. Mr. Speaker, we have no additional speakers, and if the chairman is prepared, I can go ahead and close?

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

We called upon our veterans to endure the hardships of war and being away from home. They serve proudly without question. Many have made a career out of this service, however when we continue downsizing in our military force an influx of servicemen and women are entering civilian life only to encounter a lack of assistance when attempting to start a business for themselves. The Veterans Entrepreneurship and Small Business Development Act provides the resources they need to succeed in their transition to private sector. Their success not only benefits them but also the surrounding community overall economy.

As we approach July 4 weekend and reflect upon the liberties that we fought so hard to obtain, we should not forget the men and women who continue to fight to protect these liberties. By passing this legislation, we are providing our veterans with the tools that will allow them to make that dream they fought for a reality.

□ 1530

I urge my colleagues to support this bill and help veterans succeed in the business community.

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

Mr. Speaker, I do not know what more could be said about this bill. It has the broadest coalition that I have ever seen supporting a veterans bill in terms of the veterans service organizations. As I said before, it helps these veterans in helping themselves and I think remedies some injustices from long past in terms of how we treat them in terms of procurement and loans and entrepreneurial opportunities.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this important piece of legislation will help veterans establish and develop small businesses. By creating an Office of Veterans Business Development within the Small Business Administration, we will ensure that our veterans will be able to compete in the small business world. This office will formulate, execute, and promote the policies and programs of the Small Business Administration that provide as-

sistance to small business concerns owned and controlled by veterans, including service-disabled veterans. It is important that we reward these important citizens with business opportunities such as these.

This bill directs the Veterans Affairs Secretary and the Small Business Administration's Administrator to enter into a memorandum of understanding with respect to entrepreneurial assistance to veterans, including service-disabled veterans, through small business development centers and Veterans Affairs facilities. I find it encouraging that this assistance includes the conducting of studies concerning the operation of small businesses by veterans, the training of veterans in small business management, and the teaching of Internet and other academic instruction. This bill also provides assistance and information to veterans concerning Federal, State and local agencies and helps to address the concerns of these veterans.

Finally, the creation of the 15 member advisory committee will also greatly assist the veterans. This committee will work in conjunction with the Small Business Administration to review programs in the public and private sectors that may affect small businesses owned by veterans. This committee also will collect business information and monitor other programs and agencies that may affect the growth and development of small businesses owned by veterans.

Small business is a vital sector of the business world. In my home State of Texas, almost four million Texans work in businesses with less than 500 employees, generating a total payroll of about \$100 billion a year. This sector of business is growing. From 1992 to 1996, small businesses have added 162,201 new jobs. In 1998, Texas businesses with less than 100 employees employed 42.4 percent of the Texas, non-farm workforce (up from 40.6 percent in 1996). Small and medium businesses account for more than 67 percent of the Texas workforce.

Small businesses are the economic backbone for many of our communities throughout this nation. This legislation is designed to allow our veterans to prosper in this business world. It is our way of paying them back for years of service to our Nation.

Mr. EVANS. Mr. Speaker, I rise in strong support of H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999. As a long-time supporter of veterans' small business efforts and veterans' employment programs, I commend Congressman JIM TALENT, Chairman of the House Committee on Small Business, and Congresswoman NYDIA VELÁZQUEZ, the Committee's Ranking Democrat, for bringing this important legislation before the House. In developing this legislation, JIM listened to hard-working veterans business owners and veterans' advocates who strongly encouraged creation of a National Veterans Business Development Corporation. Additionally, H.R. 1568 provides a clear mandate for the Small Business Administration to not just support, but champion, veteran entrepreneurs to gain access to business opportunities.

Small businesses are the engines that drive job creation in America. Most net job growth in the last 10 to 15 years in the United States has resulted from small businesses. Not only does America need small business, it needs the networking skills, the inventiveness, the

can-do attitude of veterans that have been gained during their military service. Our country has an investment in the success of veteran-entrepreneurs—including many disabled veterans—and this legislation will help protect our investment.

Veterans who establish their own businesses are a double asset to America. They contribute their service-honed skills to the development of our economy, and they are a key link in the expansion of employment opportunities for others. It is simply good sense to give them meaningful support in today's global economy. After serving this nation in uniform, our "Private Ryans" have come home to contribute to America's economic success—not only after World War II, but after every subsequent conflict. Using skills gained during their military service, veterans have become successful entrepreneurs, continuing to contribute to our Nation. We can never repay these men and women for their sacrifices, but we can certainly support their efforts to become successful entrepreneurs—success which will benefit all Americans.

H.R. 1568 is an excellent bill, and I again thank Chairman JIM TALENT and Congresswoman VELÁZQUEZ, the Ranking Democratic Member of the Small Business Committee, for their strong support for America's veterans.

Mrs. CAPP. Mr. Speaker, I would like to take this opportunity to speak on behalf of two important veterans' bills today—H.R. 1568 and H.J. Res. 34.

H.R. 1568, the Veteran's Entrepreneurship and Small Business Development Act of 1999 will significantly improve services to veterans by the Small Business Administration. Many veterans have the necessary skills and motivation to successfully operate their own businesses, but lack the resources to initiate such enterprise. This bipartisan legislation, supported by veterans all over the country and by organizations such as the Vietnam Veterans of America, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and the Reserve Officers Association, will provide a substantial boost to the entrepreneurial aspirations of the nation's veterans, especially veterans with service-related disabilities.

This important legislation will establish a National Veterans Business Development Center to provide small business assistance to veterans through public and private sector initiatives and partnerships. It will also strengthen the SBA's Office of Veterans Business Development and create a permanent advisory committee on veteran's business affairs. In addition, the Microloan and Delta Loan Program will be made available to veterans to finance a new business or expand an already existing company.

I am also pleased to speak on behalf of H.J. Res. 34, a Resolution congratulating and commending the Veterans of Foreign Wars (VFW). This admirable organization is celebrating its 100th anniversary this year in working for the rights and needs of American veterans. The VFW currently represents the interests of 2,000,000 veterans who have served in wars ranging from World War I and II, to Korea and Vietnam, to the more recent Persian Gulf War and conflict in Bosnia.

Mr. Speaker, our veterans have served this nation with honor and dignity, they have made tremendous sacrifices for our liberty, and they

deserve our utmost support. That is why I intend to vote in favor of H.R. 1568 and H.R. Res. 34.

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

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered the gentleman from Missouri (Mr. TALENT) that the House suspend the rules and pass the bill, H.R. 1568, as amended.

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

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on H.R. 1568, the bill just passed.

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

There was no objection.

#### PROHIBITING STATES FROM IMPOSING DISCRIMINATORY COMMUTER TAXES

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2014) to prohibit a State from imposing a discriminatory commuter tax on nonresidents.

The Clerk read as follows:

H.R. 2014

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

#### SECTION 1. PROHIBITION ON IMPOSING DISCRIMINATORY COMMUTER TAX ON NONRESIDENTS.

(a) PROHIBITION.—A State may not impose a tax on the income earned in the State by nonresidents unless the tax is of substantial equality of treatment for the citizens of the State and the nonresidents so commuting.

(b) STATE.—For purposes of subsection (a), the term "State" includes the District of Columbia and any political subdivision of a State.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GEKAS) and the gentleman from New York (Mr. NADLER) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GEKAS).

#### GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous materials, on H.R. 2014, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, this piece of legislation is to mend a very peculiar and unique

situation that has arisen between the States of New Jersey and New York. By virtue of a tax that was imposed by New York City, it appears and does still appear that a commuter tax for people who live in New Jersey but work in New York City was asserted against those commuters in a situation different from New York State residents outside New York City who worked in New York City, thereby setting up a discriminatory set of taxes for these commuters.

The Supreme Court acted in a similar case in what is called the Austin case, finding this kind of discriminatory commuter tax unconstitutional and recently, just a couple of days ago, the New York statute itself that we are trying to amend or trying to work through that, too, was found to be unconstitutional. But we have it on good report that this might be appealed. Therefore, the question occurs for the Congress to do something about making sure that this does not continue.

In that regard, this piece of legislation was approved by the subcommittee, and we will have Members from New Jersey fully explain the contents and the aims of the legislation.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I rise in opposition to this legislation. Perhaps some of my colleagues are wondering why we are wasting taxpayers' time and money today debating a bill directed at a tax that was declared unconstitutional last Friday. In fact, as of Friday's ruling, no person on the face of the earth, not from New Jersey, Connecticut or anywhere else, is faced with this tax. It does not exist.

I realize that this is a hot political issue in some other States and so we are going to waste time talking about it, but the fact of the matter is we are talking about nothing. The bill passed in New York was atrocious. I say it about my own State legislature. It was atrocious and flatly unconstitutional, flatly against the Supreme Court's prior rulings, and the State Supreme Court in New York last Friday said it was facially unconstitutional.

Now, the gentleman from Pennsylvania (Mr. GEKAS) says it may be appealed. Yes, it will be appealed but by the City of New York, not by the State of New York, and the grounds for the appeal of the city is that the State had no right to pass the law in the first place under State law because it violated the State's home rule provision with respect to cities.

If the city wins its lawsuit, the law will be reinstated, but it will be equal. That is, it will apply to commuters from within the State and from other States equally, as was the case for the last 30 years prior to the State legislature's atrocious actions a few weeks ago. If the city loses its appeal, the tax will not exist. In either event, this bill has no impact and can have no impact

on the situation with respect to New York, New Jersey and Connecticut.

The situation the bill's authors mean to address is the fact that the bill by its terms, the bill the legislature passed by its terms, said that New York City cannot levy a commuter tax on commuters from elsewhere in the State but can on commuters from other States.

The Supreme Court knocked that down, and it is out. So why are we dealing with this bill? For political reasons. Now that I understand. We do a lot of things here for political reasons. That is not so terrible, but the fact is this bill would affect the tax laws in every State.

The bill has not been properly considered. There have been no hearings on this bill. The bill was not considered or voted on by the subcommittee. It went straight to the committee without any hearings. And we do not understand, in the rush to get this bill to the floor, the Republican majority which cites that the committee process would have given us a chance to look the bill over more carefully.

It deals with a very complex area of interstate taxation. While it was written specifically to address the New York-New Jersey-Connecticut situation, it applies to every jurisdiction in the United States. I think it is a mistake to consider it before the subcommittee has had a chance to have hearings and to really understand the implications of the bill the way it is drafted.

To the extent the bill reflects the current state of constitutional jurisprudence, I have no objections, but we should take the time to understand what other unforeseen effects it may have nationally on various State tax laws across the country. We have not done this, and it is a mistake.

Congress needs to consider that this legislation would apply to every State which taxes income earned within its borders by nonresidents. The normal process served by the Committee on the Judiciary would be able to assess the impact this legislation would have on the myriad State tax laws nationally rather than focusing on one cross-border tax dispute which is no longer at issue since the State courts have thrown out the law as unconstitutional.

I understand this is a political hot potato in New Jersey and Connecticut, but that is no reason to rush the legislation through the process without any review, especially now that the tax that has the residents of those States upset no longer exists.

Mr. Speaker, I submit that this is an unnecessary bill at this time; and we should send it back, not pass it. Let the committee consider it properly and see how it impacts on the States other than New York, Connecticut and New Jersey, on which States it will have no impact at all.

Mr. Speaker, I reserve the balance of my time.