

“(c) USES OF ASSISTANCE.—Services provided by the Network shall include—

“(1) providing current business management and technical assistance in a cost-effective and culturally tailored manner that primarily serves Alaska Natives, members of Indian tribes, or Native Hawaiians;

“(2) providing Tribal Business Information Centers with current electronic commerce information, training, and other forms of technical assistance;

“(3) supporting the Resource Center; and

“(4) providing any of the services that a small business development center may provide under section 21.

“(d) GRANT AND COOPERATIVE AGREEMENT MATCHING REQUIREMENT.—

“(1) IN GENERAL.—As a condition for receiving a contract, grant, or cooperative agreement authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash or in kind contributions from non-Federal sources as follows:

“(A) One non-Federal dollar for each 4 Federal dollars in the first and second years of the term of the assistance.

“(B) One non-Federal dollar for each 3 Federal dollars in the third and fourth years of the term of the assistance.

“(C) One non-Federal dollar for each Federal dollar in the fifth and succeeding years of the term of the assistance.

“(2) WAIVER.—The Administration may waive or reduce the matching funds requirements in paragraph (1) with respect to a recipient organization if the Administration determines that such action is consistent with the purposes of this section and in the best interests of the program authorized by this section.

“(3) EXCEPTION.—The matching funds requirement of paragraph (1) does not apply to contracts, grants, or cooperative agreements made to a tribal organization for the Resource Center.

“(e) AUTHORIZATION.—There is authorized to be appropriated—

“(1) to carry out this section, \$3,000,000 for fiscal year 2001 and each subsequent fiscal year; and

“(2) to fund the establishment and implementation of one Resource Center under the authority of this section, \$500,000 for fiscal year 2001 and each subsequent fiscal year.”.

(b) NATIVE HAWAIIAN ORGANIZATIONS UNDER SECTION 8(a).—Section 8(a)(15)(A) of the Small Business Act (15 U.S.C. 637(a)(15)(A)) is amended to read as follows:

“(A) is a nonprofit corporation that has filed articles of incorporation with the director (or the designee thereof) of the Hawaii Department of Commerce and Consumer Affairs, or any successor agency;”.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, October 4, 2000, at 9:30 a.m. in room 366 of the Dirksen Senate Building to conduct an oversight hearing on alcohol and law enforcement in Alaska.

Those wishing additional information may contact committee staff at 202/224-2251.

MEASURE READ THE FIRST TIME—S. 3146

Mr. KYL. Mr. President, I understand that S. 3146 is at the desk. I ask for its first reading.

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

The legislative clerk read as follows:

A bill (S. 3146) to preserve the sovereignty of the United States over public lands and acquired lands owned by the United States, and to preserve State sovereignty and private property rights in non-Federal lands surrounding those public lands and acquired lands.

Mr. KYL. Mr. President, I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM AUTHORIZATION ACT OF 2000

Mr. KYL. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on the bill, H.R. 2392, an act to amend the Small Business Act to extend the authorization for the Small Business Innovation Research program, and for other purposes.

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. 2392) entitled “An Act to amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes,” with the following amendment:

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Extension of SBIR program.

Sec. 104. Annual report.

Sec. 105. Third phase assistance.

Sec. 106. Report on programs for annual performance plan.

Sec. 107. Output and outcome data.

Sec. 108. National Research Council reports.

Sec. 109. Federal agency expenditures for the SBIR program.

Sec. 110. Policy directive modifications.

Sec. 111. Federal and State technology partnership program.

Sec. 112. Mentoring networks.

Sec. 113. Simplified reporting requirements.

Sec. 114. Rural outreach program extension.

TITLE II—GENERAL BUSINESS LOAN PROGRAM

Sec. 201. Short title.

Sec. 202. Levels of participation.

Sec. 203. Loan amounts.

Sec. 204. Interest on defaulted loans.

Sec. 205. Prepayment of loans.

Sec. 206. Guarantee fees.

Sec. 207. Lease terms.

TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

Sec. 301. Short title.

Sec. 302. Women-owned businesses.

Sec. 303. Maximum debenture size.

Sec. 304. Fees.

Sec. 305. Premier certified lenders program.

Sec. 306. Sale of certain defaulted loans.

Sec. 307. Loan liquidation.

TITLE IV—CORRECTIONS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

Sec. 401. Short title.

Sec. 402. Definitions.

Sec. 403. Investment in small business investment companies.

Sec. 404. Subsidy fees.

Sec. 405. Distributions.

Sec. 406. Conforming amendment.

TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

Sec. 501. Short title.

Sec. 502. Reauthorization of small business programs.

Sec. 503. Additional reauthorizations.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Loan application processing.

Sec. 602. Application of ownership requirements.

Sec. 603. Eligibility for HUBZone program.

Sec. 604. Subcontracting preference for veterans.

Sec. 605. Small business development center program funding.

Sec. 606. Surety bonds.

TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

SEC. 101. SHORT TITLE.

(a) *SHORT TITLE.*—This title may be cited as the “Small Business Innovation Research Program Reauthorization Act of 2000”.

SEC. 102. FINDINGS.

Congress finds that—

(1) the small business innovation research program established under the Small Business Innovation Development Act of 1982, and reauthorized by the Small Business Research and Development Enhancement Act of 1992 (in this Act referred to as the “SBIR program”) is highly successful in involving small businesses in federally funded research and development;

(2) the SBIR program made the cost-effective and unique research and development capabilities possessed by the small businesses of the Nation available to Federal agencies and departments;

(3) the innovative goods and services developed by small businesses that participated in the SBIR program have produced innovations of critical importance in a wide variety of high-technology fields, including biology, medicine, education, and defense;

(4) the SBIR program is a catalyst in the promotion of research and development, the commercialization of innovative technology, the development of new products and services, and the continued excellence of this Nation’s high-technology industries; and

(5) the continuation of the SBIR program will provide expanded opportunities for one of the Nation’s vital resources, its small businesses, will foster invention, research, and technology, will create jobs, and will increase this Nation’s competitiveness in international markets.

SEC. 103. EXTENSION OF SBIR PROGRAM.

Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended to read as follows:

“(m) *TERMINATION.*—The authorization to carry out the Small Business Innovation Research Program established under this section shall terminate on September 30, 2008.”.

SEC. 104. ANNUAL REPORT.

Section 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7)) is amended by striking “and the Committee on Small Business of the House of Representatives” and inserting “, and to the Committee on Science and the Committee on Small Business of the House of Representatives,”.

SEC. 105. THIRD PHASE ASSISTANCE.

Section 9(e)(4)(C)(i) of the Small Business Act (15 U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and” and inserting “; or”.

SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORMANCE PLAN.

Section 9(g) of the Small Business Act (15 U.S.C. 638(g)) is amended—

(1) in paragraph (7), by striking “and” at the end;

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

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

“(9) include, as part of its annual performance plan as required by subsections (a) and (b) of section 1115 of title 31, United States Code, a section on its SBIR program, and shall submit such section to the Committee on Small Business of the Senate, and the Committee on Science and the Committee on Small Business of the House of Representatives; and”.

SEC. 107. OUTPUT AND OUTCOME DATA.

(a) **COLLECTION.**—Section 9(g) of the Small Business Act (15 U.S.C. 638(g)), as amended by section 106 of this Act, is further amended by adding at the end the following new paragraph:

“(10) collect, and maintain in a common format in accordance with subsection (v), such information from awardees as is necessary to assess the SBIR program, including information necessary to maintain the database described in subsection (k).”.

(b) **REPORT TO CONGRESS.**—Section 9(b)(7) of the Small Business Act (15 U.S.C. 638(b)(7)), as amended by section 104 of this Act, is further amended by inserting before the period at the end “, including the data on output and outcomes collected pursuant to subsections (g)(10) and (o)(9), and a description of the extent to which Federal agencies are providing in a timely manner information needed to maintain the database described in subsection (k)”.

(c) **DATABASE.**—Section 9(k) of the Small Business Act (15 U.S.C. 638(k)) is amended to read as follows:

“(k) **DATABASE.**—

“(1) **PUBLIC DATABASE.**—Not later than 180 days after the date of the enactment of the Small Business Innovation Research Program Reauthorization Act of 2000, the Administrator shall develop, maintain, and make available to the public a searchable, up-to-date, electronic database that includes—

“(A) the name, size, location, and an identifying number assigned by the Administrator, of each small business concern that has received a first phase or second phase SBIR award from a Federal agency;

“(B) a description of each first phase or second phase SBIR award received by that small business concern, including—

“(i) an abstract of the project funded by the award, excluding any proprietary information so identified by the small business concern;

“(ii) the Federal agency making the award; and

“(iii) the date and amount of the award;

“(C) an identification of any business concern or subsidiary established for the commercial application of a product or service for which an SBIR award is made; and

“(D) information regarding mentors and Mentoring Networks, as required by section 35(d).

“(2) **GOVERNMENT DATABASE.**—Not later than 180 days after the date of the enactment of the Small Business Innovation Research Program Reauthorization Act of 2000, the Administrator, in consultation with Federal agencies required to have an SBIR program pursuant to subsection (f)(1), shall develop and maintain a database to be used solely for SBIR program evaluation that—

“(A) contains for each second phase award made by a Federal agency—

“(i) information collected in accordance with paragraph (3) on revenue from the sale of new products or services resulting from the research conducted under the award;

“(ii) information collected in accordance with paragraph (3) on additional investment from any source, other than first phase or second

phase SBIR or STTR awards, to further the research and development conducted under the award; and

“(iii) any other information received in connection with the award that the Administrator, in conjunction with the SBIR program managers of Federal agencies, considers relevant and appropriate;

“(B) includes any narrative information that a small business concern receiving a second phase award voluntarily submits to further describe the outputs and outcomes of its awards;

“(C) includes for each applicant for a first phase or second phase award that does not receive such an award—

“(i) the name, size, and location, and an identifying number assigned by the Administration;

“(ii) an abstract of the project; and

“(iii) the Federal agency to which the application was made;

“(D) includes any other data collected by or available to any Federal agency that such agency considers may be useful for SBIR program evaluation; and

“(E) is available for use solely for program evaluation purposes by the Federal Government or, in accordance with policy directives issued by the Administration, by other authorized persons who are subject to a use and nondisclosure agreement with the Federal Government covering the use of the database.

“(3) **UPDATING INFORMATION FOR DATABASE.**—

“(A) **IN GENERAL.**—A small business concern applying for a second phase award under this section shall be required to update information in the database established under this subsection for any prior second phase award received by that small business concern. In complying with this paragraph, a small business concern may apportion sales or additional investment information relating to more than one second phase award among those awards, if it notes the apportionment for each award.

“(B) **ANNUAL UPDATES UPON TERMINATION.**—A small business concern receiving a second phase award under this section shall—

“(i) update information in the database concerning that award at the termination of the award period; and

“(ii) be requested to voluntarily update such information annually thereafter for a period of 5 years.

“(4) **PROTECTION OF INFORMATION.**—Information provided under paragraph (2) shall be considered privileged and confidential and not subject to disclosure pursuant to section 552 of title 5, United States Code.

“(5) **RULE OF CONSTRUCTION.**—Inclusion of information in the database under this subsection shall not be considered to be publication for purposes of subsection (a) or (b) of section 102 of title 35, United States Code.”.

SEC. 108. NATIONAL RESEARCH COUNCIL REPORTS.

(a) **STUDY AND RECOMMENDATIONS.**—The head of each agency with a budget of more than \$50,000,000 for its SBIR program for fiscal year 1999, in consultation with the Small Business Administration, shall, not later than 6 months after the date of the enactment of this Act, co-operatively enter into an agreement with the National Academy of Sciences for the National Research Council to—

(1) conduct a comprehensive study of how the SBIR program has stimulated technological innovation and used small businesses to meet Federal research and development needs, including—

(A) a review of the value to the Federal research agencies of the research projects being conducted under the SBIR program, and of the quality of research being conducted by small businesses participating under the program, including a comparison of the value of projects conducted under the SBIR program to those funded by other Federal research and development expenditures;

(B) to the extent practicable, an evaluation of the economic benefits achieved by the SBIR pro-

gram, including the economic rate of return, and a comparison of the economic benefits, including the economic rate of return, achieved by the SBIR program with the economic benefits, including the economic rate of return, of other Federal research and development expenditures;

(C) an evaluation of the noneconomic benefits achieved by the SBIR program over the life of the program;

(D) a comparison of the allocation for fiscal year 2000 of Federal research and development funds to small businesses with such allocation for fiscal year 1983, and an analysis of the factors that have contributed to such allocation; and

(E) an analysis of whether Federal agencies, in fulfilling their procurement needs, are making sufficient effort to use small businesses that have completed a second phase award under the SBIR program; and

(2) make recommendations with respect to—

(A) measures of outcomes for strategic plans submitted under section 306 of title 5, United States Code, and performance plans submitted under section 1115 of title 31, United States Code, of each Federal agency participating in the SBIR program;

(B) whether companies who can demonstrate project feasibility, but who have not received a first phase award, should be eligible for second phase awards, and the potential impact of such awards on the competitive selection process of the program;

(C) whether the Federal Government should be permitted to recoup some or all of its expenses if a controlling interest in a company receiving an SBIR award is sold to a foreign company or to a company that is not a small business concern;

(D) how to increase the use by the Federal Government in its programs and procurements of technology-oriented small businesses; and

(E) improvements to the SBIR program, if any are considered appropriate.

(b) **PARTICIPATION BY SMALL BUSINESS.**—

(1) **IN GENERAL.**—In a manner consistent with law and with National Research Council study guidelines and procedures, knowledgeable individuals from the small business community with experience in the SBIR program shall be included—

(A) in any panel established by the National Research Council for the purpose of performing the study conducted under this section; and

(B) among those who are asked by the National Research Council to peer review the study.

(2) **CONSULTATION.**—To ensure that the concerns of small business are appropriately considered under this subsection, the National Research Council shall consult with and consider the views of the Office of Technology and the Office of Advocacy of the Small Business Administration and other interested parties, including entities, organizations, and individuals actively engaged in enhancing or developing the technological capabilities of small business concerns.

(c) **PROGRESS REPORTS.**—The National Research Council shall provide semiannual progress reports on the study conducted under this section to the Committee on Science and the Committee on Small Business of the House of Representatives, and to the Committee on Small Business of the Senate.

(d) **REPORT.**—The National Research Council shall transmit to the heads of agencies entering into an agreement under this section and to the Committee on Science and the Committee on Small Business of the House of Representatives, and to the Committee on Small Business of the Senate—

(1) not later than 3 years after the date of the enactment of this Act, a report including the results of the study conducted under subsection (a)(1) and recommendations made under subsection (a)(2); and

(2) not later than 6 years after that date of the enactment, an update of such report.

SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR PROGRAM.

Section 9(i) of the Small Business Act (15 U.S.C. 638(i)) is amended—

(1) by striking “(i) Each Federal” and inserting the following:

“(i) ANNUAL REPORTING.—

“(1) IN GENERAL.—Each Federal”; and

(2) by adding at the end the following:

“(2) CALCULATION OF EXTRAMURAL BUDGET.—

“(A) METHODOLOGY.—Not later than 4 months after the date of the enactment of each appropriations Act for a Federal agency required by this section to have an SBIR program, the Federal agency shall submit to the Administrator a report, which shall include a description of the methodology used for calculating the amount of the extramural budget of that Federal agency.

“(B) ADMINISTRATOR'S ANALYSIS.—The Administrator shall include an analysis of the methodology received from each Federal agency referred to in subparagraph (A) in the report required by subsection (b)(7).”.

SEC. 110. POLICY DIRECTIVE MODIFICATIONS.

Section 9(j) of the Small Business Act (15 U.S.C. 638(j)) is amended by adding at the end the following:

“(3) ADDITIONAL MODIFICATIONS.—Not later than 120 days after the date of the enactment of the Small Business Innovation Research Program Reauthorization Act of 2000, the Administrator shall modify the policy directives issued pursuant to this subsection—

“(A) to clarify that the rights provided for under paragraph (2)(A) apply to all Federal funding awards under this section, including the first phase (as described in subsection (e)(4)(A)), the second phase (as described in subsection (e)(4)(B)), and the third phase (as described in subsection (e)(4)(C));

“(B) to provide for the requirement of a succinct commercialization plan with each application for a second phase award that is moving toward commercialization;

“(C) to require agencies to report to the Administration, not less frequently than annually, all instances in which an agency pursued research, development, or production of a technology developed by a small business concern using an award made under the SBIR program of that agency, and determined that it was not practicable to enter into a follow-on non-SBIR program funding agreement with the small business concern, which report shall include, at a minimum—

“(i) the reasons why the follow-on funding agreement with the small business concern was not practicable;

“(ii) the identity of the entity with which the agency contracted to perform the research, development, or production; and

“(iii) a description of the type of funding agreement under which the research, development, or production was obtained; and

“(D) to implement subsection (v), including establishing standardized procedures for the provision of information pursuant to subsection (k)(3).”.

SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) programs to foster economic development among small high-technology firms vary widely among the States;

(2) States that do not aggressively support the development of small high-technology firms, including participation by small business concerns in the SBIR program, are at a competitive disadvantage in establishing a business climate that is conducive to technology development; and

(3) building stronger national, State, and local support for science and technology research in these disadvantaged States will expand economic opportunities in the United States, create jobs, and increase the competitiveness of the United States in the world market.

(b) FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 34 as section 36; and

(2) by inserting after section 33 the following new section:

“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM.

“(a) DEFINITIONS.—In this section and section 35, the following definitions apply:

“(1) APPLICANT.—The term ‘applicant’ means an entity, organization, or individual that submits a proposal for an award or a cooperative agreement under this section.

“(2) BUSINESS ADVICE AND COUNSELING.—The term ‘business advice and counseling’ means providing advice and assistance on matters described in section 35(c)(2)(B) to small business concerns to guide them through the SBIR and STTR program process, from application to award and successful completion of each phase of the program.

“(3) FAST PROGRAM.—The term ‘FAST program’ means the Federal and State Technology Partnership Program established under this section.

“(4) MENTOR.—The term ‘mentor’ means an individual described in section 35(c)(2).

“(5) MENTORING NETWORK.—The term ‘Mentoring Network’ means an association, organization, coalition, or other entity (including an individual) that meets the requirements of section 35(c).

“(6) RECIPIENT.—The term ‘recipient’ means a person that receives an award or becomes party to a cooperative agreement under this section.

“(7) SBIR PROGRAM.—The term ‘SBIR program’ has the same meaning as in section 9(e)(4).

“(8) STATE.—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

“(9) STTR PROGRAM.—The term ‘STTR program’ has the same meaning as in section 9(e)(6).

“(b) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish a program to be known as the Federal and State Technology Partnership Program, the purpose of which shall be to strengthen the technological competitiveness of small business concerns in the States.

“(c) GRANTS AND COOPERATIVE AGREEMENTS.—

“(1) JOINT REVIEW.—In carrying out the FAST program under this section, the Administrator and the SBIR program managers at the National Science Foundation and the Department of Defense shall jointly review proposals submitted by applicants and may make awards or enter into cooperative agreements under this section based on the factors for consideration set forth in paragraph (2), in order to enhance or develop in a State—

“(A) technology research and development by small business concerns;

“(B) technology transfer from university research to technology-based small business concerns;

“(C) technology deployment and diffusion benefiting small business concerns;

“(D) the technological capabilities of small business concerns through the establishment or operation of consortia comprised of entities, organizations, or individuals, including—

“(i) State and local development agencies and entities;

“(ii) representatives of technology-based small business concerns;

“(iii) industries and emerging companies;

“(iv) universities; and

“(v) small business development centers; and

“(E) outreach, financial support, and technical assistance to technology-based small business concerns participating in or interested in participating in an SBIR program, including initiatives—

“(i) to make grants or loans to companies to pay a portion or all of the cost of developing SBIR proposals;

“(ii) to establish or operate a Mentoring Network within the FAST program to provide business advice and counseling that will assist small business concerns that have been identified by FAST program participants, program managers of participating SBIR agencies, the Administration, or other entities that are knowledgeable about the SBIR and STTR programs as good candidates for the SBIR and STTR programs, and that would benefit from mentoring, in accordance with section 35;

“(iii) to create or participate in a training program for individuals providing SBIR outreach and assistance at the State and local levels; and

“(iv) to encourage the commercialization of technology developed through SBIR program funding.

“(2) SELECTION CONSIDERATIONS.—In making awards or entering into cooperative agreements under this section, the Administrator and the SBIR program managers referred to in paragraph (1)—

“(A) may only consider proposals by applicants that intend to use a portion of the Federal assistance provided under this section to provide outreach, financial support, or technical assistance to technology-based small business concerns participating in or interested in participating in the SBIR program; and

“(B) shall consider, at a minimum—

“(i) whether the applicant has demonstrated that the assistance to be provided would address unmet needs of small business concerns in the community, and whether it is important to use Federal funding for the proposed activities;

“(ii) whether the applicant has demonstrated that a need exists to increase the number or success of small high-technology businesses in the State, as measured by the number of first phase and second phase SBIR awards that have historically been received by small business concerns in the State;

“(iii) whether the projected costs of the proposed activities are reasonable;

“(iv) whether the proposal integrates and coordinates the proposed activities with other State and local programs assisting small high-technology firms in the State; and

“(v) the manner in which the applicant will measure the results of the activities to be conducted.

“(3) PROPOSAL LIMIT.—Not more than one proposal may be submitted for inclusion in the FAST program under this section to provide services in any one State in any 1 fiscal year.

“(4) PROCESS.—Proposals and applications for assistance under this section shall be in such form and subject to such procedures as the Administrator shall establish.

“(d) COOPERATION AND COORDINATION.—In carrying out the FAST program under this section, the Administrator shall cooperate and coordinate with—

“(1) Federal agencies required by section 9 to have an SBIR program; and

“(2) entities, organizations, and individuals actively engaged in enhancing or developing the technological capabilities of small business concerns, including—

“(A) State and local development agencies and entities;

“(B) State committees established under the Experimental Program to Stimulate Competitive Research of the National Science Foundation (as established under section 113 of the National Science Foundation Authorization Act of 1988 (42 U.S.C. 1862g));

“(C) State science and technology councils; and

“(D) representatives of technology-based small business concerns.

“(e) ADMINISTRATIVE REQUIREMENTS.—

“(1) COMPETITIVE BASIS.—Awards and cooperative agreements under this section shall be

made or entered into, as applicable, on a competitive basis.

“(2) MATCHING REQUIREMENTS.—

“(A) IN GENERAL.—The non-Federal share of the cost of an activity (other than a planning activity) carried out using an award or under a cooperative agreement under this section shall be—

“(i) 50 cents for each Federal dollar, in the case of a recipient that will serve small business concerns located in one of the 18 States receiving the fewest SBIR first phase awards (as described in section 9(e)(4)(A));

“(ii) except as provided in subparagraph (B), 1 dollar for each Federal dollar, in the case of a recipient that will serve small business concerns located in one of the 16 States receiving the greatest number of such SBIR first phase awards; and

“(iii) except as provided in subparagraph (B), 75 cents for each Federal dollar, in the case of a recipient that will serve small business concerns located in a State that is not described in clause (i) or (ii) that is receiving such SBIR first phase awards.

“(B) LOW-INCOME AREAS.—The non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 50 cents for each Federal dollar that will be directly allocated by a recipient described in subparagraph (A) to serve small business concerns located in a qualified census tract, as that term is defined in section 42(d)(5)(C)(ii) of the Internal Revenue Code of 1986. Federal dollars not so allocated by that recipient shall be subject to the matching requirements of subparagraph (A).

“(C) TYPES OF FUNDING.—The non-Federal share of the cost of an activity carried out by a recipient shall be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions, except that no such costs or contributions may be derived from funds from any other Federal program.

“(D) RANKINGS.—For purposes of subparagraph (A), the Administrator shall reevaluate the ranking of a State once every 2 fiscal years, beginning with fiscal year 2001, based on the most recent statistics compiled by the Administrator.

“(3) DURATION.—Awards may be made or cooperative agreements entered into under this section for multiple years, not to exceed 5 years in total.

“(f) REPORTS.—

“(1) INITIAL REPORT.—Not later than 120 days after the date of the enactment of the Small Business Innovation Research Program Reauthorization Act of 2000, the Administrator shall prepare and submit to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives a report, which shall include, with respect to the FAST program, including Mentoring Networks—

“(A) a description of the structure and procedures of the program;

“(B) a management plan for the program; and

“(C) a description of the merit-based review process to be used in the program.

“(2) ANNUAL REPORTS.—The Administrator shall submit an annual report to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives regarding—

“(A) the number and amount of awards provided and cooperative agreements entered into under the FAST program during the preceding year;

“(B) a list of recipients under this section, including their location and the activities being performed with the awards made or under the cooperative agreements entered into; and

“(C) the Mentoring Networks and the mentoring database, as provided for under section 35, including—

“(i) the status of the inclusion of mentoring information in the database required by section 9(k); and

“(ii) the status of the implementation and description of the usage of the Mentoring Networks.

“(g) REVIEWS BY INSPECTOR GENERAL.—

“(1) IN GENERAL.—The Inspector General of the Administration shall conduct a review of—

“(A) the extent to which recipients under the FAST program are measuring the performance of the activities being conducted and the results of such measurements; and

“(B) the overall management and effectiveness of the FAST program.

“(2) REPORT.—During the first quarter of fiscal year 2004, the Inspector General of the Administration shall submit a report to the Committee on Small Business of the Senate and the Committee on Science and the Committee on Small Business of the House of Representatives on the review conducted under paragraph (1).

“(h) PROGRAM LEVELS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out the FAST program, including Mentoring Networks, under this section and section 35, \$10,000,000 for each of fiscal years 2001 through 2005.

“(2) MENTORING DATABASE.—Of the total amount made available under paragraph (1) for fiscal years 2001 through 2005, a reasonable amount, not to exceed a total of \$500,000, may be used by the Administration to carry out section 35(d).

“(i) TERMINATION.—The authority to carry out the FAST program under this section shall terminate on September 30, 2005.”

(c) COORDINATION OF TECHNOLOGY DEVELOPMENT PROGRAMS.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

“(u) COORDINATION OF TECHNOLOGY DEVELOPMENT PROGRAMS.—

“(1) DEFINITION OF TECHNOLOGY DEVELOPMENT PROGRAM.—In this subsection, the term ‘technology development program’ means—

“(A) the Experimental Program to Stimulate Competitive Research of the National Science Foundation, as established under section 113 of the National Science Foundation Authorization Act of 1988 (42 U.S.C. 1862g);

“(B) the Defense Experimental Program to Stimulate Competitive Research of the Department of Defense;

“(C) the Experimental Program to Stimulate Competitive Research of the Department of Energy;

“(D) the Experimental Program to Stimulate Competitive Research of the Environmental Protection Agency;

“(E) the Experimental Program to Stimulate Competitive Research of the National Aeronautics and Space Administration;

“(F) the Institutional Development Award Program of the National Institutes of Health; and

“(G) the National Research Initiative Competitive Grants Program of the Department of Agriculture.

“(2) COORDINATION REQUIREMENTS.—Each Federal agency that is subject to subsection (f) and that has established a technology development program may, in each fiscal year, review for funding under that technology development program—

“(A) any proposal to provide outreach and assistance to one or more small business concerns interested in participating in the SBIR program, including any proposal to make a grant or loan to a company to pay a portion or all of the cost of developing an SBIR proposal, from an entity, organization, or individual located in—

“(i) a State that is eligible to participate in that program; or

“(ii) a State described in paragraph (3); or

“(B) any proposal for the first phase of the SBIR program, if the proposal, though meritorious, is not funded through the SBIR pro-

gram for that fiscal year due to funding restraints, from a small business concern located in—

“(i) a State that is eligible to participate in a technology development program; or

“(ii) a State described in paragraph (3).

“(3) ADDITIONALLY ELIGIBLE STATE.—A State referred to in subparagraph (A)(i) or (B)(ii) of paragraph (2) is a State in which the total value of contracts awarded to small business concerns under all SBIR programs is less than the total value of contracts awarded to small business concerns in a majority of other States, as determined by the Administrator in biennial fiscal years, beginning with fiscal year 2000, based on the most recent statistics compiled by the Administrator.”

SEC. 112. MENTORING NETWORKS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 34, as added by section 111(b)(2) of this Act, the following new section:

“SEC. 35. MENTORING NETWORKS.

“(a) FINDINGS.—Congress finds that—

“(1) the SBIR and STTR programs create jobs, increase capacity for technological innovation, and boost international competitiveness;

“(2) increasing the quantity of applications from all States to the SBIR and STTR programs would enhance competition for such awards and the quality of the completed projects; and

“(3) mentoring is a natural complement to the FAST program of reaching out to new companies regarding the SBIR and STTR programs as an effective and low-cost way to improve the likelihood that such companies will succeed in such programs in developing and commercializing their research.

“(b) AUTHORIZATION FOR MENTORING NETWORKS.—The recipient of an award or participant in a cooperative agreement under section 34 may use a reasonable amount of such assistance for the establishment of a Mentoring Network under this section.

“(c) CRITERIA FOR MENTORING NETWORKS.—A Mentoring Network established using assistance under section 34 shall—

“(1) provide business advice and counseling to high technology small business concerns located in the State or region served by the Mentoring Network and identified under section 34(c)(1)(E)(ii) as potential candidates for the SBIR or STTR programs;

“(2) identify volunteer mentors who—

“(A) are persons associated with a small business concern that has successfully completed one or more SBIR or STTR funding agreements; and

“(B) have agreed to guide small business concerns through all stages of the SBIR or STTR program process, including providing assistance relating to—

“(i) proposal writing;

“(ii) marketing;

“(iii) Government accounting;

“(iv) Government audits;

“(v) project facilities and equipment;

“(vi) human resources;

“(vii) third phase partners;

“(viii) commercialization;

“(ix) venture capital networking; and

“(x) other matters relevant to the SBIR and STTR programs;

“(3) have experience working with small business concerns participating in the SBIR and STTR programs;

“(4) contribute information to the national database referred to in subsection (d); and

“(5) agree to reimburse volunteer mentors for out-of-pocket expenses related to service as a mentor under this section.

“(d) MENTORING DATABASE.—The Administrator shall—

“(1) include in the database required by section 9(k)(1), in cooperation with the SBIR, STTR, and FAST programs, information on Mentoring Networks and mentors participating

under this section, including a description of their areas of expertise;

“(2) work cooperatively with Mentoring Networks to maintain and update the database;

“(3) take such action as may be necessary to aggressively promote Mentoring Networks under this section; and

“(4) fulfill the requirements of this subsection either directly or by contract.”.

SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.

Section 9 of the Small Business Act (15 U.S.C. 638), as amended by this Act, is further amended by adding at the end the following new subsection:

“(v) **SIMPLIFIED REPORTING REQUIREMENTS.**—The Administrator shall work with the Federal agencies required by this section to have an SBIR program to standardize reporting requirements for the collection of data from SBIR applicants and awardees, including data for inclusion in the database under subsection (k), taking into consideration the unique needs of each agency, and to the extent possible, permitting the updating of previously reported information by electronic means. Such requirements shall be designed to minimize the burden on small businesses.”.

SEC. 114. RURAL OUTREACH PROGRAM EXTENSION.

(a) **EXTENSION OF TERMINATION DATE.**—Section 501(b)(2) of the Small Business Reauthorization Act of 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended by striking “2001” and inserting “2005”.

(b) **EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.**—Section 9(s)(2) of the Small Business Act (15 U.S.C. 638(s)(2)) is amended by striking “for fiscal year 1998, 1999, 2000, or 2001” and inserting “for each of the fiscal years 2000 through 2005.”.

TITLE II—GENERAL BUSINESS LOAN PROGRAM

SEC. 201. SHORT TITLE.

This title may be cited as the “Small Business General Business Loan Improvement Act of 2000”.

SEC. 202. LEVELS OF PARTICIPATION.

Section 7(a)(2)(A) of the Small Business Act (15 U.S.C. 636(a)(2)(A)) is amended—

(1) in paragraph (i) by striking “\$100,000” and inserting “\$150,000”; and

(2) in paragraph (ii)—
(A) by striking “80 percent” and inserting “85 percent”; and

(B) by striking “\$100,000” and inserting “\$150,000”.

SEC. 203. LOAN AMOUNTS.

Section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,” and inserting, “\$1,000,000 (or if the gross loan amount would exceed \$2,000,000).”.

SEC. 204. INTEREST ON DEFAULTED LOANS.

Subparagraph (B) of section 7(a)(4) of the Small Business Act (15 U.S.C. 636(a)(4)) is amended by adding at the end the following:

“(iii) **APPLICABILITY.**—Clauses (i) and (ii) shall not apply to loans made on or after October 1, 2000.”.

SEC. 205. PREPAYMENT OF LOANS.

Section 7(a)(4) of the Small Business Act (15 U.S.C. 636(a)(4)) is further amended—

(1) by striking “(4) **INTEREST RATES AND FEES.**—” and inserting “(4) **INTEREST RATES AND PREPAYMENT CHARGES.**—”; and

(2) by adding at the end the following:

“(C) **PREPAYMENT CHARGES.**—

“(i) **IN GENERAL.**—A borrower who prepays any loan guaranteed under this subsection shall remit to the Administration a subsidy recoupment fee calculated in accordance with clause (ii) if—

“(I) the loan is for a term of not less than 15 years;

“(II) the prepayment is voluntary;

“(III) the amount of prepayment in any calendar year is more than 25 percent of the outstanding balance of the loan; and

“(IV) the prepayment is made within the first 3 years after disbursement of the loan proceeds.

“(ii) **SUBSIDY RECOUPMENT FEE.**—The subsidy recoupment fee charged under clause (i) shall be—

“(I) 5 percent of the amount of prepayment, if the borrower prepays during the first year after disbursement;

“(II) 3 percent of the amount of prepayment, if the borrower prepays during the second year after disbursement; and

“(III) 1 percent of the amount of prepayment, if the borrower prepays during the third year after disbursement.”.

SEC. 206. GUARANTEE FEES.

Section 7(a)(18)(B) of the Small Business Act (15 U.S.C. 636(a)(18)(B)) is amended to read as follows:

“(B) **EXCEPTION FOR CERTAIN LOANS.**—

“(i) **IN GENERAL.**—Notwithstanding subparagraph (A), if the total deferred participation share of a loan guaranteed under this subsection is less than or equal to \$150,000, the guarantee fee collected under subparagraph (A) shall be in an amount equal to 2 percent of the total deferred participation share of the loan.

“(ii) **RETENTION OF FEES.**—Lenders participating in the programs established under this subsection may retain not more than 25 percent of the fee collected in accordance with this subparagraph with respect to any loan not exceeding \$150,000 in gross loan amount.”.

SEC. 207. LEASE TERMS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is further amended by adding at the end the following:

“(28) **LEASING.**—In addition to such other lease arrangements as may be authorized by the Administration, a borrower may permanently lease to one or more tenants not more than 20 percent of any property constructed with the proceeds of a loan guaranteed under this subsection, if the borrower permanently occupies and uses not less than 60 percent of the total business space in the property.”.

TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

SEC. 301. SHORT TITLE.

This title may be cited as the “Certified Development Company Program Improvements Act of 2000”.

SEC. 302. WOMEN-OWNED BUSINESSES.

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

SEC. 303. 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) Loans made by the Administration under this section shall be limited to \$1,000,000 for each such identifiable small business concern, except 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. 304. 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 financings approved by the Administration on or after October 1, 1996, but shall not apply to financings approved by the Administration on or after October 1, 2003.”.

SEC. 305. PREMIER CERTIFIED LENDERS PROGRAM.

Section 217(b) of the Small Business Reauthorization and Amendments Act of 1994 (relating to section 508 of the Small Business Investment Act) is repealed.

SEC. 306. 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)”;

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

“(d) **SALE OF CERTAIN DEFAULTED LOANS.**—

“(1) **NOTICE.**—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, it shall give prior notice thereof to any certified development company which has a contingent liability under this section. The notice shall be given to the company as soon as possible after the financing is identified, but not less than 90 days before the date the Administration first makes any records 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 shall not offer any loan described in paragraph (1) as part of a bulk sale unless it—

“(A) provides prospective purchasers with the opportunity to examine the Administration’s records with respect to such loan; and

“(B) provides the notice required by paragraph (1).”.

SEC. 307. 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) 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 promulgation 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 less 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 section (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 the Administration's management 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 foreclosures, 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.—

“(1) 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 plan that cannot be approved or denied within the 15-day period required by subclause (1), the Administration shall within such period provide in accordance with subparagraph (E) notice 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 routine actions 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.—

“(1) 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 (1), the Administration shall within such period provide in accordance with subparagraph (E) notice 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.—

“(1) 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 (1), the Administration shall within such period provide in accordance with subparagraph (E) notice 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 subparagraphs (A)(ii)(II), (B)(ii)(II), or (C)(ii)(II)—

“(i) shall be in writing;

“(ii) shall state the specific reason for the Administration's inability to act on a 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, 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 law; or

“(3) fails to comply with any reporting requirement that may be established by the Administration relating to carrying out of functions described in paragraph (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 of the Senate a report on the results of delegation of authority under this section.

“(2) CONTENTS.—Each report submitted under paragraph (1) shall include the following information:

“(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.

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

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 150 days after the date of the 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.—Beginning on the date which the 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 effect.

TITLE IV—CORRECTIONS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

SEC. 401. SHORT TITLE.

This title may be cited as the “Small Business Investment Corrections Act of 2000”.

SEC. 402. DEFINITIONS.

(a) SMALL BUSINESS CONCERN.—Section 103(5)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting “regardless of the allocation of control during the investment period under any investment agreement between the business concern and the entity making the investment” before the semicolon at the end.

(b) LONG TERM.—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended—

(1) in paragraph (15), by striking “and” at the end;

(2) in paragraph (16), by striking the period at the end and inserting “; and”; and

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

“(17) the term ‘long term’, when used in connection with equity capital or loan funds invested in any small business concern or smaller enterprise, means any period of time not less than 1 year.”.

SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT COMPANIES.

Section 302(b) of the Small Business Investment Act of 1958 (15 U.S.C. 682(b)) is amended—

(1) by striking “(b) Notwithstanding” and inserting the following:

“(b) FINANCIAL INSTITUTION INVESTMENTS.—

“(1) CERTAIN BANKS.—Notwithstanding”; and (2) by adding at the end the following:

“(2) CERTAIN SAVINGS ASSOCIATIONS.—Notwithstanding any other provision of law, any Federal savings association may invest in any one or more small business investment companies, or in any entity established to invest solely in small business investment companies, except that in no event may the total amount of such investments by any such Federal savings association exceed 5 percent of the capital and surplus of the Federal savings association.”.

SEC. 404. SUBSIDY FEES.

(a) DEBENTURES.—Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)) is amended by striking “plus an additional charge of 1 percent per annum which shall be paid to and retained by the Administration” and inserting “plus, for debentures issued after September 30, 2000, an additional charge, in an amount established annually by the Administration, of not more than 1 percent per year as necessary to reduce to zero the cost (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Administration of purchasing and guaranteeing debentures under this Act, which shall be paid to and retained by the Administration”.

(b) PARTICIPATING SECURITIES.—Section 303(g)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(2)) is amended by striking “plus an additional charge of 1 percent per annum which shall be paid to and retained by the Administration” and inserting “plus, for participating securities issued after September 30, 2000, an additional charge, in an amount established annually by the Administration, of not more than 1 percent per year as necessary to reduce to zero the cost (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Administration of purchasing and guaranteeing participating securities under this Act, which shall be paid to and retained by the Administration”.

SEC. 405. DISTRIBUTIONS.

Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

(1) by striking “subchapter s corporation” and inserting “subchapter S corporation”;

(2) by striking “the end of any calendar quarter based on a quarterly” and inserting “any time during any calendar quarter based on an”; and

(3) by striking “quarterly distributions for a calendar year,” and inserting “interim distributions for a calendar year.”.

SEC. 406. CONFORMING AMENDMENT.

Section 310(c)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by striking “five years” and inserting “1 year”.

TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

SEC. 501. SHORT TITLE.

This title may be cited as the “Small Business Reauthorization Act of 2000”.

SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PROGRAMS.

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

“(g) FISCAL YEAR 2001.—

“(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2001:

“(A) For the programs authorized by this Act, the Administration is authorized to make—

“(i) \$45,000,000 in technical assistance grants as provided in section 7(m); and

“(ii) \$60,000,000 in direct loans, as provided in 7(m).

“(B) For the programs authorized by this Act, the Administration is authorized to make

\$19,050,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

“(i) \$14,500,000,000 in general business loans as provided in section 7(a);

“(ii) \$4,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

“(iii) \$500,000,000 in loans as provided in section 7(a)(21); and

“(iv) \$20,000,000 in loans as provided in section 7(m).

“(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

“(i) \$2,500,000,000 in purchases of participating securities; and

“(ii) \$1,500,000,000 in guarantees of debentures.

“(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$4,000,000,000 of which not more than 50 percent may be in bonds approved pursuant to section 411(a)(3) of that Act.

“(E) The Administration is authorized to make grants or enter cooperative agreements for a total amount of \$5,000,000 for the Service Corps of Retired Executives program authorized by section 8(b)(1).

“(2) ADDITIONAL AUTHORIZATIONS.—

“(A) There are authorized to be appropriated to the Administration for fiscal year 2001 such sums as may be necessary to carry out the provisions of this Act not elsewhere provided for, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out title IV of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

“(B) Notwithstanding any other provision of this paragraph, for fiscal year 2001—

“(i) no funds are authorized to be used as loan capital for the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

“(ii) the Administration may not approve loans on its own behalf or on behalf of any other Federal department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than \$1,250,000.

“(h) FISCAL YEAR 2002.—

“(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2002:

“(A) For the programs authorized by this Act, the Administration is authorized to make—

“(i) \$60,000,000 in technical assistance grants as provided in section 7(m); and

“(ii) \$80,000,000 in direct loans, as provided in 7(m).

“(B) For the programs authorized by this Act, the Administration is authorized to make \$20,050,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

“(i) \$15,000,000,000 in general business loans as provided in section 7(a);

“(ii) \$4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

“(iii) \$500,000,000 in loans as provided in section 7(a)(21); and

“(iv) \$50,000,000 in loans as provided in section 7(m).

“(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

“(i) \$3,500,000,000 in purchases of participating securities; and

“(ii) \$2,500,000,000 in guarantees of debentures.

“(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$5,000,000,000 of which not more than 50 percent may be in bonds approved pursuant to section 411(a)(3) of that Act.

“(E) The Administration is authorized to make grants or enter cooperative agreements for a total amount of \$6,000,000 for the Service Corps of Retired Executives program authorized by section 8(b)(1).

“(2) ADDITIONAL AUTHORIZATIONS.—

“(A) There are authorized to be appropriated to the Administration for fiscal year 2002 such sums as may be necessary to carry out the provisions of this Act not elsewhere provided for, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out title IV of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

“(B) Notwithstanding any other provision of this paragraph, for fiscal year 2002—

“(i) no funds are authorized to be used as loan capital for the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

“(ii) the Administration may not approve loans on its own behalf or on behalf of any other Federal department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than \$1,250,000.

“(i) FISCAL YEAR 2003.—

“(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2003:

“(A) For the programs authorized by this Act, the Administration is authorized to make—

“(i) \$70,000,000 in technical assistance grants as provided in section 7(m); and

“(ii) \$100,000,000 in direct loans, as provided in 7(m).

“(B) For the programs authorized by this Act, the Administration is authorized to make \$21,550,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

“(i) \$16,000,000,000 in general business loans as provided in section 7(a);

“(ii) \$5,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

“(iii) \$500,000,000 in loans as provided in section 7(a)(21); and

“(iv) \$50,000,000 in loans as provided in section 7(m).

“(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

“(i) \$4,000,000,000 in purchases of participating securities; and

“(ii) \$3,000,000,000 in guarantees of debentures.

“(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed \$6,000,000,000 of which not more than 50 percent may be in bonds approved pursuant to section 411(a)(3) of that Act.

“(E) The Administration is authorized to make grants or enter into cooperative agreements for a total amount of \$7,000,000 for the Service Corps of Retired Executives program authorized by section 8(b)(1).

“(2) ADDITIONAL AUTHORIZATIONS.—

“(A) There are authorized to be appropriated to the Administration for fiscal year 2003 such sums as may be necessary to carry out the provisions of this Act not elsewhere provided for, including administrative expenses and necessary

loan capital for disaster loans pursuant to section 7(b), and to carry out title IV of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

“(B) Notwithstanding any other provision of this paragraph, for fiscal year 2003—

“(i) no funds are authorized to be used as loan capital for the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

“(ii) the Administration may not approve loans on its own behalf or on behalf of any other Federal department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than \$1,250,000.”

SEC. 503. ADDITIONAL REAUTHORIZATIONS.

(a) SMALL BUSINESS DEVELOPMENT CENTERS PROGRAM.—Section 21(a)(4)(C)(iii)(III) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(iii)(III)) is amended by striking “\$95,000,000” and inserting “\$125,000,000”.

(b) DRUG-FREE WORKPLACE PROGRAM.—Section 27 of the Small Business Act (15 U.S.C. 654) is amended—

(1) in the section heading, by striking “DRUG-FREE WORKPLACE DEMONSTRATION PROGRAM” and inserting “PAUL D. COVERDELL DRUG-FREE WORKPLACE PROGRAM”; and

(2) in subsection (g)(1), by striking “\$10,000,000 for fiscal years 1999 and 2000” and inserting “\$5,000,000 for each of fiscal years 2001 through 2003”.

(c) HUBZONE PROGRAM.—Section 31 of the Small Business Act (15 U.S.C. 657a) is amended by adding at the end the following new subsection:

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the program established by this section \$10,000,000 for each of fiscal years 2001 through 2003.”

(d) WOMEN'S BUSINESS ENTERPRISE DEVELOPMENT PROGRAMS.—Section 411 of the Women's Business Ownership Act (Public Law 105-135; 15 U.S.C. 631 note) is amended by striking “\$600,000, for each of fiscal years 1998 through 2000,” and inserting “\$1,000,000 for each of fiscal years 2001 through 2003.”

(e) VERY SMALL BUSINESS CONCERNS PROGRAM.—Section 304(i) of the Small Business Administration Reauthorization and Amendments Act of 1994 (Public Law 103-403; 15 U.S.C. 644 note) is amended by striking “September 30, 2000” and inserting “September 30, 2003”.

(f) SOCIALLY AND ECONOMICALLY DISADVANTAGED BUSINESSES PROGRAM.—Section 7102(c) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355; 15 U.S.C. 644 note) is amended by striking “September 30, 2000” and inserting “September 30, 2003”.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. LOAN APPLICATION PROCESSING.

(a) STUDY.—The Administrator of the Small Business Administration shall conduct a study to determine the average time that the Administration requires to process an application for each type of loan or loan guarantee made under the Small Business Act (15 U.S.C. 631 et seq.).

(b) TRANSMITTAL.—Not later than 1 year after the date of the enactment of this title, the Administrator shall transmit to Congress the results of the study conducted under subsection (a).

SEC. 602. APPLICATION OF OWNERSHIP REQUIREMENTS.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end the following new subsection:

“(k) APPLICATION OF OWNERSHIP REQUIREMENTS.—Each ownership requirement estab-

lished under this Act or the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) shall be applied without regard to any possible future ownership interest of a spouse arising from the application of any State community property law established for the purpose of determining marital interest.”

SEC. 603. ELIGIBILITY FOR HUBZONE PROGRAM.

Section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5)) is amended by adding at the end the following new subparagraph:

“(E) EXTENSION OF ELIGIBILITY.—If a geographic area that qualified as a HUBZone under this subsection ceases to qualify as a result of a change in official government data or boundary designations, each small business concern certified as HUBZone small business concern in connection with such geographic area shall remain certified as such for a period of 1 year after the effective date of the change in HUBZone status, if the small business concern continues to meet each of the other qualifications applicable to a HUBZone small business concern.”

SEC. 604. SUBCONTRACTING PREFERENCE FOR VETERANS.

Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) in paragraph (1), by inserting “small business concerns owned and controlled by veterans,” after “small business concerns,” the first place that term appears in each of the first and second sentences;

(2) in paragraph (3)—

(A) in subparagraph (A), by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns owned and controlled by veterans,” in each of the first and second sentences; and

(B) in subparagraph (F), by inserting “small business concern owned and controlled by service-disabled veterans,” after “small business concern owned and controlled by veterans,”; and

(3) in each of paragraphs (4)(D), (4)(E), (6)(A), (6)(C), (6)(F), and (10)(B), by inserting “small business concern owned and controlled by service-disabled veterans,” after “small business concerns owned and controlled by veterans,”.

SEC. 605. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM FUNDING.

(a) AUTHORIZATION.—

(1) IN GENERAL.—Section 20(a)(1) of the Small Business Act (15 U.S.C. 631 note) is amended by striking “For fiscal year 1985” and all that follows through “expended,” and inserting the following: “For fiscal year 2000 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary and appropriate, to remain available until expended, and to be available solely—

“(A) to carry out the Small Business Development Center Program under section 21, but not to exceed the annual funding level, as specified in section 21(a);

“(B) to pay the expenses of the National Small Business Development Center Advisory Board, as provided in section 21(i);

“(C) to pay the expenses of the information sharing system, as provided in section 21(c)(8);

“(D) to pay the expenses of the association referred to in section 21(a)(3)(A) for conducting the certification program, as provided in section 21(k)(2); and

“(E) to pay the expenses of the Administration, including salaries of examiners, for conducting examinations as part of the certification program conducted by the association referred to in section 21(a)(3)(A).”

(2) TECHNICAL AMENDMENT.—Section 20(a) of the Small Business Act (15 U.S.C. 631 note) is further amended by moving paragraphs (3) and (4), including subparagraphs (A) and (B) of paragraph (4), 2 ems to the left.

(b) FUNDING FORMULA.—Section 21(a)(4)(C) of the Small Business Act (15 U.S.C. 648(a)(4)(C)) is amended to read as follows:

“(C) FUNDING FORMULA.—

“(i) IN GENERAL.—Subject to clause (iii), the amount of a formula grant received by a State under this subparagraph shall be equal to an amount determined in accordance with the following formula:

“(I) The annual amount made available under section 20(a) for the Small Business Development Center Program, less any reductions made for expenses authorized by clause (v) of this subparagraph, shall be divided on a pro rata basis, based on the percentage of the population of each State, as compared to the population of the United States.

“(II) If the pro rata amount calculated under subclause (I) for any State is less than the minimum funding level under clause (iii), the Administration shall determine the aggregate amount necessary to achieve that minimum funding level for each such State.

“(III) The aggregate amount calculated under subclause (II) shall be deducted from the amount calculated under subclause (I) for States eligible to receive more than the minimum funding level. The deductions shall be made on a pro rata basis, based on the population of each such State, as compared to the total population of all such States.

“(IV) The aggregate amount deducted under subclause (III) shall be added to the grants of those States that are not eligible to receive more than the minimum funding level in order to achieve the minimum funding level for each such State, except that the eligible amount of a grant to any State shall not be reduced to an amount below the minimum funding level.

“(ii) GRANT DETERMINATION.—The amount of a grant that a State is eligible to apply for under this subparagraph shall be the amount determined under clause (i), subject to any modifications required under clause (iii), and shall be based on the amount available for the fiscal year in which performance of the grant commences, but not including amounts distributed in accordance with clause (iv). The amount of a grant received by a State under any provision of this subparagraph shall not exceed the amount of matching funds from sources other than the Federal Government, as required under subparagraph (A).

“(iii) MINIMUM FUNDING LEVEL.—The amount of the minimum funding level for each State shall be determined for each fiscal year based on the amount made available for that fiscal year to carry out this section, as follows:

“(I) If the amount made available is not less than \$81,500,000 and not more than \$90,000,000, the minimum funding level shall be \$500,000.

“(II) If the amount made available is less than \$81,500,000, the minimum funding level shall be the remainder of \$500,000 minus a percentage of \$500,000 equal to the percentage amount by which the amount made available is less than \$81,500,000.

“(III) If the amount made available is more than \$90,000,000, the minimum funding level shall be the sum of \$500,000 plus a percentage of \$500,000 equal to the percentage amount by which the amount made available exceeds \$90,000,000.

“(iv) DISTRIBUTIONS.—Subject to clause (iii), if any State does not apply for, or use, its full funding eligibility for a fiscal year, the Administration shall distribute the remaining funds as follows:

“(I) If the grant to any State is less than the amount received by that State in fiscal year 2000, the Administration shall distribute such remaining funds, on a pro rata basis, based on the percentage of shortage of each such State, as compared to the total amount of such remaining funds available, to the extent necessary in order to increase the amount of the grant to the amount received by that State in 2000, or until such funds are exhausted, whichever first occurs.

“(II) If any funds remain after the application of subclause (I), the remaining amount may

be distributed as supplemental grants to any State, as the Administration determines, in its discretion, to be appropriate, after consultation with the association referred to in subsection (a)(3)(A).

“(v) USE OF AMOUNTS.—

“(I) IN GENERAL.—Of the amounts made available in any fiscal year to carry out this section—

“(aa) not more than \$500,000 may be used by the Administration to pay expenses enumerated in subparagraphs (B) through (D) of section 20(a)(1); and

“(bb) not more than \$500,000 may be used by the Administration to pay the examination expenses enumerated in section 20(a)(1)(E).

“(II) LIMITATION.—No funds described in subclause (I) may be used for examination expenses under section 20(a)(1)(E) if the usage would reduce the amount of grants made available under clause (i)(I) to less than \$85,000,000 (after excluding any amounts provided in appropriations Acts for specific institutions or for purposes other than the general small business development center program) or would further reduce the amount of such grants below such amount.

“(vi) EXCLUSIONS.—Grants provided to a State by the Administration or another Federal agency to carry out subsection (c)(3)(G) or (a)(6) or supplemental grants set forth in clause (iv)(II) of this subparagraph, shall not be included in the calculation of maximum funding for a State under clause (ii) of this subparagraph.

“(vii) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph \$125,000,000 for each of fiscal years 2001, 2002, and 2003.

“(viii) STATE DEFINED.—In this subparagraph, the term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States.”.

SEC. 606. SURETY BONDS.

(a) CONTRACT AMOUNTS.—Section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) is amended—

(1) in subsection (a)(1), by striking “\$1,250,000” and inserting “\$2,000,000”; and

(2) in subsection (e)(2), by striking “\$1,250,000” and inserting “\$2,000,000”.

(b) EXTENSION OF CERTAIN AUTHORITY.—Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking “2000” and inserting “2003”.

AMENDMENT NO. 4286

(Purpose: To provide for a complete substitute)

Mr. KYL. I ask unanimous consent that the Senate concur in the amendment of the House, with a further amendment which is at the desk.

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

The amendment (No. 4286) was agreed to.

(The text of the amendment is printed in today's RECORD under “Amendments Submitted.”)

Mr. BOND. Mr. President, I rise today in support of important legislation to re-authorize the Small Business Innovation and Research (SBIR) program and other essential programs at the Small Business Administration (SBA). On Monday, September 25, 2000, the House of Representatives amended the Senate-passed version of H.R. 2392, the Small Business Innovation Research Program Reauthorization Act of 2000, by adding the following bills to

this legislation: H.R. 2614 (The Certified Development Company Program Improvement Act of 2000), H.R. 2615, (to make improvements to the 7(a) guaranteed business loan program), H.R. 3843, (the Small Business Reauthorization Act of 2000), and H.R. 3845, (the Small Business Investment Corrections Act of 2000).

While the House-passed bill includes many important programs to help small businesses, there are some serious omissions. Although I strongly support H.R. 2392 as amended by the House, Senator JOHN KERRY and I are offering an amendment in the nature of a substitute to restore some of the most serious omissions to H.R. 2392. Our amendment adds to, but does not remove, any provisions from the House-passed bill.

The House-passed version of H.R. 2392 failed to include some very key provisions that are critical to the mission of SBA in Fiscal Year 2001. The House bill did include the Senate-passed bill to improve and extend the SBIR program for eight years, and it did adopt authorization levels for SBA programs included in the Senate version of the Small Business Reauthorization Act of 2000. However, the House bill failed to include many key provisions that were approved by the Senate Committee on Small Business earlier this year. Our Substitute Amendment will restore some of the most important omitted provisions.

The following is a list of the program amendments that were excluded from the House bill that we have included in the Bond-Kerry substitute amendment: Senator KERRY's Microloan program amendments that make extensive improvements in this key small business credit program; re-authorizations of the National Women's Business Council, an amendment sponsored by Senator LANDRIEU during the committee markup; a change in the small business size standard system proposed by Senator FEINSTEIN that will help small fresh fruit and vegetable packing houses to qualify for Federal disaster relief; comprehensive amendments that I sponsored to improve the HUBZone program, which is designed to create jobs and investments in economically distressed inner cities and rural counties; the Native American Small Business Development Center Network; and 7(a) guarantee business loan guarantee fee simplification plan.

The Senate Committee on Small Business has approved the provisions being added to this legislation. In the case of the SBIR Reauthorization Act, the full Senate has also passed separate legislation. Most of the provisions included in the Bond-Kerry substitute amendment to H.R. 2392 are discussed at length in the following committee reports that have been filed in the Senate: Senate Report 106-289, Small Business Innovation Research Program Reauthorization Act of 2000; and Senate Report 106-422, Small Business Reau-

There are two major provisions that were included in S. 3121, the Small Business Reauthorization Act of 2000, which was reported favorably from the Senate Committee on Small Business, but which have not been included in the Bond-Kerry substitute amendment. I have withdrawn the two provisions in order to expedite congressional passage and the enactment of this important SBA and SBIR re-authorization legislation. It is my intention to make passage of these provisions a high priority in the next Congress.

Earlier this year, the Committee on Small Business approved an important provision that would reverse a serious problem caused by the SBA in its implementation of the HUBZone Program, which the Congress enacted in 1997 as part of the Small Business Reauthorization Act. As many of my colleagues in the Senate know, the HUBZone Program directs a portion of the Federal contracting dollars into economically distressed areas of the country that have been out of the economic mainstream for far too long.

HUBZone areas, which include qualified census tracts, rural counties, and Indian reservations, often are relatively out-of-the-way places that the stream of commerce often by-passes. They tend to be low-traffic areas that do not have a reliable customer base to support business development. As a result, business has been reluctant to move into these areas. It simply has not been profitable absent a customer base to keep them operating.

The HUBZone Act seeks to overcome this problem by making it possible for the Federal government to become a customer for small businesses that locate in HUBZones. While a small business works to establish its regular customer base, a Federal contract can help it stabilize its revenues and its profitability. This program provides small business a chance to gain an economic foothold and to provide jobs to these areas. New businesses, more investments and new job opportunities mean new life and new hope for these communities.

When Congress enacted the HUBZone program in 1997, a lot of people were concerned about how the HUBZone program would interact with the 8(a) minority enterprise program. We in Congress agreed at that time to protect the 8(a) program by saying the two programs would have parity—neither one would have an automatic preference over the other in getting Federal government contracts.

Notwithstanding the 1997 Act, SBA has decided to disregard the instructions of the Congress and put 8(a) ahead of HUBZones in every case. Even if the Government is failing to reach its HUBZone goal and is meeting its Small Disadvantaged Business goal (of which 8(a) is a part), SBA insists that the 8(a) program still has a priority over the HUBZone Program.

SBA has abandoned the protection Congress included in the 1997 law when

it enacted the HUBZone Program. Contrary to the law, SBA is setting up the two programs in competition with each other, which is precisely what Congress sought to prevent. Putting either program in competition with the other is a prescription for one of the programs to fail.

SBA's position does real harm to minority communities as well. The 8(a) program has a role to play in ensuring minority communities own assets in the economy. It ensures minority business owners get the opportunity to be self-supporting, independent citizens with a full stake in our economy. It's important that all Americans have a piece of the economic pie.

HUBZones and 8(a) are two prongs of the same fork. They both have a vital role to play in ensuring opportunity. That's why it's important to correct SBA's current position and to keep the two programs from competing with each other. The remedial language that I have withdrawn from the Substitute Amendment would have reversed the SBA position and restore the equal footing Congress established when it created the HUBZone program three years ago. I intend to pursue a comprehensive remedy to this problem early next year.

On November 5, 1999, the Senate approved unanimously S. 1346, a bill I introduced to make the SBA Office of Advocacy a stronger, more effective advocate for all small businesses throughout the United States. This bill was referred to the House Committee on Small Business on November 8, 1999, and it has failed since then to take action on this important legislation that has the strong support of almost every segment of the small business community.

Consequently, when the Senate Small Business Committee marked up the S. 3121, the Small Business Reauthorization Act of 2000, it incorporated the entire text of S. 1346 as a separate title. It was the committee's intention that this action might spur the House committee to take action on this bill. Unfortunately, the Houses remains adamant in its opposition. Both Chairman JIM TALENT and Ranking Democrat, NYDIA VELÁZQUEZ from the House Small Business Committee have insisted that the title to strengthen SBA's Office of Advocacy be stricken from the bill. Therefore, I am withdrawing S. 1346 in order to clear the way for swift passage by the Senate and House of Representatives of H.R. 2392 with the Bond/Kerry substitute amendment.

Senator KERRY and I have taken some very dramatic steps to insure that the Small Business Reauthorization Act of 2000 is enacted as soon as possible. It is critical that the Senate act quickly to adopt the substitute amendment to H.R. 2392. Our substitute amendment will have a positive impact on nearly every SBA program, from guaranteed business loans, to equity investments, to management and tech-

nical assistance for small businesses and budding entrepreneurs. Now is not the time to turn our backs on the critical role played by small businesses in our vibrant economy. We need to enact this comprehensive legislation now so that small businesses and their employees can receive the full benefit of these programs.

I urge my colleagues in the Senate to vote in favor of this much needed bill.

Mr. KERRY. Mr. President, let me say a few words about the Small Business Reauthorization Act of 2000 and the managers' amendment that the Senate is considering today. While I applaud the House for their action to ensure the continuation of important Small Business Administration (SBA) programs, the managers' amendment offered by Chairman BOND and myself includes key provisions extending and improving important SBA programs. This bill, with the inclusion of the managers' amendment, is comprehensive. It reauthorizes all of the SBA's programs, setting the funding levels for the credit and business development programs, and making improvements where needed. Without this legislation, the 504 loan program would shut down; the venture capital debenture program would shut down; and funding to the states for their small business development centers would be in jeopardy. The list goes on. I just can't emphasize enough how important this legislation is.

The SBA's contribution is significant. In the past eight years, the SBA has helped almost 375,000 small businesses get more than \$80 billion in loans. That's double what it has loaned in the preceding 40 years since the agency's creation. The SBA is better run than ever before, with four straight years of clean financial audits; it has a quarter less staff, but makes twice as many loans; and its credit and finance programs are a bargain. For a relatively small investment, taxpayers are leveraging their money to help thousands of small businesses every year and fuel the economy.

Let me just give you one example. In the 7(a) program, taxpayers spend \$1.24 for every \$100 loaned to small business owners. Well known successes like Winnebago and Ben & Jerry's are clear examples of the program's effectiveness.

Overall, I agree with the program levels in the three-year reauthorization bill. As I said during the Small Business Committee's hearing on SBA's budget earlier in the year, I believe the program levels are realistic and appropriate based on the growing demand for the programs and the prosperity of the country. I also think they are adequate should the economy slow down and lenders have less cash to invest. Consistent with SBA's mission, in good times or bad, we need to make sure that small businesses have access to credit and capital so that our economy benefits from the services, products and jobs they provide. As First Lady

Hillary Rodham Clinton says, we don't want good ideas dying in the parking lot of banks. We also want a safety net when our states are hit hard by a natural disaster. There are many members of this Chamber, and their constituents, who know all too well the value of SBA disaster loans after floods, fires and tornadoes.

I will only take a short time to talk about some of important the provisions of this bill and our managers' amendment.

I am pleased that we are considering legislation to extend the Small Business Innovation Research (SBIR) program for 8 more years as part of this comprehensive SBA reauthorization bill. As many of my colleagues may know, this program is set to expire on September 30, along with many other important programs critical to our nation's small businesses. While I am sorry the process has taken this long, in no way should it imply that there is not strong support for the SBIR program, the Small Business Administration, or our nation's innovative small businesses.

The SBIR program is of vital importance to the high-technology sector throughout the country. For the past decade, growth in the high-technology field has been a major source of the resurgence of the American economy we now enjoy. While many Americans know of the success of Microsoft, Oracle, and many of the dot.com companies, few realize that it is America's small businesses that are working in industries like software, hardware, medical research, aerospace technologies, and bio-technology that are helping to fuel this resurgence—and that it is the SBIR program that makes much of this possible. By setting aside Federal research and development dollars specifically for small high-tech businesses, SBIR is making important contributions to our economy.

These companies have helped launch the space shuttle; found a vaccine for Hepatitis C; and made B-2 Bomber missions safer and more effective.

Since the start of the SBIR program in 1983, more than 17,600 firms have received over \$9.8 billion in assistance. In 1999 alone, nearly \$1.1 billion was awarded to small high-tech firms through the SBIR program, assisting more than 4,500 firms.

The SBIR program has been, and remains, an excellent example of how government and small business can work together to advance the cause of both science and our economy. Access to risk capital is vital to the growth of small high technology companies, which accounted for over 40 percent of all jobs in the high technology sector of our economy in 1998. The SBIR program gives these companies access to Federal research and development money and encourages those who do the research to commercialize their results. Because research is crucial to ensuring that our nation is the leader in

knowledge-based industries, which will generate the largest job growth in the next century, the SBIR program is a good investment for the future.

I am proud of the many SBIR successes that have come from my state of Massachusetts. Companies like Advanced Magnetics of Cambridge, Massachusetts, illustrate that success. Advanced Magnetics used SBIR funding to develop a drug making it easier for hospitals to find tumors in patients. The development of this drug increased company sales and allowed Advanced Magnetics to hire additional employees. This is exactly the kind of economic growth we need in this nation, because jobs in the high-technology field pay well and raise everyone's standard of living. That is why I am such a strong supporter and proponent of the SBIR program and fully support its reauthorization.

This legislation also includes H.R. 2614, which reauthorizes SBA's 504 loan program, which passed the Senate on June 14, 2000. The bill and our managers' amendment make common-sense changes to this critical economic development tool. These changes will greatly increase the opportunity for small business owners to build a facility, buy more equipment, or acquire a new building. In turn, small business owners will be able to expand their companies and hire new workers, ultimately resulting in an improved local economy.

Since 1980, over 25,000 businesses have received more than \$20 billion in fixed-asset financing through the 504 program. In my home state of Massachusetts, over the last decade small businesses have received \$318 million in 504 loans that created more than 10,000 jobs. The stories behind those numbers say a lot about how SBA's 504 loans help business owners and communities. For instance, in Fall River, Massachusetts, owners Patricia Ladino and Russell Young developed a custom packing plant for scallops and shrimp that has grown from ten to 30 employees in just two short years and is in the process of another expansion that will add as many as 25 new jobs.

Under this reauthorization bill, the maximum debenture size for Section 504 loans has been increased from \$750,000 to \$1 million. For loans that meet special public policy goals, the maximum debenture size has been increased from \$1 million to \$1.3 million. It has been a decade since we increased the maximum guarantee amount. If we were to change it to keep pace with inflation, the maximum guarantee would be approximately \$1.25 million instead of \$1 million. Instead of implementing such a sharp increase, we are striking a balance between rising costs and increasing the government's exposure and only seeking to increase the cap to \$1 million.

I am pleased to say that this legislation also includes a provision assisting women-owned businesses, which I first introduced in 1998 as part of S. 2448, the

Small Business Loan Enhancement Act. This provision adds women-owned businesses to the current list of businesses eligible for the larger public policy loans. As the role of women-owned businesses in our economy continues to increase, we would be remiss if we did not encourage their growth and success by adding them to this list.

The 504 loan program gets results. It expands the opportunities of small businesses, creates jobs and betters communities. It is crucial that it be reauthorized, and that is what this legislation does.

Another important program reauthorized under this legislation and strengthened by the managers' amendment is the Microloan program. I have long been a believer in microloans and their power to help people gain economic independence while improving the communities in which they live. This bill authorizes lower levels for the microloan program than the Administration requested. Of course, I would prefer to have full funding because I believe it is important to expand the program so that it is available everywhere. But, compromise is part of the legislative process, and a moderate increase is better than none at all. Nevertheless, I will be monitoring usage of microloan technical assistance and have told Chairman BOND that the Senate Committee on Small Business should revisit the issue before the end of the three-year reauthorization period if the level authorized is inadequate to meet program needs.

In addition to funding, our managers' amendment also makes important changes to the microloan program. We have heard from intermediaries and economic development activists around the country that with some administrative and legislative changes, this program could have a greater impact. This bill takes some important steps in the right direction. Right now we have 156 microlending intermediaries. This bill will permit the program to grow to 250 in FY 2001; to 300 in FY 2002, and to 350 in FY 2003. It also increases loan levels and technical assistance levels over three years. With more technical assistance, we will be able to increase the number of intermediaries, and therefore reach more borrowers in rural areas or large states. I also support the provision to raise the cap on microloans from \$25,000 to \$35,000, making it adequate to help micro-entrepreneurs in states and urban areas where operating costs are more expensive. Senator SNOWE's provision to establish \$1 million for peer-to-peer training for microlenders is also included. I strongly support this concept because it will help the program grow while maintaining its high quality and low loss rates.

Small Business Development Centers (SBDC) are also reauthorized under this legislation. SBDCs serve tens of thousands of small business owners and prospective owners every year. This bill takes a giant step to retool the for-

mula that determines how much funding each state receives. This is an important program for all of our states and we want no confusion about its funding. Without this change, some states would have suffered sharp decreases in funding, disproportionate to their needs. I appreciate and am glad that the SBA and the Association of Small Business Development Centers worked with me to develop an acceptable formula so that small businesses continue to be adequately served.

This legislation also reauthorized the National Women's Business Council. For such a tiny office, with minimal funding and staff, it has managed to make a significant contribution to our understanding of the impact of women-owned businesses in our economy. It has also done pioneer work in raising awareness of business practices that work against women-owned business, such as some in the area of Federal procurement. Recently, they completed two studies that documented the world of Federal procurement and its impact on women-owned businesses.

According to the National Foundation for Women Business Owners, over the past decade, the number of women-owned businesses in this country has grown by 103 percent to an estimated 9.1 million firms. These firms generate almost \$3.6 trillion in sales annually and employ more than 27.5 million workers. With the impact of women-owned businesses on our economy increasing at an unprecedented rate, Congress relies on the Council to serve as its eyes and ears as it anticipates the needs of this burgeoning entrepreneurial sector. Since it was established in 1988, the bipartisan Council has provided important unbiased advice and counsel to Congress.

This Act recognizes the Council's work and reauthorizes it for three years, from FY 2001 to 2003. It also increases the annual appropriation from \$600,000 to \$1 million. The increase in funding will allow the council to: support new and ongoing research; produce and distribute reports and recommendations prepared by the Council; and create an infrastructure to assist states develop women's business advisory councils, coordinate summits and establish an interstate communication network.

The Historically Underutilized Business Zone, or "HUBZone" program, which passed this Committee in 1997, has tremendous potential to create economic prosperity and development in those areas of our Nation that have not seen great rewards, even in this time of unprecedented economic health and stability. This program is similar to my New Markets legislation in that it creates an incentive to hire from, and perform work in, areas of this country that need assistance the most. This bill would authorize the HUBZone program at \$10 million for the next 3 years, which is \$5 million above the Administration's request.

Additionally, the managers' amendment included very important provisions to include those areas which were inadvertently missed when this legislation was crafted—namely, Indian tribal lands. I appreciate the willingness of the Committee on Indian Affairs to work with our Committee to create HUBZone opportunities in the states of Alaska and Hawaii, and in other Indian tribal lands.

The HUBZone section does not contain any provision addressing the interaction of the HUBZone and 8(a) minority contracting programs. I believe that the 8(a) program is an important and necessary tool to help minority small businesses receive access to government contracts. The Chairman and I agree that there is a need to enhance the participation of both 8(a) and HUBZone companies in Federal procurement. It is my intention that the Senate Committee on Small Business consider the issue of enhancing small business procurement in the next Congress.

The Senate managers' amendment also includes a provision relating to SBA's cosponsorship authority. This authority allows SBA and its programs to cosponsor events and activities with private sector entities, thus leveraging the Agency's limited resources. The managers' amendment extends the authority for three additional years. This provision also adds "information and education" to the types of assistance that can be provided to small businesses by public and private sector organizations working with the SBA. This provision was recommended by the SBA as an effective change to training programs that are jointly run by the SBA and partner organizations.

Mr. President, let me conclude by reminding my colleagues that all of our states benefit from the success and abundance of small businesses. This legislation makes their jobs a little easier. I ask my colleagues for their support of this important legislation.

REFERRAL OF S. 1840

Mr. KYL. Mr. President, I ask unanimous consent that when the Committee on Indian Affairs reports S. 1840, a bill to provide for the transfer of public lands to certain California Indian tribes, it then be referred to the Energy Committee for a period not to exceed 7 calendar days. I further ask consent that if S. 1840 is not reported prior to the 7 days, the bill then be discharged from the Energy Committee and placed on the calendar.

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

ORDERS FOR TUESDAY, OCTOBER 3, 2000

Mr. KYL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until the hour of 9:30 a.m. on Tuesday, October 3. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin final remarks on the H-1B visa legislation under the previous order.

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

Mr. KYL. I further ask unanimous consent that the Senate stand in recess for the weekly party conferences to meet from 12:30 to 2:15 p.m.

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

PROGRAM

Mr. KYL. For the information of all Senators, the Senate will begin closing remarks on the H-1B visa bill at 9:30 a.m. Following 30 minutes of debate, the Senate will proceed to vote on the bill. The Senate will then proceed to executive session with several hours of debate on judges and up to four votes could occur after 2 p.m.

RECESS UNTIL TUESDAY,
OCTOBER 3, 2000

Mr. KYL. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:32 p.m., recessed until Tuesday, October 3, 2000, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 2, 2000:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

RANDOLPH J. AGLEY, OF MICHIGAN, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF ONE YEAR. (NEW POSITION)

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

REGINALD EARL JONES, OF MARYLAND, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2005. (RE-APPOINTMENT)

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

HSIN-MING FUNG, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2006, VICE SPEIGHT JENKINS, TERM EXPIRED.

UNITED STATES PAROLE COMMISSION

EDWARD F. REILLY, JR., OF KANSAS, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR A TERM OF SIX YEARS, VICE JOHN R. SIMPSON, TERM EXPIRED.

SOCIAL SECURITY ADVISORY BOARD

MARK A. WEINBERGER, OF MARYLAND, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 30, 2006, VICE HARLAN MATHEWS, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 2114:

TO BE CAPTAIN

JOHN B. STETSON, 0000
CHRISTINE E. THOLEN, 0000