

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ENZI. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 75) was agreed to, as follows:

#### S. RES. 75

*Resolved*, That Senate Resolution 105 of the One Hundred First Congress, agreed to April 13, 1989, as amended by Senate Resolution 149 of the One Hundred Third Congress, agreed to October 5, 1993, is further amended as follows:

(1) In subsection (a) of the first section, by striking paragraph (1) and inserting the following:

“(1) the Senate Arms Control Observer Group, which was previously constituted and authorized by the authority described in paragraph (2), is hereby reconstituted and reauthorized as the Senate National Security Working Group (hereafter in this resolution referred to as the ‘Working Group’).”

(2) By striking “Observer Group” each place it appears in the resolution, except paragraph (3) of subsection (a) of the first section, and inserting “Working Group”.

(3) By striking “Group” in the second sentence of section 3(a) and inserting “Working Group”.

(4) By striking paragraph (3) of subsection (a) of the first section and inserting the following:

“(3)(A) The members of the Working Group shall act as official observers on the United States delegation to any negotiations, to which the United States is a party, on any of the following:

“(i) Reduction, limitation, or control of conventional weapons, weapons of mass destruction, or the means for delivery of any such weapons.

“(ii) Reduction, limitation, or control of missile defenses.

“(iii) Export controls.

“(B) In addition, the Working Group is encouraged to consult with legislators of foreign nations, including the members of the State Duma and Federal Council of the Russian Federation and, as appropriate, legislators of other foreign nations, regarding matters described in subparagraph (A).

“(C) The Working Group is not authorized to investigate matters relating to espionage or intelligence operations against the United States, counterintelligence operations and activities, or other intelligence matters within the jurisdiction of the Select Committee on Intelligence under Senate Resolution 400 of the Ninety-Fourth Congress, agreed to on May 19, 1976.”

(5) In paragraph (4) of subsection (a) of the first section—

(A) in subparagraph (A)—

(i) by striking “Five” in the matter preceding clause (i) and inserting “Seven”;

(ii) by striking “two” in clause (ii) and inserting “three”; and

(iii) by striking “two” in clause (iii) and inserting “three”;

(B) in subparagraph (C), by striking “Six” and inserting “Five”; and

(C) in subparagraph (D), by striking “Seven” and inserting “Six”.

(6) In section 2(b)(3), by striking “five”.

(7) In the second sentence of section 3(a)—

(A) by striking “\$380,000” and inserting “\$500,000”; and

(B) by striking “except that not more than” and inserting “of which not more than”.

(8) By striking section 4.

(9) By amending the title to read as follows: “Resolution reconstituting the Senate Arms Control Observer Group as the Senate National Security Working Group, and revising the authority of the Group.”

#### MAKING TECHNICAL CORRECTIONS TO THE MICROLOAN PROGRAM

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Small Business be discharged from further consideration of H.R. 440, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 440) to make technical corrections in the Microloan Program.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KERRY. Mr. President, tonight the Senate will vote on H.R. 440, the Microloan Program Technical Corrections Act of 1999. I urge my colleagues to support this Act which, including my amendment, makes important changes to the Small Business Administration's (SBA) Microloan program. It revises the loan loss reserve requirement for microlenders and makes changes that will more equitably distribute the microloan dollars available to each state. Ultimately, these changes will allow microlenders and intermediaries to make more loans and offer more technical assistance to our nation's small businesses.

Most of my colleagues know that microloans and technical assistance are effective and powerful economic development tools because they voted to make the SBA's microloan program a permanent part of the Agency's lending programs in 1997.

Let's look at the record since the SBA's microloan pilot program was launched in 1991. It has provided more than 7,900 microloans, worth some \$80.3 million. For every microloan, 1.7 jobs are created. And, if a borrower was a welfare recipient, it is common for them to hire other welfare recipients. As the program was intended to do, a great percentage of microloans have gone to traditionally underserved groups, including 45 percent to women-owned businesses, 39 percent to minority-owned businesses and 11 percent to veteran-owned businesses. Voting for these measures will be a vote to make a good program better.

Specifically, this legislation revises the loan loss reserve requirement (a cash reserve to guarantee that the government is paid back if a loan defaults) for microlenders by setting a 15-percent ceiling and a 10-percent floor.

After a microloan intermediary has participated in the SBA Microloan program for five years and demonstrated its ability to maintain a healthy loan fund, it can request that SBA review and, when appropriate, reduce its loan loss reserve from 15 percent to a percentage based on its average loan loss rate for the five-year period. The proposed change would continue to protect the government's interest in microloans as well as enhance the program by freeing up cash which microlenders could reprogram for more microloans or technical assistance to small business owners.

With my amendment, this legislation establishes a floor for the distribution of microloan funds available to the states, including the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. Depending on the amount of appropriations, the SBA must provide the lesser of either \$800,000 or the even division of the funds among the 55 states. For any monies that exceed \$44 million (\$800,000 x 55 states), the Administration has the discretion to decide how to distribute the microloan funds. The Administration also has the discretion to distribute any additional money that is left over at the beginning of the third quarter of a fiscal year.

Mr. President, in Massachusetts and across the country, microloans and technical assistance are working; assisting individuals with the tools to successfully start and manage their own business. I thank my colleagues for their past support of small business and urge them to vote for H.R. 440 as amended.

#### AMENDMENT NO. 248

(Purpose: To provide for the equitable allocation of appropriated amounts)

Mr. ENZI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for Mr. KERRY, proposes an amendment numbered 248.

Mr. ENZI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike lines 7 through 20, and insert the following:

(1) in paragraph (7), by striking subparagraph (B) and inserting the following:

“(B) ALLOCATION.—

“(i) MINIMUM ALLOCATION.—Subject to the availability of appropriations, of the total amount of new loan funds made available for award under this subsection in each fiscal year, the Administration shall make available for award in each State (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) an amount equal to the sum of—

“(I) the lesser of—

“(aa) \$800,000; or

“(bb) 1/55 of the total amount of new loan funds made available for award under this subsection for that fiscal year; and

“(II) any additional amount, as determined by the Administration.

“(ii) REDISTRIBUTION.—If, at the beginning of the third quarter of a fiscal year, the Administration determines that any portion of the amount made available to carry out this subsection is unlikely to be made available under clause (i) during that fiscal year, the Administration may make that portion available for award in any 1 or more States (including the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa) without regard to clause (i).”;

Mr. ENZI. Mr. President, I ask unanimous consent that the amendment be agreed to, the motion to reconsider be laid upon the table, the bill, as amended, be considered read the third time, passed, and the motion to reconsider be laid upon the table, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 248) was agreed to.

The bill (H.R. 440), as amended, was considered read the third time and passed.

#### DISASTER MITIGATION COORDINATION ACT OF 1999

Mr. ENZI. Mr. President, I ask unanimous consent that S. 388 be discharged from the Small Business Committee and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 388) to authorize the establishment of a disaster mitigation pilot program in the Small Business Administration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KERRY. Mr. President, after one year of working to enact a program that emphasizes prevention over reaction in dealing with natural disasters, the bill Senator CLELAND and I first introduced in the 105th Congress has made its way back to the Senate for our consideration and support. I ask my colleagues to vote for S. 388, the Disaster Mitigation Coordination Act of 1999. Your vote will help our nation's small businesses save money and prepare for natural disasters.

This bill establishes a 5-year pilot program that would make low-interest, long-term loans available to small business owners financing preventive measures to protect their businesses against, and lessen the extent of, future disaster damage. This pilot is designed to help those small businesses that can't get credit elsewhere and that are located in disaster-prone areas.

The small business pre-disaster mitigation loan pilot program would be run

as part of the Small Business Administration's regular disaster loan program, testing the pros and cons of preparedness versus reaction. Currently, SBA's disaster loans are available for mitigation after a recent natural disaster. Those loans are also limiting because only 20 percent of an SBA disaster loan may be used to install new mitigation techniques that will prevent future damage. In contrast, this legislation would allow 100 percent of an SBA disaster loan to be used for mitigation purposes within any area that the Federal Emergency Management Agency (FEMA) has designated as disaster-prone. In Massachusetts, that includes Marshfield and Quincy, two coastal communities that are prone to flooding, rainstorms and Nor'easters.

I see a great need for this type of assistance in the small business community. Aside from avoiding inconveniences and disruptions, we know that there are cost-benefits to making meaningful improvements and changes to facilities before a disaster. According to the Federal Emergency Management Agency, which has a disaster mitigation program for communities, rather than businesses, we save two dollars of disaster relief money for each dollar spent on disaster mitigation.

Nationwide, whether you're a business in Florida or Massachusetts, this pilot would allow you to take out a loan to make the improvements to your building or office to protect against disasters. To lessen damage from hurricanes, it can mean constructing retaining and sea walls. To lessen damage from fires, it can mean adding sprinklers and flame-retardant building materials. And to lessen damage from floods, it can mean grading and contouring land or relocating the business.

The administration supports this pilot program and included it in President Clinton's budget request two years in a row—fiscal years 1999 and 2000. As the bill authorizes, the President requests that up to \$15 million of the total \$358 million proposed for disaster loans be used for disaster mitigation loans.

Senator CLELAND and I introduced this same legislation in the last Congress. And although it passed committee and the full Senate without opposition, the House did not vote on its merits before the 105th Congress ended. I thank our friends in the House and my colleagues in the Senate for sharing our concern to meet the needs of our small business owners while also working to find solutions that are smarter, more pro-active and more cost-effective. Mr. President, I am pleased to be a cosponsor of this legislation and am hopeful it will pass the Senate today and that the President will soon sign it in to law.

Mr. ENZI. I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be

laid upon the table, and that any statements relating to the bill appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 388) was read the third time and passed, as follows:

S. 388

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

#### SECTION 1. DISASTER MITIGATION PILOT PROGRAM.

(a) IN GENERAL.—Section 7(b)(1) of the Small Business Act (15 U.S.C. 636(b)(1)) is amended—

(1) in subparagraph (B), by adding “and” at the end; and

(2) by adding at the end the following:

“(C) during fiscal years 2000 through 2004, to establish a predisaster mitigation program to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis), as the Administrator may determine to be necessary or appropriate, to enable small businesses to use mitigation techniques in support of a formal mitigation program established by the Federal Emergency Management Agency, except that no loan or guarantee may be extended to a small business under this subparagraph unless the Administration finds that the small business is otherwise unable to obtain credit for the purposes described in this subparagraph;”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end the following:

“(f) DISASTER MITIGATION PILOT PROGRAM.—The following program levels are authorized for loans under section 7(b)(1)(C):

“(1) \$15,000,000 for fiscal year 2000.

“(2) \$15,000,000 for fiscal year 2001.

“(3) \$15,000,000 for fiscal year 2002.

“(4) \$15,000,000 for fiscal year 2003.

“(5) \$15,000,000 for fiscal year 2004.”.

(c) EVALUATION.—On January 31, 2003, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of the pilot program authorized by section 7(b)(1)(C) of the Small Business Act (15 U.S.C. 636(b)(1)(C)), as added by subsection (a) of this section, which report shall include—

(1) information relating to—

(A) the areas served under the pilot program;

(B) the number and dollar value of loans made under the pilot program; and

(C) the estimated savings to the Federal Government resulting from the pilot program; and

(2) such other information as the Administrator determines to be appropriate for evaluating the pilot program.

#### REPORTS BY THE POSTMASTER GENERAL ON OFFICIAL MAIL OF THE HOUSE

Mr. ENZI. I ask unanimous consent that H.R. 705 be discharged from the Governmental Affairs Committee, and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 705) to make technical corrections with respect to the monthly reports