

Judge Bryant. In the last Congress, Ms. NORTON was instrumental in House consideration of H.R. 4294, a bill to name the annex for Judge Bryant. Unfortunately, the Senate did not consider the bill. In this Congress, Ms. NORTON introduced H.R. 1015 to continue her effort to honor this distinguished jurist.

Judge Bryant is 94 years old, and is legendary in District legal circles. He practiced law in the 1940's and 1950's when the city was segregated. He could not join the D.C. Bar Association or use its facilities. Yet, he has achieved great stature as a trial lawyer and enjoys an enviable reputation.

Judge Bryant is a lifelong D.C. resident who attended D.C. public schools and Howard University Law School, where he graduated first in his class. He began his legal career in private practice in the District with the legendary African American law firm of Houston, Bryant and Gardner. In 1965, he was nominated by President Johnson to the federal bench and confirmed by the Senate later that year. Judge Bryant is the first African American to hold the post of Chief Judge for the U.S. District Court for the District of Columbia.

During his long, productive legal career Judge Bryant also served as the first African American Assistant U.S. Attorney for the District of Columbia, and taught at Howard University Law School.

The judges of the U.S. District Court for the District of Columbia unanimously agreed to name the annex in honor of Judge Bryant and approached Congresswoman NORTON and Senator JOHN WARNER for their help. For the past several years, Ms. NORTON and Senator WARNER have worked to overcome Senate objections to naming the annex in honor of Judge Bryant because he continues to serve in active, senior status.

It is an extraordinary testament to Rosa Parks that, even in her death, her work is not done. The bill to honor her became the unstoppable legislative vehicle to ensure that Judge Bryant, this extraordinary African American jurist, be honored with this designation while he is still living.

I strongly support S. 1285 and urge my colleagues to join me in honoring these legendary American heroes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of the proposed legislation "To designate the Federal building located at 333 Mt. Elliott Street in Detroit, Michigan, as the 'Rosa Parks Federal Building'."

More than 50 years ago, on December 1, 1955, Rosa Parks boarded her normal bus home and sat down in one of the "colored" aisles toward the back of the bus. Soon, the bus began to fill, and Rosa was ordered to vacate her seat to accommodate the white passengers. She simply but stubbornly refused.

This peaceful act of protest sparked a city-wide boycott of the bus system by the African American community. Men, women and children of Montgomery, Alabama refrained from riding the bus and instead either walked, rode their bikes or carpooled to work. In an impressive show of strength and courage, the boycott endured for over a year, and people across the nation joined with those in Montgomery. After 381 days, the City bus line finally relented and desegregated the buses.

Four days after the initial incident on the bus, a young man stood up in front of a large audience, having just been appointed as the head of the boycott: "There comes a time,"

the man said, "that people get tired. We are here this evening to say to those who have mistreated us for so long, that we are tired, tired of being segregated and humiliated, tired of being kicked about by the brutal feet of oppression." The name of that young man spurred to action by Rosa Parks was Dr. Martin Luther King, Jr.

Rosa was found guilty that very same day of breaking the city's segregation law. It was over 50 years ago that Rosa Parks chose to peacefully but willfully stand up—or rather sit down—against the abhorrent laws that segregated this country. Let us honor and celebrate what Rosa Louise Parks helped this country accomplish half a century ago by urging for this federal building be named in her honor. But let us also remember that her fight is not over. Let this building, the "Rosa Parks Federal Building," stand as a pillar of remembrance for this and future generations. Let this building always remind us of the battle she fought for freedom and equality, and the battles still being fought here and across the world today.

I support the proposed resolution for the foregoing reasons, and I urge my colleagues to follow suit.

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

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

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Pennsylvania (Mr. DENT) that the House suspend the rules and pass the Senate bill, S. 1285.

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

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the motion to instruct on H.R. 2862.

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

There was no objection.

#### MOTION TO GO TO CONFERENCE ON H.R. 2862, SCIENCE, STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES APPROPRIATIONS ACT, 2006

Mr. WOLF. Mr. Speaker, pursuant to clause 1 of rule XXII and by direction of the Committee on Appropriations, I move to take from the Speaker's table the bill (H.R. 2862) making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. WOLF).

The motion was agreed to.

MOTION TO INSTRUCT OFFERED BY MS. SCHWARTZ OF PENNSYLVANIA

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Ms. SCHWARTZ of Pennsylvania moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill, H.R. 2862, be instructed to insist on the House level for the Small Business Administration's Business Loan Program Account and recede to the Senate on Section 525 of the Senate amendment.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentlewoman from Pennsylvania (Ms. SCHWARTZ) and the gentleman from Virginia (Mr. WOLF) each will control 30 minutes.

The Chair recognizes the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

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

The motion the gentleman from New York and I are offering has two parts. First, it calls for maintaining the Senate-passed provision requiring the Federal Trade Commission to investigate gasoline prices and determine if price gouging is occurring; and, secondly, it supports allocating \$79 million for the Small Business Administration 7(a) loan program, the same level of funding provided last year and the same level supported by 234 Members of the House this year.

First, Mr. Speaker, with regard to gasoline prices. Last week, oil companies announced record high third quarter profits. Exxon-Mobil corporation posted more than \$9 billion in profits, the largest amount ever by a U.S. company. Royal Dutch Shell Group generated \$9 billion, an increase of 68 percent over last year. ConocoPhillips made \$3.8 billion, an increase of 89 percent over last year. British Petroleum brought in \$6.53 billion, up from almost \$5 billion last year.

All told, these profit levels have put the world's five largest publicly traded oil companies on track to earn more than \$100 billion before year's end. Yet, at the same time that Big Oil's bottom line is going up, so are Americans' energy costs. This year, the average American family will pay \$4,500 to meet their energy needs, up nearly 19 percent from last year. These increases in cost are reflected in 30 to 70 cents per gallon cost of gasoline. These increases mean that everyday Americans are likely to pay double-digit increases in home heating oil and costs this winter. From my own constituents in northeast Philadelphia and Montgomery County, these increases are seriously affecting their budgets and forcing them to stretch their hard-earned dollars even further than they have before.

Mr. Speaker, Americans believe that private enterprises, American businesses, have the right to earn profits on the products that they sell; but Americans also want to know whether oil companies during a time of national emergency and national sacrifice are making egregious profits at their expense. They want to know why they are paying record high gas prices at the same time that oil refiners' profits are going up more than triple over last year, and they want to know why the cost of gasoline is rising faster than the actual price of crude oil, and they want to know why Congress has failed to examine these questions or to act on their behalf.

The gentleman from New York and I believe that we ought to provide our constituents with the answers to their questions and to take action, and that is what our motion is about. It would ensure that the Federal Trade Commission investigates the profits of all energy companies at every level of the process, the refiners, the producers, the distributors, and the direct sales companies; and it would result in recommendations to Congress on actions needed to protect consumers from price gouging.

My colleagues, hardworking Americans are looking to Congress to take immediate action and meaningful steps to combat price gouging. The FTC study will examine the costs of the dramatic increases in energy costs and will provide us with a road map on how best to address this problem now and over the long term. My colleagues, a vote for the Schwartz-Bishop motion is also a vote to make sure that our Nation's small businesses succeed. Small businesses are vital contributors to our economy. They are the economic engine that is creating jobs, exploring innovation, and expanding opportunities for Americans in every community across the Nation. The Small Business Loan program is a proven job creator, and should be continued.

Mr. Speaker, the Federal Government has an obligation to ensure our national security, promote opportunity, and build economic prosperity. The Schwartz-Bishop motion would do that by helping to protect American consumers and cultivating small businesses. With this in mind, I urge my colleagues to support the Schwartz-Bishop motion.

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

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

Mr. Speaker, I support a study on gas price gouging and want to thank my colleagues on the other side of the aisle for offering this motion to instruct. I am very concerned, as I know every Member is over here, with regard to high gas prices and their impact on the country; and I believe that the Congress needs to address this issue. So I thank the gentlewoman from Montgomery County, actually I used to live in Montgomery County, Ardmore. Do you know where Ardmore is?

Ms. SCHWARTZ of Pennsylvania. A very nice place to live.

Mr. WOLF. My father was a Philadelphia policeman, and so I know your area very, very well; and I am glad you offered this.

However, on the other segment of it, and I am going to urge Members to just support this, on the 7(a) subsidy, I really do not think that is a very good idea. The program is running strong. We do not need to provide the subsidy and take critically needed funds that could be used to combat terrorism, espionage, drugs, gangs, secure our State Department embassies, consulates overseas, providing funding to invest in NASA and sciences. Members from your side who have asked and been approaching us, if we were to do this, we would take away from almost every one of these programs and many of the programs your Members have come and we have in a good spirit of bipartisan tried to work to help them.

The 7(a) program has been operating at record levels without a subsidy appropriation since the beginning of fiscal year 2005. The SBA administrator continues to assure us that the program is running strong. I have a letter from him confirming the success of redesigning the 7(a) program so that it does not require a subsidy appropriation. Media reports all over the country have touted the recent success of the 7(a) lending program. Headlines from the Chicago Tribune and the Cincinnati Business Carrier state: the SBA program looks sound and stable. Funding turns banks on to SBA lending.

The SBA guaranteed 88,912 loans in fiscal year 2005, an increase of 22 percent increase over the previous year. In fact, lending at every segment of the population, including women and minorities, is up from last year's levels. Lending to minorities is up 23 percent, lending to women is up 42 percent, lending in rural areas is up 10 percent.

In summary, Mr. Speaker, it is not necessary to provide a subsidy appropriation for the 7(a) loans program. With everyone expressing their interest in the deficit, and while I want to commend the gentlewoman for the first part of this motion to instruct with regard to the gasoline price, on the other one, and I know this is not the intention of the author of it, this is a subsidy for banks. Here we are in one half of the amendment we want to do what is good by looking at the oil companies. Now, on the other half of the amendment, we want to give the banking lobby a victory. Why would we want to give the banking lobby, and I have seen some of the memos that have gone back and forth with regard to the banking lobby, why would we want to give the banking lobby, who have record profits at this time, a subsidy of 79 some million dollars?

□ 1615

I just do not understand it. Lending to minorities is up by 23 percent, lending to women is up by 42 percent, and

lending to rural areas is up by 10 percent. People are talking about the deficit, and we are talking about going after it to make sure the gouging stops, and now we are going to help the bankers to do this.

I wish we could have split these off. I would have been excited about your first one, would have spoken for it, would have put my name down for it if you would have had me as a cosponsor, but on subsidies to bankers, I just do not understand it in these days of high deficits. Just look at the profits. Why would we give the banks this subsidy?

So, with that, I urge my colleagues, particularly because of the gentlewoman's first part of the amendment, to support the motion; and I will vote for it. But I just wanted the Record to show that, on the second part, wow, not a good idea.

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

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I thank my colleague, the gentlewoman from Pennsylvania, for yielding and for her leadership on this motion to instruct the conferees. I will confine my remarks to the price-gouging component of the motion to instruct.

After two bites of the apple, this Congress is running out of opportunities to prove to the American people that we will stand in their corner as the oil and gas companies continue a campaign of price-gouging in the wake of human suffering.

Twice in this session, we have given away tax breaks to the oil and gas companies amounting to \$14.5 billion and \$2 billion, respectively. The most recent was passed just in time for Halloween, a treat for BP, Exxon-Mobil, and Conoco, but a bad trick on the American families.

Exxon-Mobil reaped profits of almost \$10 billion this quarter alone. We have heard the gentlewoman from Pennsylvania talk about these numbers, but they are so astounding that they bear repeating. This is a record-breaking amount for an American company and represents a 75 percent increase over the same period last year.

Shell rang up profits that represented a 68 percent increase, just over \$9 billion.

I would be remiss in failing to congratulate the shareholders of ConocoPhillips, whose dividends will soar after an almost 90 percent increase from last year's quarterly earnings.

Now there is nothing wrong with healthy profits. In fact, they are what this Nation and the world's greatest economy are built on. But when profits come at the expense of American families, and when profiteering is clearly reflected by a company's bottom line, then there is something very wrong, and that is when it is time for us to do our job to protect consumers.

These profits were being earned just as the major oil companies claimed

they needed more incentives to expand refining capacity after Hurricane Katrina. Almost immediately, this House responded by passing the so-called Gasoline for America's Security Act, which rolled back environmental laws and opened Federal lands and coastal waters to drilling and exploration.

While the public was pleading for relief from profiteering corporations, the majority actually reduced penalties for price-gouging. Let me say that again. This House voted to weaken price-gouging laws at a time when the public was paying almost an average of \$3 a gallon.

Clearly, our failure to do the right thing then contributed to the spike in gas prices and the exorbitant increases in the oil companies' bottom lines. That is why my colleagues, Mr. STUPAK, Mr. DINGELL, Ms. SCHWARTZ, and I offered a substitute to create a strategic refinery reserve expanding refining capacity and, perhaps most importantly, increasing price-gouging penalties.

As winter approaches, families will struggle to put food on the table and heat their homes. Still, we keep hearing the same rhetoric from the other side that free enterprise is the answer to every one of our Nation's problems, and it is the great equalizer that should be applied to every challenge. But Hurricane Katrina exposed vulnerabilities that still exist in the energy market, a problem that is compounded by the administration's energy policy.

Consequently, it makes little, if any, sense that we gave away one of the most generous corporate welfare packages bestowed on any industry in the form of the last two energy bills. This is precisely why we must vote to instruct the Science-State-Justice-Commerce conferees to adopt the Senate position directing the FTC to investigate price-gouging and other forms of market manipulation.

Before we vote next week to slash the budget for food stamps or Medicaid or student aid, let us make sure we at least give American families a break at the pump by voting for this motion to instruct. Now is the time we must act, to prove the interests of middle-class Americans are paramount, not the oil companies. Let us put an end to price-gouging once and for all. Let us not let another opportunity go by without giving middle-class families the relief they so desperately need and deserve.

Mr. Speaker, on price-gouging, the House is down by two strikes. This motion makes sure we do not strike out. If we want to do the right thing for America and the American taxpayers here and now, vote for this motion to instruct.

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, I yield 5 minutes to my colleague from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Speaker, today's motion to instruct conferees is

about keeping costs down for the American people. Whether it be protecting prices at the gas pump against price-gouging or ensuring entrepreneurs have access to affordable loans, the bottom line is that we must work to relieve our citizens of rising costs.

For aspiring entrepreneurs and small business owners, access to capital is access to opportunity. Unfortunately, right now, businesses all over the country are seeing their capital options dwindle. At the same time, the typical small business owner is paying thousands more than they did last year to receive a loan.

The simple economics of this are that if a small business has to give the government more of their money, not to the banks, like the chairman inferred, but to the Federal Government, then they have less to invest into their business and less to create jobs. This is a loss our country simply cannot afford today.

By not funding the largest long-term lending initiative for small businesses, the 7(a) loan program, this is exactly what is happening. In a little more than a year, costs for lenders and borrowers have increased by 110 percent. These new program costs have already resulted in the termination of important programs that direct capital to rural areas and minority businesses. The situation will only worsen if Congress fails to provide funding.

This winter, it is projected that there will be yet another round of fee increases. In addition, the program will feel even greater cost pressures as the impact of Hurricane Katrina starts to bear down. In the gulf region today, there are over \$2 billion in SBA loans. Even OMB acknowledges that significant loan defaults will occur as a result of this year's hurricanes. In fact, some estimates place this amount as high as \$500 billion. The program costs that will result will not only affect those firms in the gulf region but will impact businesses in every district across the country as the cost to cover these loans rises.

Without an appropriation, the only way to cover this additional cost will be through more fee increases. Unfortunately, in a little over a year, we have run out of room to increase fees. The results will be program caps, limits on program size, and even the possibility of a shutdown next year. This is something our Nation's small business owners should not have to endure.

Clearly, spending decisions are difficult. However, on this, we should not be penny wise and dollar foolish, and that is exactly what this body will be doing by eliminating the funding for a program that makes up less than two-tenths of a percent of the entire bill but provides 30 percent of all long-term lending for small businesses and is a proven job creator.

I just would like to say to the chairman, how could we say that the program is doing better? The program is

not doing better. Small businesses now pay double what they paid last year to get a loan. Of course, the Small Business Administration is going to say that they are doing more loans, but they are not telling us that those loan sizes are much, much smaller. Loans are much smaller, even though the cost of operating a business are much higher, and fewer and fewer lenders are participating in the program.

This is not a program that is doing better. The African-American business owner gets half the loan size than in mainstream business. Is that minority businessperson doing better when they are getting half the loan size that a mainstream business gets? I do not think so.

I would urge my colleagues to vote "yes" on the Schwartz-Bishop motion to instruct conferees.

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, small businesses, large corporations, schools, families, everyone is worried about how they are going to cover their energy costs this year. Recent efforts to address this issue have failed. We cannot allow another opportunity to bring relief to consumers to go by. We owe Americans an examination of current gasoline prices and ways to bring down these costs, and we owe small businesses our commitment to help them grow and succeed.

Mr. Speaker, my motion is simple. It is about ensuring our Nation's economic well-being, it is about protecting the financial security of hard-working Americans, and it is about promoting the continued success of America's small business.

I appreciate the chairman's support on this motion to instruct, and I urge all of my colleagues to vote "yes" on the Schwartz-Bishop motion to instruct.

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

Mr. WOLF. Mr. Speaker, I am not going to take a lot of time, but I think it is important for the Record to demonstrate I think Members should vote "aye" on this instruction.

There were \$2 billion more in loans, though, this year than last year. The Record has to demonstrate this. It was \$12 billion, then to \$14 billion. It went from \$12 billion to \$14 billion. When we say it is not for the banks, and I am not saying that is your intention, let me just stipulate, I do not believe it is your intention. But let me just read you what it is saying here.

This is an article from the Chicago Tribune. "Clearly there were Members of Congress that felt this program was worthy of receiving an appropriation," said James Ballentine, Director of Community and Economic Development of the American Bankers Association.

It was the bankers. You did not get any letter from small businesses asking for this. It is the bankers. It is the

bankers. And the inconsistency of dealing with the one thing which I honor you and say great, but this was the bankers. The loans are up. So I think truth has to demonstrate that the loans are really up. It is \$2 billion more.

We are always talking about lowering the deficit and reducing spending. Last year, the Congress reconfigured and the chairman of the committee, Mr. MANZULLO, supported this. So why would we want to turn our backs on successful reform? We have a stable program.

I would like to submit, if I may, for the RECORD, the articles from the Business Courier and also the Chicago Tribune saying that the Small Business Administration's Federal funding is on more stable footing this year than it was last year. "That gives lenders more confidence in making SBA loans," said Michael Shepherd, Fifth Third Bancorp's SBA national manager. So they are up, and it has worked.

Members on both sides want to deal with the deficit. I think the gentleman from Montgomery County has a good thing.

With regard to the oil prices on the 7(a) and what we have been doing about that, I would just say, working with the minority on your side on the money that we have saved from this, we have helped you on other things. And there is, as my mother used to say, there is not a money tree; it just reaches a certain point. So with the money that we have saved from this with additional loans, \$2 billion, not just \$1 million, \$2 billion more, we have actually helped programs that you all are interested in.

We have increased the National Science Foundation. Do you want to take away from the National Science Foundation? Hello. Go back to Montgomery County and tell them you are cutting funding for sciences, for math, for chemistry, for biology. Tell them that. They would not want to cut that out. That is what we did with this.

We put it in NSF loans. We put it in NASA with regard to education. We put it into the Jason program that Dr. Bell, who discovered the Titanic, is able to teach young kids math and science and physics and chemistry by learning that.

□ 1630

That is what we did. If we were to take this \$79 million and give it back to the bankers, the big bankers, we would be taking money from education. You could not explain that. I do not care what district it is, you cannot explain why you were taking money from the NSF. You cannot explain why you were taking money from embassy security.

Thirty people from my district died in the attack on the Pentagon. You cannot explain, whether it be New York City where two of my children live, or Philadelphia where I am from,

and my district, why you are taking money from the FBI to give money to bankers so we do not have money for the FBI to do what they are doing.

So I was going to ask, can we split these things out and give you an opportunity to offer both? I understand that we cannot. I do not think you want it down on the record that you supported taking \$79 million out of the National Science Foundation or out of the FBI or out of embassy security so we can give money to the banking lobby. That is just not a good vote.

Ms. VELÁZQUEZ. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from New York.

Ms. VELÁZQUEZ. Mr. Speaker, I thank the gentleman for yielding.

Let me just say for the record that I am here not to do the job for banks. I am here to fight to protect small businesses, small businesses that create 99 percent of the jobs in this country.

And let me say, Mr. Speaker, that I will include in the RECORD the letter sent to the gentleman from Virginia (Mr. WOLF) and to the ranking member of the committee, the gentleman from West Virginia (Mr. MOLLOHAN).

Mr. Speaker, that contains 25 groups. They are not banks. They are the National Small Business Association, the National Black Chamber of Commerce, the National Association of Convenience Stores, the National Association for the Self-employed, American Society of Travel Agents, and the list goes on and on. These are 25 national groups in support of restoring the funding for the 7(a).

And let me just also say to you, sir, that the SBA is going to claim that they are doing record levels, of course, because the numbers that they are using, they are comparing their numbers when the program was shut down by SBA. But comparing the last two quarters, SBA lending is actually declining by nearly \$50 million in the last quarter alone.

And when comparing the fourth quarter 2005 to the fourth quarter 2004, SBA has done \$150 million less in lending to small businesses. SBA claimed that they would do \$16 billion, but they were \$2 billion below for fiscal year 2005.

OCTOBER 27, 2005.

Hon. FRANK WOLF,  
*Chairman, Appropriations Subcommittee on Science, State, Justice and Commerce, The Capitol, Washington, DC.*

Hon. ALAN MOLLOHAN,  
*Ranking Member, Appropriations Subcommittee on Science, State, Justice and Commerce, Longworth House Office Building, Washington, DC.*

Hon. RICHARD SHELBY,  
*Chairman, Appropriations Subcommittee on Commerce, Justice, and Science, The Capitol, Washington, DC.*

Hon. BARBARA MIKULSKI,  
*Ranking Member Appropriations Subcommittee on Commerce, Justice, and Science, Dirksen Senate Office Building, Washington, DC.*

DEAR CHAIRMEN WOLF AND SHELBY AND RANKING MEMBERS MOLLOHAN AND MIKULSKI: As the House and Senate prepare to go to

conference on the Science, State, Justice and Commerce (SSJC) and Commerce, Justice, and Science (CJS) appropriations bills, we wanted to bring to your attention an issue that is of critical importance to small businesses and small business lenders, and to request your assistance in ensuring that this Nation's entrepreneurs have access to affordable capital through an adequately funded small business lending program. The Small Business Administration 7(a) program supports nearly one-third of all long-term capital financing for our Nation's small businesses. Notably, both the House and Senate have included funds in their FY 2006 appropriations bills for the 7(a) program. As the House and Senate are preparing to go to conference on SSJC-CJS, we are writing to express our strong support for the modest funding of this vital program.

The fees associated with the 7(a) program are becoming prohibitively expensive for both small business borrowers and lenders. For FY 2005, the full cost of the program was shifted to small businesses and their lenders through a series of fee increases. As a result, small businesses are being forced to pay substantial upfront fees to use the program—more than \$2,000 for a small loan and nearly \$16,000 for a mid-size loan. For smaller loans of less than \$150,000, fees are doubled, which translates into nearly \$1,500 more in upfront closing costs for entrepreneurs. For a loan of \$700,000, this increase would raise the fees by approximately \$3,000 and for larger loans this fee can approach \$50,000.

These fee increases are making it more expensive for lenders to lend and businesses to borrow. As a result, many small businesses—particularly those in the areas affected by Hurricane Katrina—may be unable to access the capital they need to hire new employees or expand their operations. Most recently, actions have been taken that have made the program more costly and less accessible to small businesses. On October 1st, a third fee increase was levied on the program's participants—making 7(a) loans more costly than ever. And, in an attempt to cut the program's costs, the SBA eliminated the popular 7(a) LowDoc program, which has been a key initiative used by community banks and rural small businesses.

We are also concerned about the impact of Gulf Coast hurricanes on the program, as SBA's loan portfolio contains more than \$2 billion in loans to businesses in hurricane-affected areas. There is the potential that a sizeable portion of these loans will default, leading to increased program costs. Without a 7(a) appropriation, the only possibility to cover these increased program costs will be to raise fees on small businesses and lenders, place a cap on the program or on loan size, or, in the worst case scenario, shut down the program altogether. These undesirable measures would be extremely counterproductive at a time when adequate small business lending will be more important than ever in recovery and rebuilding post-Katrina.

We urge you to support our Nation's small businesses. Securing funding for this important program is a top priority for the broad small business and lending community and we are pleased that both the House and Senate appropriations bills contain needed funding for the 7(a) program. We urge the SSJC-CJS conferees to work to ensure that the 7(a) program is provided with an appropriation of \$79.132 million for FY 2006 and that such funding be used to reduce the fees for business borrowers and their lenders.

We recognize your commitment to our Nation's small businesses and truly appreciate your efforts in supporting the SBA's 7(a) loan program. In order to ensure the vibrancy of our local communities, we want to stress our strong support for funding for the

7(a) program. We are eager to work with you to accomplish this goal. By giving entrepreneurs access to affordable capital, we can ensure that they can continue to serve as the catalyst for our Nation's economy.

Sincerely,

National Small Business Association.  
National Black Chamber of Commerce.  
National Association of Convenience Stores.

National Association for the Self-Employed.

Associated Equipment Distributors.  
Aeronautical Repair Station Association.  
American Society of Travel Agents.  
Independent Office Products & Furniture Dealers Association.

Silver Users Association.

Small Business Majority.

National Procurement Council.

United Motorcoach Association.

Office Furniture Dealers Alliance.

U.S. Women's Chamber of Commerce.

American Bus Association.

National Ready Mixed Concrete Association.

National Propane Gas Association.

Women Impacting Public Policy.

American Subcontractors Association.

American Dental Association.

National Office Products Alliance.

American Hotel and Lodging Association.

Mr. WOLF. Mr. Speaker, reclaiming my time, the record just has to show, again, SBA guaranteed 88,912 loans in fiscal year 2005, an increase of 22 percent over the previous year.

Mr. Speaker, let me stipulate that I know the gentlewoman is a strong supporter of small business. But where will you take the money from? Will you take it from NSF, education, National Science Foundation, will you take it from math, will you take it from science, or would you just take it from the air?

We just cannot take things from the air, and the end result is we will cut embassy security.

Ms. VELAZQUEZ. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentlewoman from New York.

Ms. VELAZQUEZ. Mr. Speaker, if the gentleman from Virginia (Mr. WOLF) will invite me to be a conferee, I will work with you.

Mr. WOLF. Mr. Speaker, reclaiming my time, I work with your ranking member. We are good friends. Ask the gentleman from West Virginia (Mr. MOLLOHAN) if we have been fair. The next time you see him, ask him.

The next time you see him, ask him; and ask him if the two ought to meet. We would not be able to deal with this issue. We would have to cut FBI, embassy security, NSF, NASA, NIST, NOAA. That is where we would get it from, and we would get it to give it to the bankers.

[From the Business Courier, May 27, 2005]

STABLE FUNDING TURNS BANKS ON TO SBA LENDING

(By Steve Watkins)

The news is getting better for small businesses looking for financing.

The Small Business Administration's federal funding is on more stable footing this year than it was last year. That gives lenders more confidence in making SBA loans, said Michael Shepherd, Fifth Third Bancorp's SBA national manager.

"We're not afraid the program will be pulled out from under us," Shepherd said. "Borrowers are in a much better position than they have been in the past."

That's good news for small-business borrowers, who are reaping the benefits of more activity. Fifth Third's SBA loan volume is up 20 percent to 25 percent so far this year compared with last year, Shepherd said.

National City Bank's entry into the market should heat up the SBA loan business. National City was the top SBA lender in both Ohio and Kentucky for the third straight year in the SBA's 2004 fiscal year ending in September.

National City Corp. bought Cincinnati-based Provident Financial Group Inc. in July 2004, marking its first entry to the local retail banking market. Small business has been a big push.

"Mike Price (CEO of National City's Greater Cincinnati market) started the small-business program at National City some seven years ago," said Joe Chasteen, National City's area manager of small business banking for Cincinnati and Northern Kentucky.

National City already has boosted its local small-business banking unit by 50 percent, to 12 bankers, since July, Chasteen said.

U.S. Bank, PNC, Bank One, Huntington Bank and KeyBank also play a big role in making SBA loans.

"It's always a competitive market," Shepherd said.

[From the Chicago Tribune, Dec. 27, 2004]

#### SBA PROGRAM LOOKS SOUND

(By Rob Kaiser)

Holiday magic isn't the likely reason the U.S. Small Business Administration and its numerous critics appear in harmony for the first time in years.

A more likely explanation is the \$16 billion stocking stuffer for the SBA's flagship 7(a) loan program, which will likely keep it from suffering short-falls in 2005 that drew the ire of banks and small-business owners this year.

"The risk of a cap or a shutdown is basically nil," said Tony Wilkinson, president of the National Association of Government Guaranteed Lenders and a frequent SBA critic.

Such an outlook is a vast improvement from recent years, when frequent loan limits and speculation about shutdowns sent bankers scurrying to submit loan applications and left many business owners in limbo—often with unpaid bills—when expected loans suddenly evaporated.

To achieve the peace, bankers grudgingly accepted a return to paying higher fees as the Bush administration got its wish to wipe away a nearly \$80 million subsidy that had been supporting the 7(a) program. In return, the bankers expect to inherit a more stable program.

Such stability would have saved Julie Valenza a lot of time and money.

Valenza was close to purchasing her second Jimmy John's sandwich franchise in January when the \$250,000 loan she expected to secure through the 7(a) program was suddenly stalled when SBA stopped accepting new applications due to a funding short-fall.

To salvage the deal to purchase an existing store in Westmont, Valenza recruited her sister as an investor.

"At least I didn't have to bring in a stranger off the street," she said.

Still, the setback delayed the purchase by two months and means Valenza now has to split the store's profits.

Paul Andreotti, an executive vice president at National City Bank in Chicago, said SBA loans exist so such situations are avoided.

Without 7(a) loans, many business owners would have to finance growth on their credit cards or through other expensive means.

"If the SBA wasn't guaranteeing loans, banks couldn't be as aggressive and provide as much capital," said Andreotti, whose bank is putting together a 7(a) loan so Valenza can open a third Jimmy John's location in Oak Lawn.

While he's not happy to see the fees climbing, Andreotti said, "In the long run I think it will positively impact small businesses."

Fees for the 7(a) program are now 2 percent on loans up to \$150,000, up from 1 percent. Loans between \$150,001 and \$700,000 carry a 3 percent fee, up from 2.5 percent. Loans for more than \$700,000 still carry a 3.5 percent fee.

The loan applicant usually pays these fees. Banks have to pay another fee, which has also increased recently.

The SBA guarantees 85 percent of 7(a) loans up to \$150,000 and 75 percent of loans for more than \$150,000.

Previously, the highest loan guarantee was \$1 million, but under the new legislation that figure was raised to \$1.5 million. This means the program will now guarantee 75 percent of a \$2 million loan, the largest 7(a) loan available.

Still, not everyone in the SBA universe is sold that the recent compromise was the best solution.

"Clearly there were members of Congress that felt this program was worthy of receiving an appropriation," said James Ballentine, director of community and economic development at the American Bankers Association.

Balentine said some business owners as well as leaders may be dissuaded from taking part in the program because of the fees.

Early indications, though, are that participation in the 7(a) program is at record levels.

From Oct. 1, the beginning of the fiscal year, through Dec. 10, the program has done more than 18,000 loans, worth nearly \$2.8 billion. During the same period last year, the program did fewer than 15,000 loans, worth \$2.4 billion.

In all of the last fiscal year, the 7(a) program did nearly 75,000 loans, worth \$12.6 billion. The program has \$16 billion in loans available for the current fiscal year.

"We think that should be sufficient," said Jodi Polonet, senior vice president of Business Loan Express LLC in New York. "We are satisfied."

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

The SPEAKER pro tempore (Mr. FOLEY). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Chair will appoint conferees at a later time.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.