Nation's most critical priorities, the need to address health disparities.

The first NIH Working Group on Health Disparities defined health and health care disparities as "differences in the incidence, prevalence, mortality, and burden of diseases and other adverse health conditions that exist among specific population groups in the United States." I take a moment to highlight just a few of these differences.

Statistics from the Department of Health and Human Services Report entitled "National Health Care Disparities" bear out that minorities are less likely to be given appropriate cardiac medications or to undergo bypass surgery, and are less likely to receive kidney dialysis or transplants. The same study has shown that minorities are less likely to receive the most sophisticated treatments for HIV infection, which could forestall the onset of AIDS. Our minority communities are instead more likely to receive less desirable, non state-of-the-art procedures, such as lower limb amputations for diabetes and other conditions.

These disparities also put our children at significant risk. In my own State of Maryland, the Infant Mortality rate for African Americans is two times higher than for Caucasian Americans.

And these disparities do not only occur along racial lines. Healthy People 2010 and the National Health Care Disparities Report show that those who live in our more rural communities face similar inequitable treatment. Rural community residents have less contact and fewer visits with physicians, even though these residents tend to have a heightened need for health care. Indeed, injury rates in rural communities are 40 percent higher than in urban areas.

Women are 20 times more likely than men to die from a heart attack. Statistics from the Agency for Health Care Research and Quality reflect that women receive less aggressive treatment for heart related ailments than men, and are less likely to receive life saving drugs such as lidocaine, beta-blockers and aspirin for heart attacks.

Persons with disabilities face significant disparities in the care they are afforded as do the indigent; the list goes on and on. These are just a few examples of how this inequity affects our population.

The State of Maryland has engaged in a number of statewide and local initiatives to address health care disparities in our communities. At the Federal level, I have cosponsored S. 1833, the Healthcare Equality and Accountability Act, which seeks to eliminate racial and ethnic health disparities in health care. I hope we can use the momentum created by this week and redouble our efforts to ensure comprehensive quality health care for all of America's citizen's regardless of their race, ethnicity, socioeconomic status, gender, education level, geographic location, disability or sexual orientation.

Again, I commend the American Public Health Association for focusing the Nation's attention on this important issue and for serving to increase the dialogue to rid the country of these inequities. I hope my colleagues offer their support to this important effort as well.

OPERATION ENDURING LOVE

Ms. LANDRIEU. Mr. President, we all know that the war in Iraq is not without its controversies or detractors. But it is also important to note that the spirit of the American people is transcendent. Whether you supported the war in Iraq, as I did, or whether you opposed it, the people of this Nation are very conscious of the sacrifice that our military men and women are making for us all are grateful. I rise today to give one small example of the American people's spirit from Lafayette, LA.

The soldiers of the 256th Army National Guard Infantry Brigade were recently put on alert and notified that they could be heading to Iraq soon. As for any Guard unit, such deployments mean a tremendous disruption in the lives of the citizen soldiers who make up this brigade. They miss work, they miss graduations, they miss birthdays, they miss reunions, and sadly, for some, they miss weddings.

When the announcement went out that the 256th could be deploying, Spec. Jeremy Meyers and his fiancee, Amy Glorioso, decided that they needed to move up their wedding date. But as everyone knows, weddings are expensive, and food, flowers, and venues have to be reserved and paid for months in advance. Changes to wedding dates can mean thousands of dollars in additional costs.

But thanks to the organization and drive of Merilyn Crain, the owner of L'Eglise in Vermilion Parish, and the patriotism and dedication of businesses throughout the Lafayette region, seven couples will enjoy their dream weddings—earlier than planned—and for free.

This act of generosity is the perfect symbol of the deep appreciation and love that all Americans feel for their soldiers, sailors, airmen, and marines. The people of the Lafeyette region, and all of Louisiana should be proud of the example they have set in rallying around the men and women of the 256th. As the Bible teaches us, "No greater love hath any man than this, that he should lay his life down for another." It is therefore appropriate that we should repay the debt we owe our military, by assisting them with ceremonies that celebrate the love between two people.

Mr. President, I congratulate the businesses and individuals whose generosity made these efforts possible. I will have the privilege of meeting the members of the 256th and their families this coming Monday. I will also get a chance to thank some of the members of Operation Enduring Love personally. However, I wanted to take this opportunity to tell this inspiring story here on the Senate floor, and record for posterity the names of those businesses and performers who have participated. They are:

L'Eglise, Inc. of Abbeville, Let's Talk Dinner Personal Chef Service of Lafayette, Crystal Weddings of Lafayette, Occasions Cake Boutique of New Iberia, Sugar Art Wedding Cake, American Legion Post 69 988–0799 of Lafayette, Viet Nam Veterans of America, Acadiana Chapter No. 141 of Fontenot, Mary Ellen's Tux Shop of Lafayette, Antoinette's Bridals & Formals of Lafayette, Chef Bobby & Dot's Le Bon Manger Catering of Kaplan, Sugar Art, A La Carte of Lafayette, Tsunami of Lafayette, Schilling Distributing Co Inc. of Lafayette, Glazer's Companies of Lafayette, Quality Brands Inc. of Lafayette, Interior Plant Services of New Iberia, Paul's Jewelry of Lafayette, Spedale Spedale's of Lafayette, Beyond Flowers of Lafayette.

Cajun Cottage Gifts of Erath, Flowerland of Lafayette, The Gardenaire at River Ranch of Lafayette, Steve's Flowers of Lafayette, Floral Design Classes of ULL of Lafayette, Flower's Etc. of Lafayette, Sam's Club—Floral Dept. of Lafayette, Louisiana Wholesale Florists, Aveda Institute of Lafayette, JM French Skin Care Line of Rayne, Studio One 2 One of Lafayette, Royal Day Spa & Salon of Lafayette, The Client Salon & Day Spa of Abbeville, Creative Memories Photography, Robin May Photography of Lafayette, Ken Romero Photographer, Shane Falgout, Photographer, Dominick Cross Photography, Fast Forward Multi-Media of Lafayette, Regent Broadcasting of Lafayette.

Dr. Paul Baker, Beth Fontenot, Mike Vidallier, Lynn Broussard and Company, Kurt Boudreaux, Tommy Benoit String Quartet, Limousines Limited of Lafayette, Diamond Limousine Inc. of Lafayette, Gabriel's Jewelers, WHC, Inc., Shady Acres of Abbeville, Crystal Cottage of Lafayette, Armentor Jewelers of Abbeville, Jean's Bridal Accessories of Patterson, Jolie Mariee "Weddings By Anne," Best Western Hotel Acadiana of Lafayette, Right Angle of Lafayette, Special T Ice Company of Abbeville, and Pictage, Inc. of Torrance, CA.

ADDITIONAL STATEMENTS

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

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

• Mr. KERRY. Mr. President, I want to make a statement about a small business bill that the Senate passed last week. I am referring to H.R. 4062, which, among other things, provides a temporary solution to the administration's self-created funding crisis for the SBA's largest small-business lending program, commonly referred to as the 7(a) Loan program. In many ways, the bill is similar to legislation I introduced four weeks ago, S. 2186. For example, it adopts my provision to keep the 504 program operating through the rest of this fiscal year instead of subjecting the 504 borrowers and lenders to another series of disruptive temporary extensions. Similar to my bill, it also lifts the $750,000 cap on loans, lifts the restriction on combination or piggyback loans, gets loans to those small businesses denied 7(a) loans since the program shutdown in January, and extends the operation of the SBA overall, including the Small Disadvantaged Business Program and the Surety Bond program.

In general, H.R. 4062 is a step in the right direction and I commend Congressman MANZULLO and Congresswoman VELÁZQUEZ for their work. I do, however, have some concerns about the bill, concerns shared by many in the small business community, and I regret that the Senate Republicans blocked a bi-partisan Snowe-Kerry amendment to address those concerns.

For example, H.R. 4062 did not address the pressing need to correct the outdated funding formula for the SBA's Women's Business Centers program. The law needed to be changed before the Agency awards this year's grants because more than 50 Centers around the country are at risk of losing their matching federal money. I had been advocating for this change since I introduced S. 2186 on March 9, and the Snowe-Kerry amendment included my provision. Unfortunately, one or two Senate Republicans objected to the provision and blocked its passage.

As for the 7(a) Loan Program, I am concerned about the extent of the fee increases, the lack of data justifying the increases, the rapid expansion of the SBAExpress pilot program, and the precedent that these changes will have on developing a workable approach to next year's 7(a) funding problem created by the President's request for zero funding for fiscal year 2005. The Snowe-Kerry amendment took a much more measured approach to the fee increases, adopting the levels supported in S. 2186 and S. 2193, with flexibility for the SBA to increase the fees up to the levels in the House bill should the need arise to keep the program running for the remainder of the year without restrictions. For example, instead of temporarily charging a lender fee on the commercial portion of a combination or piggyback loan of .5 percent, H.R. 4062 charges 40 percent more, imposing a fee of .7 percent. Senator SNOWE devised the discretionary stair-step compromise in our amendment and it was preferred by the lending community. It is unfortunate that the lenders may be required to pay higher fees than necessary to reach the goal: Congress seeks to keep access to 7(a) loans available to small businesses for the rest of this year, fiscal year 2004.

The Snowe-Kerry amendment also took a more measured approach in expanding the SBAExpress program. H.R. 4062 includes a controversial provision proposed by the administration that would expand the current SBAExpress reduced guarantee pilot program from loans of $150,000 to $2 million. An increase of 700 percent.

The administration contends that the pilot expansion would only be voluntary and therefore harmless if not used. While SBAExpress has worked well for relatively small loans, those averaging around $150,000, lenders have testified before our Committee that SBA Express is not workable for all sizes of loans and that the volume of SBAExpress loans is not likely to increase. In fact, the smallest SBA lenders, community banks, have testified that to mandate SBAExpress would drive virtually all community banks from the program. Yet the administration argues this voluntary authority is necessary because, when combined with other program changes, it would reduce the subsidy rate, thereby stretching the 7(a) loan funding, getting the program closer to their latest program volume projections.

This can only be true, however, if the volume of SBAExpress loans increase. To date, the administration has not produced any documentation supporting that contention, and the small business lenders fear that the administration will circumvent the requirement that this be strictly voluntary by showing preferential treatment to lenders who use the SBAExpress program. They believe this will occur in order to steer loans away from the regular program, which has a higher guarantee of 75 percent to 85 percent. Congresswoman VELÁZQUEZ held strong to including very good provisions aimed at protecting the loan program from such tinkering, and she is to be commended for her effective advocacy. Unfortunately, even with these safeguards, I believe it was premature to enact the administration's SBAExpress proposal until better data could be obtained and analyzed. Further, since H.R. 4062 is a temporary extension of SBA's authority until June 4th, 2004, there would have been time for this and other proposals to be properly vetted and, if appropriate, adopted.

Extreme changes like expanding the SBAExpress program 700 percent were driven by the administration. The groups agreed to live with them only because it was better than the alternatives—further reducing the loan cap from $750,000 to $500,000, another shutdown, or the administration's proposal to mandate all loans be made through the 50 percent guarantee SBAExpress program. Let me read to you a few quotes by the small business community that reflect the feelings of many expressed to this Committee:

The Independent Community Bankers of America: ''The ICBA did not oppose a short-term fix bill that would open up much needed lending to small businesses, but only because the alternative pushed by the SBA was far worse and would have choked off lenders' ability to continue making SBA loans. We didn't want to punish small business because of the unwillingness of the SBA to ask for the funds they knew were needed to keep the 7(a) program viable. This bill is only a short term Band-Aid. The ICBA continues to oppose the SBA's efforts to squeeze the 7(a) program out of existence and hopes a genuine good faith resolution can be part of the FY 2005 budget.''

The American Bankers Association as quoted in the ''American Banker'' on April 1, 2004: ''The need to avoid an even lower loan-size cap is why the ABA supported the compromise, despite having serious reservations about the expansion of the SBAExpress and the additional fees on lenders. 'We are not totally pleased with it, but we're not going to write a letter opposing it', said Mr. [James] Ballentine [Director of Community Development]. 'We believe the lenders bent over backwards to restart this program, and we've seen very little movement on the part of the Agency.'''

Mr. President, we are all glad that the program is back in business for the rest of the year, particularly for the small businesses that have been hung out to dry since the January shutdown of the program. The delays imposed on the FY2004 fix for the 7(a) loan program were unnecessary. There were several opportunities—bills or amendments—since March 10th to mitigate the funding shortfall or all together fix it, but they've been blocked or stalled.

Mr. President, waiting has a price. Not only to the qualified small businesses waiting for needed loans and for those who had been promised loans in January only to have the administration abruptly impose a crippling loan cap, but also to the taxpayer. If either of the changes Senator SNOWE and I had proposed in our bills, S. 2186 and S. 2193, had been enacted as part of H.R. 3195 in mid-March, we could have saved more than $100,000 a day, leveraging at least another $150 million in small business loans in this fiscal year. These delays are fiscally irresponsible.

The Republican obstructionists will justify their delay tactics by arguing that the earlier bills did not solve the entire funding problem for the rest of the year. However, there are numerous problems with such a claim. One, time was of the essence for the small businesses that had been shutout since January. Two, no one knows if the administration's estimates are accurate and the confidence in the econometric model that predicts future program costs has gone down as a result of the SBA's latest estimates. For example, how could imposing a fee on piggyback loans of .5 percent, a fee that will generate new income for the program, not offset the costs at all? And, if that is true, how could additional savings from increasing that fee by 40 percent, to .7 percent be only one one-hundredth of one percent? I don't know of one lender who believes that claim. Three, it would have been better to take a step in the right direction and immediately reduce the cost of the program to the extent possible in order to stretch the lending dollars. This option would have allowed for future refinements while saving precious appropriated dollars in the process. Four, there would have been (and still are) several other opportunities to make adjustments later in the fiscal year.

With respect to the other important provisions of H.R. 4062, I am glad that the bill includes my measure from S. 2186 that allows the 504 Loan Guarantee Program to operate through the rest of the fiscal year; however, I am very disappointed that, despite bipartisan support, the Republican leadership refused to include a Snowe-Kerry amendment to promote women in business and safeguard one of their only dedicated resources of support: the nationwide network of women's business centers. The Republicans that blocked our amendment—in support of the administration's policy to eliminate experienced, efficient and effective women's business centers in favor of new and untested centers—are potentially depriving thousands of women in business access to much-needed assistance. The Snowe-Kerry amendment, like S. 2267, would have made a small adjustment to the Women's Business Center program that corrects an outdated funding formula, without added cost to the Treasury. The adjustment would have changed the portion of funding allowed for women's business centers in the sustainability part of the program to keep up with the increasing number of centers that will need funding this fiscal year. Without it, all grants to sustainability centers in 39 States could be cut in half—or worse, 23 experienced centers could lose funding completely. Our amendment was a bipartisan compromise intended to maintain an effective women's business center network; a compromise that was agreed to by Chair SNOWE, myself, and the bipartisan leadership of the House Small Business Committee. It was supported by women's groups across the country, and it is my sincere hope that my colleagues in Congress will support this change in the very near future.

I thank the broad coalition of small business trade associations that have worked on the various bills and supported the provisions in my bill, S. 2186: The trade association of Women Impacting Public Policy (WIPP) and the National Association of Women's Business Owners (NAWBO), the National Association of Government Guaranteed Lenders (NAGGL), the American Bankers Association, the Independent Community Bankers Association and the U.S. Chamber of Commerce for endorsing the provisions relating to the 7(a) Loan Guarantee Program; WIPP, NAWBO, and the Association of Women's Business Centers for fully supporting the provisions relating to the Women's Business Centers program, as well as the cosponsors of S. 2186. I think anyone who knows of these groups, their members and their leadership, knows that they work very well with both sides of the aisle and with the leadership of our Committee and also the House Committee on Small Business. Working cooperatively in a bipartisan fashion makes good sense and has long been their practice. We all appreciate their work to fix these problems, and for the contribution they make to cultivating small startup and growing small businesses in our communities.

Mr. President, I ask that several letters addressing the issue at hand be printed in the RECORD. I thank my colleagues for their support of small businesses and for considering immediate passage of this bill.

The letters follow.

MARCH 10, 2004.

DEAR REPRESENTATIVE: Today, as the House prepares to vote on H.R. 3915, we are writing to express our concerns with this legislation. We are very disappointed that it does not include a SBA 7(a) program solution. Without a solution the 7(a) program will not be allowed to create much needed jobs to help our economy.

The SBA's flagship 7(a) loan program, the single largest provider of long-term start-up and expansion loans to America's small businesses, has been crippled since the beginning of this fiscal year, when the SBA temporarily shut it down due to a funding shortfall. When the Agency reopened the program a week later, it implemented an artificial loan cap of $70,000—a reduction of more than 50% of the program's statutory loan limit of $2 million—and a prohibition on piggyback loans, which would have allowed lenders to make loans in excess of a loan cap.

Businesses who had already submitted applications for loans in excess of the new cap were then told their deals would not qualify for the program. These applicants had gone through months of financial planning and had been promised their loans would be approved. Many had already begun purchasing equipment and hiring employees. If their deals do not get done, many will lose earnest money they had taken from personal savings and retirement plans to inject into these loans.

Other potential applicants who would ordinarily qualify for the 7(a) program have since been told there is no alternative to finance their start-up or expansion. The net result to these small businesses is a loss of faith in the U.S. government. The net result to the economy is a loss of jobs.

A solution to this lingering problem does exist and it has been communicated to the House Small Business Committee. This proposal has bipartisan support on the Small Business Committee, as well as the support of banking and small business trade groups. The proposed solution would increase fees for lenders to ensure that there is no budget impact. It would maintain the 7(a) program. However, H.R. 3915 ignores this solution.

Without a 7(a) solution, approximately $3 billion in loans will remain unavailable to small businesses for the remainder of FY 2004—a net loss of approximately 90,000 jobs. We also fear that if a swift and equitable solution is not enacted, many 7(a) lenders will flee the program, leaving a void in availability of the long-term financing that is so crucial to small businesses' success.

We request that Congress bolster economic recovery and the small businesses that drive it by enacting a 7(a) program solution that has the full support of Congress and the industry.

Sincerely,

American Bankers Association.
America's Community Bankers.
Independent Community Bankers of America.
National Association of Government Guaranteed Lenders.
The Financial Services Roundtable.

NATIONAL ASSOCIATION OF GOVERNMENT GUARANTEED LENDERS,
Stillwater, OK, March 10, 2004.

Re SBA 7(a) funding crisis and S. 2186.

Hon. JOHN F. KERRY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KERRY: As Congress considers how to solve the ongoing SBA 7(a) program funding crisis, we are writing to express our support for S. 2186, which includes provisions that both Small Business Committees and the 7(a) industry have already agreed are equitable.

While NAGGL is generally opposed to programmatic fee increases, the 2004 budget for the 7(a) program has made his concession necessary. NAGGL testified in 2003 that 2004 program demand would be nearly $12 billion, but the Administration adamantly disagreed with our estimate, providing program level of only $9.5 billion. The Administration has also failed to reprogram any additional money to the 7(a) program or offer a supplemental appropriations request.

As a result, the SBA's flagship 7(a) loan program, the single largest provider of long-term start-up and expansion loans to American's small businesses, has been crippled since the beginning of this fiscal year, when the SBA temporarily shut it down due to a funding shortfall. When the Agency reopened the program a week later, it implemented an artificial loan cap of $750,000—a reduction of more than 50% of the program's statutory loan limit of $2 million—and a prohibition on piggyback loans, which would have allowed lenders to make loans in excess of a loan cap.

Businesses who had already submitted applications for loans in excess of the new cap were then told their deals would not qualify for the program. These applicants had gone through months of financial planning and had been promised their loans would be approved. Many had already begun purchasing equipment and hiring employees. And if their deals don't get done, many will lose earnest money they had taken from personal savings and retirement plans to inject into these loans.

Other potential applicants who would ordinarily qualify for the 7(a) program have since been told there is no alternative to finance their start-up or expansion. The net result to these small businesses is a loss of faith in the U.S. government. The net result to the economy is a loss of jobs.

The provisions of S. 2186 fix this problem, and the bill has NAGGL's full support. As the trade association representing lenders who make over 80% of loans in the 7(a) program every year, we can attest to the fact that the minimal fee increases in S. 2186 are ones that lenders will pay and will not be passed along to borrowers. We also continue to oppose the SBA's legislative proposal to reduce the guarantee on all 7(a) loans to 50% and allow the legislation that provided for lender and borrower fee decreases through the end of this fiscal year to simply sunset.

Without the provisions of S. 2186, $3 billion in loans will remain unavailable to small businesses for the remainder of FY 2004—a net loss of approximately 90,000 jobs. We also fear that if a swift and equitable solution is not enacted, many 7(a) lenders will flee the program, leaving a void in availability of the long-term financing that is so crucial to small businesses' success. This will be occurring at a time when our economy is in desperate need of a shot in the arm.

We request that you press for swift passage of S. 2186 to bolster economic recovery and the small businesses that can drive it. Thank you in advance for your consideration.

Sincerely,

TONY WILKINSON,
President and CEO.

CRYSTAL COLLECTION,
Suwanee, GA, April 5, 2004.

Hon. JOHN KERRY,
Ranking Member, Committee on Small Business and Entrepreneurship, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: Please support the 7a loan so more small business can succeed. The following suggestions from the National Association of Women Business Owners (NAWBO):

Allow piggyback loans, but charge 0.50 percent lender fee for each;

Raise Lender Fees by 0.10 percent; and

For loans that are under $150,000, have lenders pass the SBA the 0.25 percent fee that lenders currently keep for themselves. This only applies to these small loans.

Thank you for your support.

Sincerely,

SHELLY BLOOM,
President.

LINDEN INTERNATIONAL,
Wayne, PA.

Hon. JOHN KERRY,
Ranking Member, Senate Committee on Small Business and Entrepreneurship, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: I would greatly appreciate your support for the 7a program "rescue". I favor the following to help me and many other small businesses rebound and re-grow:

1. Allow piggyback loans, and charge a 0.50 percent lender fee;

2. Raise lender fees by 0.10 percent; and

3. For loans under $150,000, have lenders pay the SBA the 0.25 percent fee that the lender now keeps for themselves.

We are all keening for help to re-establish ourselves and assure a firm foundation for the future of small businesses in the US.

Sincere thanks.

Very truly yours,

MARY KAY HAMM,
President and CEO.

PROACTIVE SOLUTIONS INC.,
Plantation, FL, March 24, 2004.

Hon. JOHN KERRY,
Ranking Member, Committee on Small Business and Entrepreneurship, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: My name is Sheila Tobier and I am the president elect of NAWBO (National Association of Women Business Owners). We ask the following from the committee.

Absent the SBA asking Congress for additional funding, NAWBO supports increasing fees on lenders as an approach to adequately funding the SBA 7(a) program and lifting restrictions.

Specifically, NAWBO would like the program to:

Allow piggyback loans, but charge a 0.50 percent lender fee for each;

Raise lender fees by 0.10 percent; and

For loans that are under $150,000, have lenders pay the SBA the 0.25 percent fee that lenders currently keep for themselves. This only applies to these small loans.

Thank you for assisting us in this endeavor.

Sincerely,

SHEILA TOBIER,
President.

BUSINESS LOAN EXPRESS,
Wichita, KS, March 5, 2004.

Hon. JOHN F. KERRY,
Ranking Minority Member, Committee on Small Business, U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR MR. KERRY: Please be advised that Business Loan Center, LLC, aka Business Loan Express, LLC, the nation's third largest SBA 7(a) lender, is a strong supporter of the Senate and House bill that is also supported by the "Access to Capital Coalition Organization," which will permit the reopening of a viable 7(a) loan program in America. This means once law, SBA would be required to drop the prohibition against "piggyback loans" and eliminate the current loan cap. As most every 7(a) lending organization has indicated since early January 2004, it is absolutely critical that these 7(a) program impediments be dropped at the earliest possible date. As you are aware, no knowledgeable trade organization or 7(a) lending entity supports a mandatory 50% maximum loan guaranty, as it would represent a slow death of the 7(a) loan program. Most every community in America utilizes the 7(a) loan program as a major part of their economic development/job creating/job retention program. If one removed from our economy all businesses and the jobs they create directly and indirectly, who at one time or another received 7(a) loan assistance, this would be a totally different country. To assist the recovery of our economy and the retention and creation of jobs, it is absolutely essential that the 7(a) loan program be returned to its prior dynamic status. Thank you for your leadership in this matter. Please encourage the Administration and your colleagues to support the House and the Senate bill that would solve this current dilemma!

Respectfully submitted,

DERYL K. SCHUSTER,
Executive Vice President,
Director, Governmental Affairs.

ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS,
Burke, VA, January 9, 2004.

Hon. JOHN KERRY,
U.S. Senate.

DEAR SENATOR KERRY: I am writing about the recent decision by the U.S. Small Business Administration (SBA) to suspend making loan guarantees for small businesses under the 7(a) loan program.

As you know, the SBA announced on December 23rd that it would begin imposing a $750,000 cap on 7(a) loan guarantees effective January 8th, even though Congress has authorized loan guarantees up to $2 million. The SBA's announcement led small businesses with loan applications for more than $750,000 to submit their applications before the announcement deadline. As a result, the SBA experienced a significant increase in 7(a) loan applications and suspended the program until further announcement, on the grounds that the increase in loan applications had led to a shortfall in funding.

Small businesses throughout the country have seen their loans put in jeopardy as a consequence of this decision, and applicants for loans above $750,000 may be unable to obtain loan guarantees—or be forced to reapply—even if the 7(a) loan program is reopened. The ASBDC is hearing from Small Business Development Center (SBDC) counselors in the field that the decision to suspend the 7(a) loan program could pose a severe hardship for many SBDC clients.

In the past three years, the 7(a) loan guarantee program has helped make financing available to more than 40,000 start-up small businesses and 99,000 existing small businesses—leading to the creation of more than one million new jobs. Suspending this vital small business lending program at this critical stage of the economy's recovery from the recession will prevent the start-up and the expansion of small businesses throughout the country, and stymie the economy's creation of new jobs.

I appreciate all that you do to support small business. I urge you to continue to work with the SBA and the Office of Management and Budget to reopen the 7(a) loan guarantee program and remove the $750,000 loan cap as soon as possible.

Sincerely,

DONALD WILSON,
President.

COMPASS BANK,
Houston, TX, January 12, 2004.

Senator JOHN KERRY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KERRY: I am writing to alert you to an economic crisis that should have been avoided but can still be remedied.

The U.S. Small Business Administration (SBA) claims it has run out of money for its flagship 7(a) loan program. This is because the Administration did not request adequate funds for the program for fiscal year 2004.

The Administration only requested a program level of $9.3 billion, even though the program did $11.3 billion last year, even with a $500,000 loan cap in place for nearly half of the fiscal year. NAGGL estimated that demand would be $12.5 billion beginning with our budget testimonies in February 2003.

Loan volume for the first three months of fiscal year 2004 was $3.137 billion, a level of demand that clearly supports NAGGL's estimates of demand.

Because the Administration did not seek sufficient program level, the SBA has now shut down the 7(a) program until further notice, depriving small businesses of the capital they need in order to expand their businesses, hire new people, and aid the American economic recovery. The shutdown occurred just a few weeks after SBA Administrator Barreto told the NAGGL Annual Conferees that the "program would not be shutdown, and that the $9.3 billion program request would be sufficient."

In unprecedented fashion, the SBA is now rejecting and returning all loan applications. During previous funding shortages, the SBA continued to accept and process loan applications. The loans would then be funded when loan funds became available. The SBA's action, to make small businesses pay for its own mismanagement, is unconscionable.

Because small businesses are the chief engine of economic recovery, America can ill afford a halt in funding to small businesses in this time when the economy is just regaining steam.

Though the SBA has been implored by members of both major political parties to immediately seek an equitable solution, the Administration has thus far not come forward with any positive solutions. The Administration has thus far responded only with loan caps, program shutdowns, and excuses why this is Congress' fault.

One conclusion could be that the Administration desires to either dismantle or significantly change the SBA and the 7(a) program. I'm asking you not to let this happen.

The Administration should either request a reprogramming of funds or submit a supplemental appropriation request sufficient to fund the 7(a) program to $12.5 billion this year. The SBA should be required to lift both the current program freeze and the artificial $750,000 cap it has put in place to restrict small business access to capital. The SBA should be required to stop the budget gimmicks and put forward a credible budget request that ensures this program is funded properly in fiscal year 2005 and beyond without fee increases to borrowers and lenders. Don't let this Administration dismantle a program that has served small businesses so well for so long.

Sincerely,

HARRIET BOSHAW,
SBA Lending Department.●

COMMEMORATING HENRY MANCINI

• Mrs. FEINSTEIN. Mr. President, it is my pleasure to honor Henry Mancini, a fine composer, conductor, and arranger. Mr. Mancini was one of the most versatile musical talents and one of America's most celebrated musicians of the twentieth century. He lent his talents to many films and television series, the themes and melodies of which are recognizable to listeners the world over, even if they are unfamiliar with the name of the composer.

April 16 would have been Henry Mancini's 80th birthday. Even though Mr. Mancini passed away in 1994 after a long battle with cancer, his contribution to music and the arts has not been forgotten.

The United States Postal Service will unveil the Henry Mancini commemorative stamp next week. The unveiling ceremony on April 13 will take place at the Music Center Plaza in Los Angeles and will be hosted by our distinguished former colleague, John Glenn, a longtime friend of Mancini. Senator Glenn, it might be added, took a recording of Mancini's timeless classic, ''Moon River,'' on his return to space in October 1998.

In his lifetime, Henry Mancini's masterful talents were recognized with 72 Grammy Award nominations and 20 Grammy wins, eighteen Academy Award nominations and four Oscar wins, and a Golden Globe.

While awards are a notable measure of talent, the scope of Mr. Mancini's work is more impressive than the nominations he received for that work. During the 1950s, Mr. Mancini had a hand in the scores of over 100 films produced by Universal-International Studios. It was also at Universal that Mr. Mancini met Blake Edwards, and together they worked on 26 films over 30 years. These collaborations produced some of Mancini's most popular and award-winning compositions, including the ''Peter Gunn'' television series, ''Breakfast at Tiffany's,'' ''The Pink Panther'' films, and ''Victor/Victoria.''

In all, over 500 of Mr. Mancini's works were published. Mr. Mancini recorded over 90 albums with styles from jazz to classical, including eight albums certified gold by the Recording Industry Association of America. As an in-demand concert performer, he logged over 600 symphony performances, and conducted such symphony orchestras as the London Symphony Orchestra, the Israel Philharmonic, the Los Angeles Philharmonic, and the Royal Philharmonic Orchestra.

Andy Williams said at Mancini's 70th birthday celebration: ''The wonders of Henry Mancini will be heard in every corner of the world right up to the minute this planet cools and shrinks to the size of an eighth note.'' But it is more than the music he composed that will be Henry Mancini's legacy.

In honor of Mancini's dedication to educating young musicians, the Henry Mancini Institute was founded in Los Angeles in 1997 by his longtime friend and fellow composer, Jack Elliott. The Henry Mancini Institute's mission is to nurture the future of music by providing comprehensive professional training and multilevel outreach programs that make a direct impact in people's lives. Mr. Mancini himself established scholarships and fellowships at the Nation's top music schools. Many of tomorrow's composers, conductors, and arrangers have benefited from Mancini programs at New York's Julliard School of Music his alma mater, and in Los Angeles at USC and UCLA.

I would also like to recognize the Mancini family, who has gracefully embraced Henry's legacy and allowed for future generations of musicians to celebrate his accomplishments and contributions. My good friend Ginny Mancini, whom he married in 1947, has relentlessly worked to bring about the creation of this stamp, as have their children: Christopher, Monica, and Felice.

Honoring Henry Mancini with this commemorative stamp will serve as a lasting tribute, just as his music is a lasting gift to the world.•

COMMITTEE ON VETERANS' AFFAIRS

• Mr. BUNNING. Mr. President, it is a pleasure to be here today with our colleagues from the House Veterans Affairs Committee and the members of the Veterans of Foreign Wars. The VFW has a rich tradition in enhancing the lives of millions through its community service programs and special projects, and I am proud to have their services in the Commonwealth of Kentucky.

The work of our committees is as important as ever because of the thousands of new wartime veterans leaving the service and the increasing needs of our aging veterans. We owe all our veterans a debt of gratitude and I am committed to making sure we provide them with ample benefits and quality medical care.

President Bush has proposed significant increases in spending for our veterans, but it is important to keep in mind that his budget is only a starting point. Each year he has requested increases in funding for the VA and Congress has provided even more beyond those requests.

The last 2 years Congress has provided unprecedented increases in funding for VA health care. I support another substantial increase for VA health care this year and I am confident we will deliver. In fact, the budget resolution currently before the Senate provides for an extra $1.3 billion for the VA and rejects the proposed co-pay increases and enrollment fees.

VA conducts some of the most specialized medical research in our Nation. That research is especially important to disabled veterans. I oppose the proposed cut in VA research. The Budget Committee rejected that cut and I added an additional $101 million for research, a 25 percent increase.

Now that the CARES process is wrapping up, VA can begin new construction projects. We will be watching to make sure the Secretary carefully considers all proposed closings. I look forward to seeing new hospitals and clinics opened in Kentucky and around the Nation.

Last year I told the Secretary that VA had come a long way in fixing its problems but there was still a long way to go. I am glad to say that the system is stronger this year, but we must not let up. We must keep working to make sure our veterans receive the assistance they need in a timely and convenient manner. I am committed to doing just that.

Finally, I recognize all the Kentucky veterans in the hearing room. I had a good visit with some of you in my office earlier this week. Thank you for making the trip today and thank you for your service to our Nation and your fellow veterans.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6984. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation relative to prescribing, adjusting, and collecting fees incurred for activities under the Animal Welfare Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6985. A communication from the Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled ''17 CFR Part 1, Investment of Customer Funds (69 FR 6140, February 10, 2004)'' (RIN3038–AC01) received on April 5, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6986. A communication from the Principal Deputy, Office of the Under Secretary of Defense for Personnel and Readiness, Department of Defense, transmitting, pursuant to law, the report of the authorization of officers to wear the insignia of brigadier general; to the Committee on Armed Services.

EC–6987. A communication from the Register Liaison Officer, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Appeals and Hearings Procedures'' (RIN0729–AA74) received on April 5, 2004; to the Committee on Armed Services.