

WELCOMING BULGARIA INTO NATO

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, on Monday there was a historic ceremony at the White House where President George W. Bush welcomed Bulgaria, Romania, Lithuania, Slovakia, Slovenia, Estonia, and Latvia into NATO, the North Atlantic Treaty Organization.

I am particularly pleased of Bulgaria's entry as they are rapidly rising from decades of communist totalitarianism, which I have seen firsthand since my first visit to Sofia in June 1990. Bulgaria has been one of America's most courageous allies in the war on terrorism, providing troops for the liberation campaigns in Afghanistan and Iraq.

I want to personally thank the visionary Bulgarian patriots who have worked so hard to make today possible, including Prime Minister Simeon Saxe-Coburg Gotha, President Georgi Parvanov, Ambassador Elena Poptodorova, Foreign Minister Solomon Pasi, Defense Minister Nikolai Svinarov, Speaker Ognian Gerdjikov, Deputy Chief of Mission Emil Yalnazov, Ambassador Stefan Stoyanov, and Congressional Liaison Officer Zlatin Krastev.

In conclusion, may God bless our troops, and we will never forget September 11.

HONORING THE LIFE AND LEGACY OF CESAR CHAVEZ

(Mr. GRIJAVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRIJALVA. Mr. Speaker, today I rise to take a moment to commemorate and celebrate the life of Cesar Chavez, a life that was a life with inspiration to all of us in this country because it meant the very best for all of us.

Cesar Chavez had a vision for this country, and his legacy is a living legacy because of that vision; and the realization of that vision continues to be a work in progress and a work that we must all undertake. His vision was about inclusion, that all of us in this country deserve a place at the table and deserve to be treated with respect and with the humanity we all deserve. His vision was about fairness.

This country is about all people regardless of who they are, where they came from, what they look like, what language they speak, that we all be treated fairly and equally. And his vision was the dignity of each person, that we are all entitled, all born with a dignity and a self-respect that merits the rest of us living to that legacy.

And that is the living legacy of Cesar Chavez, and we commemorate his life today as a legacy that we must all con-

tinue to strive for and to make a reality in this country.

ADDRESSING OUR OUTDATED IMMIGRATION LAWS AND POLICIES

(Mr. BARRETT of South Carolina asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of South Carolina. Mr. Speaker, I rise today to thank President Bush for recognizing the need to address our outdated immigration laws and policies, as well as to urge Congress to make this issue a top priority.

First, let me start by making it clear that I believe America should always honor its immigration tradition and legally admit a reasonable number of new immigrants every year. But the tragic events of September 11 awakened most Americans to the fact that our immigration system is not only seriously flawed; it also poses a danger to our national security.

The SAFER Act would strengthen our borders with increased screening and tracking of aliens, enhanced enforcement of the Immigration and Nationality Act, expedited removal proceedings, and reduced excessive immigration.

I also support H.R. 775, the bill of the gentleman from Virginia (Mr. GOODLATTE), which would end the visa lottery system.

Our Nation is out of control. Immigration policies expose us to an increased risk of another terrorist attack, something I cannot sit back and allow to happen. It is time for Congress to act now to protect America's interests.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

RECORD votes on postponed questions will be taken later in the day.

TEMPORARY EXTENSION OF PROGRAMS UNDER THE SMALL BUSINESS ACT AND THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. MANZULLO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4062) to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through June 4, 2004, and for other purposes.

The Clerk read as follows:

H.R. 4062

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

SECTION 1. ADDITIONAL TEMPORARY EXTENSION OF AUTHORIZATION OF PROGRAMS UNDER SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT OF 1958.

The authorization for any program, authority, or provision, including any pilot program, that was extended through April 2, 2004, by section 1 of Public Law 108-205 is further extended through June 4, 2004, under the same terms and conditions.

SEC. 2. EXTENSION OF CERTAIN FEE AUTHORIZATIONS.

Section 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697 (f)), as amended by section 2 of Public Law 108-205, is further amended by striking "May 21, 2004" and inserting "October 1, 2004".

SEC. 3. FISCAL YEAR 2004 PURCHASE AND GUARANTEE AUTHORITY UNDER TITLE III OF SMALL BUSINESS INVESTMENT ACT OF 1958.

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

"(j) FISCAL YEAR 2004 PURCHASE AND GUARANTEE AUTHORITY UNDER TITLE III OF SMALL BUSINESS INVESTMENT ACT OF 1958.—For fiscal year 2004, for the programs authorized by title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.), the Administration is authorized to make—

"(1) \$4,000,000,000 in purchases of participating securities; and

"(2) \$3,000,000,000 in guarantees of debentures."

SEC. 4. COMBINATION FINANCING.

(a) IN GENERAL.—During the period beginning on the date of the enactment of this section and ending on September 30, 2004, subsection (a) of section 7 of the Small Business Act (15 U.S.C. 636(a)) shall be applied as if the paragraph set forth in subsection (b) were added at the end of that subsection (a).

(b) PARAGRAPH SPECIFIED.—The paragraph referred to in subsection (a) is as follows:

"(31) COMBINATION FINANCING.—

"(A) DEFINITIONS.—In this paragraph—

"(i) the term 'combination financing' means financing comprised of a loan guaranteed under this subsection and a commercial loan; and

"(ii) the term 'commercial loan' means a loan which is part of a combination financing and no portion of which is guaranteed by the Federal Government.

"(B) APPLICABILITY.—This paragraph applies to a loan guarantee obtained by a small business concern under this subsection, if the small business concern also obtains a commercial loan.

"(C) COMMERCIAL LOAN AMOUNT.—In the case of any combination financing, the amount of the commercial loan which is part of such financing shall not exceed the gross amount of the loan guaranteed under this subsection which is part of such financing.

"(D) COMMERCIAL LOAN PROVISIONS.—The commercial loan obtained by the small business concern—

"(i) may be made by the participating lender that is providing financing under this subsection or by a different lender;

"(ii) may be secured by a senior lien; and

"(iii) may be made by a lender in the Preferred Lenders Program, if applicable.

"(E) COMMERCIAL LOAN FEE.—A one-time fee in an amount equal to 0.7 percent of the amount of the commercial loan shall be paid by the lender to the Administration if the commercial loan has a senior credit position to that of the loan guaranteed under this subsection. Paragraph (23)(B) shall apply to the fee established by this paragraph.

"(F) DEFERRED PARTICIPATION LOAN SECURITY.—A loan guaranteed under this subsection may be secured by a subordinated lien.

“(G) COMPLETION OF APPLICATION PROCESSING.—The Administrator shall complete processing of an application for combination financing under this paragraph pursuant to the program authorized by this subsection as it was operating on October 1, 2003.

“(H) BUSINESS LOAN ELIGIBILITY.—Any standards prescribed by the Administrator relating to the eligibility of small business concerns to obtain combination financing under this subsection which are in effect on the date of the enactment of this paragraph shall apply with respect to combination financings made under this paragraph. Any modifications to such standards by the Administrator after such date shall not unreasonably restrict the availability of combination financing under this paragraph relative to the availability of such financing before such modifications.”.

SEC. 5. LOAN GUARANTEE FEES.

(a) IN GENERAL.—During the period beginning on the date of the enactment of this section and ending on September 30, 2004, subparagraph (A) of paragraph (23) of subsection (a) of section 7 of the Small Business Act (15 U.S.C. 636(a)(23)(A)) shall be applied as if that subparagraph consisted of the language set forth in subsection (b).

(b) LANGUAGE SPECIFIED.—The language referred to in subsection (a) is as follows:

“(A) PERCENTAGE.—

“(i) IN GENERAL.—With respect to each loan guaranteed under this subsection, the Administrator shall, in accordance with such terms and procedures as the Administrator shall establish by regulation, assess and collect an annual fee in an amount equal to 0.5 percent of the outstanding balance of the deferred participation share of the loan.

“(ii) TEMPORARY PERCENTAGE.—With respect to loans approved during the period beginning on the date of enactment of this clause and ending on September 30, 2004, the annual fee assessed and collected under clause (i) shall be equal to 0.36 percent of the outstanding balance of the deferred participation share of the loan.”.

(c) RETENTION OF CERTAIN FEES.—Subparagraph (B) of paragraph (18) of subsection (a) of section 7 of the Small Business Act (15 U.S.C. 636(a)(18)(B)) shall not be effective during the period beginning on the date of the enactment of this section and ending on September 30, 2004.

SEC. 6. EXPRESS LOAN PROVISIONS.

(a) DEFINITIONS.—For the purposes of this section:

(1) The term “express lender” shall mean any lender authorized by the Administrator to participate in the Express Loan Pilot Program.

(2) The term “Express Loan” shall mean any loan made pursuant to section 7(a) of the Small Business Act (15 U.S.C. 636(a)) in which a lender utilizes to the maximum extent practicable its own loan analyses, procedures, and documentation.

(3) The term “Express Loan Pilot Program” shall mean the program established by the Administrator prior to the date of enactment of this section under the authority granted in section 7(a)(25)(B) of the Small Business Act (15 U.S.C. 636(a)(25)(B)) with a guaranty rate not to exceed 50 percent.

(4) The term “Administrator” means the Administrator of the Small Business Administration.

(5) The term “small business concern” has the same meaning given such term under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(b) RESTRICTION TO EXPRESS LENDER.—The authority to make an Express Loan shall be limited to those lenders deemed qualified to make such loans by the Administrator. Designation as an express lender for purposes of

making an Express Loan shall not prohibit such lender from taking any other action authorized by the Administrator for that lender pursuant to section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(c) GRANDFATHERING OF EXISTING LENDERS.—Any express lender shall retain such designation unless the Administrator determines that the express lender has violated the law or regulations promulgated by the Administrator or modifies the requirements to be an express lender and the lender no longer satisfies those requirements.

(d) TEMPORARY EXPANSION OF EXPRESS LOAN PILOT PROGRAM.—

(1) AUTHORIZATION.—As of the date of enactment of this section, the maximum loan amount in the Express Loan Pilot Program shall be increased to a maximum loan amount of \$2,000,000 as set forth in section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)).

(2) TERMINATION DATE.—The authority set forth in paragraph (1) shall terminate on September 30, 2004.

(3) SAVINGS PROVISION.—Nothing in this section shall be interpreted to modify or alter the authority of the Administrator to continue to operate the Express Loan Pilot Program on or after October 1, 2004.

(e) OPTION TO PARTICIPATE.—Except as otherwise provided in this section, the Administrator shall take no regulatory, policy, or administrative action, without regard to whether such action requires notification pursuant to section 7(a)(24) of the Small Business Act (15 U.S.C. 636(a)(24)), that has the effect of—

(1) requiring a lender to make an Express Loan pursuant to subsection (d);

(2) limiting or modifying any term or condition of deferred participation loans made under such section (other than Express Loans) unless the Administrator imposes the same limit or modification on Express Loans;

(3) transferring or re-allocating staff, staff responsibilities, resources, or funding, if the result of such transfer or re-allocation would be to increase the average loan processing, approval, or disbursement time above the averages for those functions as of October 1, 2003, for loan guarantees approved under such section by employees of the Administration or through the Preferred Lenders Program; or

(4) otherwise providing any incentive or disincentive which encourages lenders or borrowers to make or obtain loans under the Express Loan Pilot Program instead of under the general loan authority of section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(f) COLLECTION AND REPORTING OF DATA.—For all loans in excess of \$250,000 made pursuant to the authority set forth in subsection (d)(1), the Administrator shall, to the extent practicable, collect data on the purpose for each such loan. The Administrator shall report monthly to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on the number of such loans and their purposes.

(g) TERMINATION.—Subsections (b), (c), (e), and (f) shall not apply after September 30, 2004.

SEC. 7. FISCAL YEAR 2004 DEFERRED PARTICIPATION STANDARDS.

Deferred participation loans made during the period beginning on the date of the enactment of this Act and ending on September 30, 2004, under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) shall have the same terms and conditions (including maximum gross loan amounts and collateral requirements) as were applicable to loans made under such section on October 1, 2003, except as otherwise provided in this

Act. This section shall not preclude the Administrator of the Small Business Administration from taking such action as necessary to maintain the loan program carried out under such section, subject to appropriations.

SEC. 8. TEMPORARY INCREASE IN LOAN LIMIT UNDER BUSINESS LOAN AND INVESTMENT FUND AND IN ASSOCIATED GUARANTEE FEES.

(a) TEMPORARY INCREASE IN AMOUNT PERMITTED TO BE OUTSTANDING AND COMMITTED.—During the period beginning on the date of the enactment of this Act and ending on September 30, 2004, section 7(a)(3)(A) of the Small Business Act (15 U.S.C. 636(a)(3)(A)) shall be applied as if the first dollar figure were \$1,500,000.

(b) TEMPORARY GUARANTEE FEE ON DEFERRED PARTICIPATION SHARE OVER \$1,000,000.—With respect to loans made during the period referred to in subsection (a) to which section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) applies, the Administrator of the Small Business Administration shall collect an additional guarantee fee equal to 0.25 percent of the amount (if any) by which the deferred participation share of the loan exceeds \$1,000,000.

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

The Chair recognizes the gentleman from Illinois (Mr. MANZULLO).

GENERAL LEAVE

Mr. MANZULLO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this legislation.

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

There was no objection.

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

Mr. Speaker, this bill is a bipartisan work product between the gentlewoman from New York (Ms. VELÁZQUEZ) and me and is a result of the commitment made on the House floor earlier this month to provide a fix to the problem in the main flagship guaranteed lending program of the Small Business Administration.

This legislation would not only restore the overall 7(a) program to full strength, but also expand its outreach to help more small businesses grow and create more jobs.

Earlier this year, a funding shortfall unfortunately required the SBA to temporarily suspend the program for a week, reduce the maximum loan size to \$750,000, and prohibit combination or piggyback loans.

In this compromise, the annual lender ongoing fee on 7(a) loans would increase from 0.25 percent to 0.36 percent. The lender would also pay a 0.70 percent up-front fee for combination or piggyback loans. For loans under \$150,000, the lender would no longer be allowed to retain the 0.25 percent ongoing fee. Instead, this bill, under the provisions in it, the SBA will keep that fee.

H.R. 4062 raises the 7(a) guaranteed limit from \$1 million to \$1.5 million with an additional risk premium fee of 0.25 percent imposed on the borrower over and above the 3.5 percent fee they currently pay on loan amounts over \$1 million.

Finally, H.R. 4062 allows lenders the option to make loans up to \$2 million under the SBA Express program, which has a 50 percent guarantee rate; but banks can use their own paperwork. Currently lenders can only make loans up to \$250,000 under the SBA Express program. I want to make it clear, however, that I intend that this provision must be truly optional on the part of the lenders. The SBA should not do anything in its internal policies or procedures that tilts this rule in favor of SBA Express at the expense of the rest of the 7(a) lending program.

All together, these provisions will provide an additional \$3 billion in lending to small businesses for the rest of fiscal year 2004 to reach a total of 7(a) program level of \$12.55 billion without requiring any additional appropriations or reprogramming funds from other key areas within the SBA.

When this bill is passed by Congress and signed into law, SBA assures me it will provide enough lending authority for the SBA to remove the current loan cap of \$750,000 and also allow combination or piggyback loans.

By increasing the 7(a) programs lending authority, SBA estimates that through their lending partners they will be able to offer 30,000 additional guaranteed loans, which could create or retain as many as a half million jobs by the end of September.

In addition to fixing the 7(a) program, the bill authorizes the SBA to charge fees under the 504 Certified Development Company program and the Small Business Investment Company program until the end of the fiscal year or September 30, 2004. Both these programs operate solely on the basis of user fees and do not require an annual appropriation. Currently, the authority to charge these fees expires on May 21.

Finally, the general extension of SBA programs not covered by an appropriation such as the surety bond program, SBA's cosponsorship authority, and several very small procurement assistance programs, will move from the current deadline of April 2 to June 4 of 2004.

This bipartisan bill has the support of both the minority and majority sides of the Committee on Small Business. It has the support of the administration. And finally, it represents the consensus position of those who use the 7(a) program, both borrowers and lenders.

I urge my colleagues to support H.R. 4062.

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

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

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, first I would like to thank the chairman and the House leadership for their commitment and willingness to resolve this program in a bipartisan manner.

In today's jobless recovery, small businesses are more important than ever. That is because small businesses are this country's main economic driver. They are this country's main job creator, and they are this country's number one employer. They are the backbone of the American economy.

One big challenge for small businesses is access to capital. Studies have shown that too many entrepreneurs finance their great ideas with credit cards. And this puts them into debt even before they get their businesses off the ground.

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That is exactly why the SBA loan programs are so critical. These programs fill a financing gap for small firms, making loans on great ideas that may not have been looked at twice or invested in it at all. In fact, last year, the SBA's 7(a) flagship loan program provided hundreds of thousands of small businesses with billions of dollars that was then pumped back into the U.S. economy.

Yet, for all the good the 7(a) program has done, it recently fell on tough times. The program was shut down at the end of last year and was later reopened but with severe restrictions in place. Just after the program hit these bad times, so did the small business owners that were trying to secure loans. Suddenly, their plans to hire employees, expand their operations or purchase new equipment were put on hold; and, as a result, job creation was put on hold for the American economy overall.

I am happy to say to all those small business owners out there who have suffered, we are going to make the 7(a) loan program whole again with the bill before us today. This program that has helped countless entrepreneurs turn their dreams of business ownership into reality is back, and hopefully it is here to stay.

In H.R. 4062, we ask lenders to shoulder greater responsibility for the program, but we are also giving them a new tool by raising the guarantee rate from \$1 million to \$1.5 million. In doing this, lenders will be able to guarantee more loans, more money will flow into the American economy, and small firms will be able to create more jobs.

This fix will support our small businesses that create good-paying jobs right here in the United States, unlike the large multinational corporations that move jobs overseas in search of cheap labor and lax environmental standards without even thinking twice.

Our solution will especially help small manufacturers who have been hard hit, like Elliot Moses, a small businessman from Sandy, Utah, who was left on the edge of financial ruin when the 7(a) program was closed. Now

he and thousands of other manufacturers can get the loans they need to stay competitive, strengthen their operations here in the U.S. and hire more American workers.

With H.R. 4062, we pave the way to success for manufacturers and small businesses everywhere. With this bill, we make sure small businesses have access to capital. With this bill, we make sure small businesses can invest in their ventures, purchase new equipment, expand and create jobs. With this bill, we will be giving our economy the shot in the arm that it needs right now; and with this bill, we also give new hope to the 8.2 million unemployed Americans that something is being done to transform the current jobless environment into one of work and prosperity.

If my colleagues support our Nation's economy, if they support job creation, then I urge my colleagues to support H.R. 4062.

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

Mr. MANZULLO. Mr. Speaker, I have no further speakers. I would ask the gentlewoman if she has any further speakers.

Ms. VELÁZQUEZ. Mr. Speaker, I do not have any other speakers.

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

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

By passing this bill, we will show small businesses just how important they are to the U.S. economy. We will show them that we want to make it easier for them to invest capital back into the businesses where it belongs; and, Mr. Speaker, I would like to take a moment to thank all the staff who worked hard on this solution.

I would like to thank from the administration, the staff, Jenny Mayne, Anthony Bedell and Charles Rowe. From the House leadership, I would like to thank KiKi Kless and Julie Sullivan. From the chairman's office, Barry Pineles, Matthew Szymanski and Phil Eskeland. From the Democratic Committee on Small Business staff, I would like to thank the staff director Michael Day, Adam Minehardt and Jordan Haas.

Mr. Speaker, I yield as much time as she may consume to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, I would like to thank the chairman and the ranking member for their leadership. They have fought long and hard to make sure that they heard the cry of small businesses.

Small businesses have been crying throughout this country, saying that they needed the 7(a) loan programs so that they can do business; and we all recognize that small businesses are the engine that creates the jobs in this country. So to the gentleman from Illinois (Chairman MANZULLO) and the gentlewoman from New York (Ranking

Member VELÁZQUEZ), I thank them so much for bringing this to the floor and all of the staff members who have worked so hard.

Mr. Speaker, this critical measure will help reopen the Small Business Administration's core lending vehicle which is the 7(a) loan program, and it will provide funding for the agency through June 4. While we grapple with the budget, we recognize that there are shortcomings in terms of it, but at least it will begin to address those applications that have come to us from those small businesses that critically need the financing through the 7(a) loan program.

This bill also makes a number of important changes to the program, including lifting the \$750,000 cap on loans and gets the program running at an adequate level. It removes the regulatory restriction, also known as the "piggybacking," on SBA loans being part of larger financing packages.

This bill also creates a new financing tool by increasing the size of the loan guarantee to \$1.5 million, which provides more options for lenders providing these loans.

Finally, Mr. Speaker, this bill extends the 504 loan program and the SBIC program through the end of this year.

We cannot thank the ranking member and the chair enough for the hard work that they have done, because these are important loan programs for small businesses.

As the ranking member on the Subcommittee on Tax, Finance, and Exports, I have long understood the critical role this program plays in keeping our Nation's economy vibrant and strong. These loans are the only source of affordable, long-term financing for many of our Nation's small businesses, and loans spur economic development in underserved areas.

In addition, the 7(a) loan program can be used for long-term working capital, including accounts payable, just allowing small businesses to do business.

Mr. Speaker, I urge all of my colleagues to pass this very important piece of legislation, H.R. 4062.

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

I urge the adoption of H.R. 4062 and call on the Senate to act quickly on this measure so that small businesses across the country can benefit.

Mr. BACA. Mr. Speaker, I rise in support of American small businesses and the 7(a) loan program.

President Bush has stood by while a record 2.9 million private sector jobs disappeared. The overall unemployment rate has stalled at 5.6 percent. It would be even higher if it included 1.7 million Americans who are no longer searching for employment.

As a former small business owner, I know the benefits they provide to our economy. Small businesses generate three-fourths of all new jobs. They represent 99 percent of all employers and create more than half of our

GDP. If we want our economy to grow, we need to support small businesses.

But that's not what the Administration has done. At every step they have cut programs and decreased funds. The Administration's FY2005 budget devastates small businesses. 22 programs will be terminated and 14 will see their budgets cut.

The microloan program, which provides small businesses with loans of up to \$35,000, will be terminated, while the Manufacturing Extension Program, which helps small manufacturers solve business problems, has been cut by \$66 million over the last two years. The 7(a) loan program has been repeatedly cut and dismantled. They've done everything they could think of in order to kill it. They reorganized it. They closed it down. They capped the loans.

If the 7(a) program is shut down or the amount of loans is capped, then small businesses will suffer. They will not have access to affordable capital. And they will be forced to lay off workers and shut their doors. It is so important for small business to have affordable access to capital. That is why I commend the Democrats on the Small Business Committee for working so hard to save the 7(a) loan program.

But the Administration still doesn't get it. They continually cut the programs and the funds that support our small businesses. To stop our Nation's march towards a jobless recovery, our small businesses must be taken care of. Unless the Administration recognizes the problems that face American small businesses, the unemployment rate will rise and our economy will not recover.

Mr. SHUSTER. Mr. Speaker, I rise today in strong support of H.R. 4062, which would temporarily extend the Small Business Administration's 7(a) loan program. One of the SBA's most successful initiatives, the 7(A) loan program provides loan guarantees to small businesses. These small businesses are able to use this financial assistance to start up new enterprises. In January 2004, due to lack of funding, the SBA was forced to temporarily suspend the 7(a) loan program, thus cutting off a major funding resource for thousands of potential new small businesses. While the SBA was able to have the program up and running again in a relatively short time, it was still forced to scale back on the size and scope of the 7(a) program.

I am pleased that the legislation before us today not only extends the 7(a) program, but also restores the robust nature of the program by reinstating the maximum loan amount to \$2 million. Additionally, H.R. 4062 would allow for piggyback loans, allowing businesses to seek out additional financial assistance to help grow their business. Equally important for our Nation's lenders, H.R. 4062, would increase the loan guarantee to \$1.5 million. Lastly, Mr. Speaker, plans put forth this morning will create at least \$12.5 billion in lending authority for the SBA in Fiscal Year 2004 and will allow for SBA to add an additional 30,000 loans which in turn could create thousands of new jobs.

In conclusion, I want to extend my thanks to our Chairman DON MANZULLO and Ranking Member NYDIA VELÁZQUEZ for their hard work and leadership on this issue. Today's action will allow the SBA to continue providing financial assistance to our Nation's small businesses and keep our economy growing. I urge my colleagues to support this measure.

Ms. BORDALLO. Mr. Speaker, I rise today in strong support of H.R. 4062, which will temporarily resolve the funding shortage for the Small Business Administration's 7(a) Loan Guarantee Program and ease the resulting financial burden that has been placed on small businesses. H.R. 4062 is the product of bipartisan collaboration, and I commend Chairman MANZULLO and Ranking Member VELÁZQUEZ for working together to create a sound public policy response to this crisis for small businesses. I also thank the House Leadership on both sides of the aisle for responding promptly and positively.

The 7(a) Loan Guarantee Program is the Small Business Administration's flagship financing program, which accounts for 30 percent of all small business long-term loans in this country.

On February 11th of this year, the Small Business Committee held a hearing on the Administration's proposed Fiscal Year 2005 Budget for the Small Business Administration. At that hearing, small business owners from a diverse array of geographical areas and engaged in a variety of different industries testified that the financial crisis at the SBA 7(a) Loan Guarantee Program caused them undue hardship. Most indicated that the failure to access 7(a) Loans on more reasonable terms would preclude their respective companies from gaining access to the capital necessary to ensure survival. In the case of one small business owner who testified about his company's proposed project, the mayor of the city in which the company's site would be built accompanied him to Washington. The mayor spelled out exactly what was at stake for his economically distressed community; the opportunity to revive the local economy and provide new jobs, or the prospect of further decay and desperation.

H.R. 4062 lifts temporary caps on 7(a) loans that were instituted in order to respond to its financial crisis. It will again allow for 7(a) loans to be included in larger financial packages, and provide working capital for export activities of small businesses. This is a step in the right direction, and I hope that Congress will follow the model of H.R. 4062 in addressing the long-term health of a 7(a) program that is so important to small businesses, which are incubators of economic and job growth in our communities.

I urge my colleagues to support H.R. 4062.

Ms. WOOLSEY. Mr. Speaker, I rise today in support of H.R. 4062, and I am pleased that this legislation reopens the 7(a) loan program and ensures that small businesses will once again be able to benefit from its lending power.

As a former small business owner, I understand the frustrations and worries small business owners have had as this program has sat in limbo. Small businesses are one of our Nation's leading employment opportunities, but few businesses can afford to start up or expand without the help of loans.

Renewing our commitment to the Small Business Administration 7(a) loan program will not only bolster our Nation's workforce but also the economy as a whole.

Mr. Speaker, I want to urge all my colleagues to join me in supporting this vital piece of legislation.

Mr. PRICE of North Carolina. Mr. Speaker, I would like to congratulate my colleagues on the Small Business Committee for their bipartisan effort, which allowed this bill to be voted

on just in the nick of time. I would like to especially congratulate Congresswoman VELÁZQUEZ, who has worked tirelessly to bring about this victory for small business.

H.R. 4062 restores the 7(a) program to its former strength by lifting the caps on 7(a) loans. It also takes the important step of removing regulatory limitations that had prevented SBA loans from being a part of larger financing packages.

7(a) loans account for nearly 30 percent of all long-term loans for small businesses in America, businesses that are the number one job creators in this country. So it is essential that we get this program back up and running again. This bill would do that, and it would also extend the important 504 loan program and SBIC programs through the end of this year.

The next step is to make sure that these authorized programs in SBA are fully funded. The President's budget provided zero funding for 7(a) and a number of other important SBA programs. Furthermore, it is important that we put safeguards in place to prevent last-minute shutdowns like those we experienced this past January.

I am working with my colleagues to restore 7(a) funds and to ensure that in the future there are not caps or program shutdowns that deny small businesses access to critically needed resources.

This is the vital next step to the authorization we are passing today, and I urge my colleagues to make certain that we provide the resources to make good on the commitment this bill makes to small businesses.

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

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and pass the bill, H.R. 4062.

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

A motion to reconsider was laid on the table.

SENSE OF HOUSE REGARDING RULES OF COMPENSATION FOR CIVILIAN EMPLOYEES AND MEMBERS OF THE UNIFORMED SERVICES OF THE UNITED STATES

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 585 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 585

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the resolution (H. Res. 581) expressing the sense of the House of Representatives regarding rates of compensation for civilian employees and members of the uniformed services of the United States. The resolution shall be considered as read for amendment. The previous question shall be considered as ordered on the resolution and preamble to final adoption without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the

Committee on Government Reform; and (2) one motion to recommit which may not contain instructions.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 585 is a closed rule that provides for the consideration of H. Res. 581, expressing the sense of the House regarding rates of compensation for civilian employees and members of the uniformed services of the United States.

The rule provides for 1 hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform. The rule also provides one motion to recommit which may not contain instructions.

Mr. Speaker, with respect to H. Res. 581, the underlying resolution, I want to commend the gentleman from Virginia (Mr. TOM DAVIS), chairman of the Committee on Government Reform, who has spent significant time working on this important issue for this Nation's Federal civilian employees and military personnel.

The Committee on Government Reform has held several hearings on the state of the Federal workforce. At the conclusion of those hearings, it determined that some managers may not be able to attract or retain skilled employees to the Federal workforce due to a pay gap between Federal civilian employees and their private sector counterparts.

The concept of pay parity is based on two factors: first, an acknowledgment that the pay for civilian Federal employees and military personnel has not kept pace with the private sector; and, second, a belief that there is a need to reduce the disparity in pay between civilian Federal employees and military personnel.

The pay parity issue was not addressed in the House-passed fiscal year 2005 budget resolution. Therefore, H. Res. 581 offers every Member of the House the opportunity to express their opinion on whether or not they believe that pay for civilian Federal employees should be adjusted at the same time and in the same proportion as pay for the members of the uniformed services.

Mr. Speaker, I urge my colleagues to support this rule so that we may proceed to debate H. Res. 581.

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

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

Mr. Speaker, I rise today in support of the Military and Civilian Employees Pay Parity Resolution and the rule providing for its consideration. This

underlying resolution is imperative for it expresses the sense of Congress that the government should provide fair compensation for Federal employees in order to encourage citizens to pursue a life of public service.

Federal employees consistently demonstrate the best that our government has to offer, and their contributions directly improve the lives of all Americans.

When we speak of Federal employees, we speak not only of the brave men and women of the Armed Forces but also of the men and women of literally hundreds of agencies dealing with thousands of issues. With nearly 1 million employees, the Federal Government is the largest employer in the United States. Thirty-two thousand Federal employees live in and/or around my south Florida district alone.

Employees of the Central Intelligence Agency work in oftentimes arduous conditions to safeguard our country from those who mean to do us harm.

Federal Emergency Management Agency employees provide disaster relief assistance, supplying shelter, food and funds to victims of natural disasters.

Customs agents and Transportation Security Administration officials protect our borders and our skies, and firefighters and other Federal law enforcement personnel across the Nation are our first responders to a range of hazards that can affect entire cities or single homes.

These are just a few of those Federal employees, including the fine people that do the work here transcribing our words, the clerks that work with us, the Capitol Police, the security guards, all are Federal employees; and, in my judgment, many of them do not receive fair compensation for their hard work.

Mr. Speaker, much of the world comes to know the face of America from the dedicated Federal employees living in this country and working abroad.

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All of these hard-working employees deserve the unequivocal support of this body. Even more, they deserve just and fair compensation that competes with the private sector and rises to meet the living standards enjoyed by many Americans.

Increases in the pay of military and Federal civilian employees have not kept pace with the overall pay levels of private sector employees. There currently exists a gap of 32 percent between compensation levels of Federal civilian employees and those of private sector workers and an estimated 5.7 percent gap between compensation levels of members of the uniformed services and those of private sector workers. This glaring discrepancy greatly hampers the ability to recruit and retain quality employees.

To run efficiently and effectively, and to provide necessary services to