

Further, I ask unanimous consent that the protocols be considered as having been read for the first time, that they be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving advice and consent of the Senate to ratification, I transmit herewith two optional protocols to the Convention on the Rights of the Child, both of which were adopted at New York, May 25, 2000: (1) The Optional Protocol to the Convention on the Rights of the Child on Involvement of Children in Armed Conflict; and (2) The Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography. I signed both Protocols on July 5, 2000.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to both Protocols, including article-by-article analyses of each Protocol. As detailed in the Department of State report, a number of understandings and declarations are recommended.

These Protocols represent a true breakthrough for the children of the world. Ratification of these Protocols will enhance the ability of the United States to provide global leadership in the effort to eliminate abuses against children with respect to armed conflict and sexual exploitation.

I recommend that the Senate give early and favorable consideration to both Protocols and give its advice and consent to the ratification of both Protocols, subject to the understandings and declarations recommended in the Department of State Report.

WILLIAM J. CLINTON.
THE WHITE HOUSE, July 25, 2000.

CERTIFIED DEVELOPMENT COMPANY PROGRAM IMPROVEMENTS ACT OF 2000

Mr. NICKLES. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House to accompany H.R. 2614.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 2614) entitled "An Act to amend the Small Business Investment Act to make improvements to the certified development company program, and for other purposes", with the following amendment:

In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Certified Development Company Program Improvements Act of 2000".

SEC. 2. WOMEN-OWNED BUSINESSES.

Section 501(d)(3)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended by inserting before the comma "or women-owned business development".

SEC. 3. MAXIMUM DEBENTURE SIZE.

Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

"(2) LOAN LIMITS.—Loans made by the Administration under this section shall be limited to \$1,000,000 for each such identifiable small business concern, other than loans meeting the criteria specified in section 501(d)(3), which shall be limited to \$1,300,000 for each such identifiable small business concern."

SEC. 4. FEES.

Section 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697(f)) is amended to read as follows:

"(f) EFFECTIVE DATE.—The fees authorized by subsections (b) and (d) shall apply to any financing approved by the Administration during the period beginning on October 1, 1996 and ending on September 30, 2003."

SEC. 5. PREMIER CERTIFIED LENDERS PROGRAM.

Section 217(b) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 697e note) is repealed.

SEC. 6. SALE OF CERTAIN DEFAULTED LOANS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended—

(1) in subsection (a), by striking "On a pilot program basis, the" and inserting "The";

(2) by redesignating subsections (d) through (i) as subsections (e) through (j), respectively;

(3) in subsection (f) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)";

(4) in subsection (h) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)"; and

(5) by inserting after subsection (c) the following:

"(d) SALE OF CERTAIN DEFAULTED LOANS.—

"(1) NOTICE.—

"(A) IN GENERAL.—If, upon default in repayment, the Administration acquires a loan guaranteed under this section and identifies such loan for inclusion in a bulk asset sale of defaulted or repurchased loans or other financings, the Administration shall give prior notice thereof to any certified development company that has a contingent liability under this section.

"(B) TIMING.—The notice required by subparagraph (A) shall be given to the certified development company as soon as possible after the financing is identified, but not later than 90 days before the date on which the Administration first makes any record on such financing available for examination by prospective purchasers prior to its offering in a package of loans for bulk sale.

"(2) LIMITATIONS.—The Administration may not offer any loan described in paragraph (1)(A) as part of a bulk sale, unless the Administration—

"(A) provides prospective purchasers with the opportunity to examine the records of the Administration with respect to such loan; and

"(B) provides the notice required by paragraph (1)."

SEC. 7. LOAN LIQUIDATION.

(a) LIQUIDATION AND FORECLOSURE.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following:

"SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.

"(a) DELEGATION OF AUTHORITY.—In accordance with this section, the Administration shall delegate to any qualified State or local development company (as defined in section 503(e)) that meets the eligibility requirements of subsection (b)(1) of this section the authority to foreclose

and liquidate, or to otherwise treat in accordance with this section, defaulted loans in its portfolio that are funded with the proceeds of debentures guaranteed by the Administration under section 503.

"(b) ELIGIBILITY FOR DELEGATION.—

"(1) REQUIREMENTS.—A qualified State or local development company shall be eligible for a delegation of authority under subsection (a) if—

"(A) the company—

"(i) has participated in the loan liquidation pilot program established by the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note), as in effect on the day before the date of issuance of final regulations by the Administration implementing this section;

"(ii) is participating in the Premier Certified Lenders Program under section 508; or

"(iii) during the 3 fiscal years immediately prior to seeking such a delegation, has made an average of not fewer than 10 loans per year that are funded with the proceeds of debentures guaranteed under section 503; and

"(B) the company—

"(i) has one or more employees—

"(I) with not less than 2 years of substantive, decision-making experience in administering the liquidation and workout of problem loans secured in a manner substantially similar to loans funded with the proceeds of debentures guaranteed under section 503; and

"(II) who have completed a training program on loan liquidation developed by the Administration in conjunction with qualified State and local development companies that meet the requirements of this paragraph; or

"(ii) submits to the Administration documentation demonstrating that the company has contracted with a qualified third-party to perform any liquidation activities and secures the approval of the contract by the Administration with respect to the qualifications of the contractor and the terms and conditions of liquidation activities.

"(2) CONFIRMATION.—On request, the Administration shall examine the qualifications of any company described in subsection (a) to determine if such company is eligible for the delegation of authority under this section. If the Administration determines that a company is not eligible, the Administration shall provide the company with the reasons for such ineligibility.

"(c) SCOPE OF DELEGATED AUTHORITY.—

"(1) IN GENERAL.—Each qualified State or local development company to which the Administration delegates authority under subsection (a) may, with respect to any loan described in subsection (a)—

"(A) perform all liquidation and foreclosure functions, including the purchase in accordance with this subsection of any other indebtedness secured by the property securing the loan, in a reasonable and sound manner, according to commercially accepted practices, pursuant to a liquidation plan approved in advance by the Administration under paragraph (2)(A);

"(B) litigate any matter relating to the performance of the functions described in subparagraph (A), except that the Administration may—

"(i) defend or bring any claim if—

"(I) the outcome of the litigation may adversely affect management by the Administration of the loan program established under section 502; or

"(II) the Administration is entitled to legal remedies not available to a qualified State or local development company, and such remedies will benefit either the Administration or the qualified State or local development company; or

"(ii) oversee the conduct of any such litigation; and

"(C) take other appropriate actions to mitigate loan losses in lieu of total liquidation or foreclosure, including the restructuring of a loan in accordance with prudent loan servicing practices and pursuant to a workout plan approved in advance by the Administration under paragraph (2)(C).

“(2) ADMINISTRATION APPROVAL.—

“(A) LIQUIDATION PLAN.—

“(i) IN GENERAL.—Before carrying out functions described in paragraph (1)(A), a qualified State or local development company shall submit to the Administration a proposed liquidation plan.

“(ii) ADMINISTRATION ACTION ON PLAN.—

“(I) TIMING.—Not later than 15 business days after a liquidation plan is received by the Administration under clause (i), the Administration shall approve or reject the plan.

“(II) NOTICE OF NO DECISION.—With respect to any liquidation plan that cannot be approved or denied within the 15-day period required by subclause (I), the Administration shall, during such period, provide notice in accordance with subparagraph (E) to the company that submitted the plan.

“(iii) ROUTINE ACTIONS.—In carrying out functions described in paragraph (1)(A), a qualified State or local development company may undertake any routine action not addressed in a liquidation plan without obtaining additional approval from the Administration.

“(B) PURCHASE OF INDEBTEDNESS.—

“(i) IN GENERAL.—In carrying out functions described in paragraph (1)(A), a qualified State or local development company shall submit to the Administration a request for written approval before committing the Administration to the purchase of any other indebtedness secured by the property securing a defaulted loan.

“(ii) ADMINISTRATION ACTION ON REQUEST.—

“(I) TIMING.—Not later than 15 business days after receiving a request under clause (i), the Administration shall approve or deny the request.

“(II) NOTICE OF NO DECISION.—With respect to any request that cannot be approved or denied within the 15-day period required by subclause (I), the Administration shall, during such period, provide notice in accordance with subparagraph (E) to the company that submitted the request.

“(C) WORKOUT PLAN.—

“(i) IN GENERAL.—In carrying out functions described in paragraph (1)(C), a qualified State or local development company shall submit to the Administration a proposed workout plan.

“(ii) ADMINISTRATION ACTION ON PLAN.—

“(I) TIMING.—Not later than 15 business days after a workout plan is received by the Administration under clause (i), the Administration shall approve or reject the plan.

“(II) NOTICE OF NO DECISION.—With respect to any workout plan that cannot be approved or denied within the 15-day period required by subclause (I), the Administration shall, during such period, provide notice in accordance with subparagraph (E) to the company that submitted the plan.

“(D) COMPROMISE OF INDEBTEDNESS.—In carrying out functions described in paragraph (1)(A), a qualified State or local development company may—

“(i) consider an offer made by an obligor to compromise the debt for less than the full amount owing; and

“(ii) pursuant to such an offer, release any obligor or other party contingently liable, if the company secures the written approval of the Administration.

“(E) CONTENTS OF NOTICE OF NO DECISION.—Any notice provided by the Administration under subparagraph (A)(ii)(II), (B)(ii)(II), or (C)(ii)(II)—

“(i) shall be in writing;

“(ii) shall state the specific reason for the inability of the Administration to act on the subject plan or request;

“(iii) shall include an estimate of the additional time required by the Administration to act on the plan or request; and

“(iv) if the Administration cannot act because insufficient information or documentation was provided by the company submitting the plan or request, shall specify the nature of such additional information or documentation.

“(3) CONFLICT OF INTEREST.—In carrying out functions described in paragraph (1), a qualified State or local development company shall take no action that would result in an actual or apparent conflict of interest between the company (or any employee of the company) and any third party lender (or any associate of a third party lender) or any other person participating in a liquidation, foreclosure, or loss mitigation action.

“(d) SUSPENSION OR REVOCATION OF AUTHORITY.—The Administration may revoke or suspend a delegation of authority under this section to any qualified State or local development company, if the Administration determines that the company—

“(1) does not meet the requirements of subsection (b)(1);

“(2) has violated any applicable rule or regulation of the Administration or any other applicable provision of law; or

“(3) has failed to comply with any reporting requirement that may be established by the Administration relating to carrying out functions described in subsection (c)(1).

“(e) REPORT.—

“(1) IN GENERAL.—Based on information provided by qualified State and local development companies and the Administration, the Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on the results of delegation of authority under this section.

“(2) CONTENTS.—Each report submitted under paragraph (1) shall include—

“(A) with respect to each loan foreclosed or liquidated by a qualified State or local development company under this section, or for which losses were otherwise mitigated by the company pursuant to a workout plan under this section—

“(i) the total cost of the project financed with the loan;

“(ii) the total original dollar amount guaranteed by the Administration;

“(iii) the total dollar amount of the loan at the time of liquidation, foreclosure, or mitigation of loss;

“(iv) the total dollar losses resulting from the liquidation, foreclosure, or mitigation of loss; and

“(v) the total recoveries resulting from the liquidation, foreclosure, or mitigation of loss, both as a percentage of the amount guaranteed and the total cost of the project financed;

“(B) with respect to each qualified State or local development company to which authority is delegated under this section, the totals of each of the amounts described in clauses (i) through (v) of subparagraph (A);

“(C) with respect to all loans subject to foreclosure, liquidation, or mitigation under this section, the totals of each of the amounts described in clauses (i) through (v) of subparagraph (A);

“(D) a comparison between—

“(i) the information provided under subparagraph (C) with respect to the 12-month period preceding the date on which the report is submitted; and

“(ii) the same information with respect to loans foreclosed and liquidated, or otherwise treated, by the Administration during the same period; and

“(E) the number of times that the Administration has failed to approve or reject a liquidation plan in accordance with subsection (c)(2)(A) or a workout plan in accordance with subsection (c)(2)(C), or to approve or deny a request for purchase of indebtedness under subsection (c)(2)(B), including specific information regarding the reasons for the failure of the Administration and any delay that resulted.”

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 150 days after the date of enactment of this Act, the Administrator shall issue such regulations as may be necessary to carry out section 510 of the Small Business Investment Act of 1958, as added by subsection (a) of this section.

(2) TERMINATION OF PILOT PROGRAM.—Effective on the date on which final regulations are issued under paragraph (1), section 204 of the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note) shall cease to have legal effect.

SEC. 8. FUNDING LEVELS FOR CERTAIN FINANCINGS UNDER THE SMALL BUSINESS INVESTMENT ACT OF 1958.

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

“(g) PROGRAM LEVELS FOR CERTAIN SMALL BUSINESS INVESTMENT ACT OF 1958 FINANCINGS.—The following program levels are authorized for financings under section 504 of the Small Business Investment Act of 1958:

“(1) \$4,000,000,000 for fiscal year 2001.

“(2) \$5,000,000,000 for fiscal year 2002.

“(3) \$6,000,000,000 for fiscal year 2003.”

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate disagree with the amendment of the House, the Senate request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

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

The Presiding Officer (Mr. INHOFE) appointed Mr. BOND, Mr. BURNS, and Mr. KERRY conferees on the part of the Senate.

LONG-TERM CARE SECURITY ACT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 685, S. 2420.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2420) to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment and an amendment to the title, as follows:

(Strike out all after the enacting clause and insert the part printed in italic.)

TITLE I—FEDERAL LONG-TERM CARE INSURANCE

SEC. 1001. SHORT TITLE.

This title may be cited as the “Long-Term Care Security Act”.

SEC. 1002. LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

“CHAPTER 90—LONG-TERM CARE INSURANCE

“Sec.

“9001. Definitions.

“9002. Availability of insurance.

“9003. Contracting authority.

“9004. Financing.

“9005. Preemption.

“9006. Studies, reports, and audits.

“9007. Jurisdiction of courts.

“9008. Administrative functions.

“9009. Cost accounting standards.

“§9001. Definitions

For purposes of this chapter: