

106TH CONGRESS
2D SESSION

S. 3236

To provide for reauthorization of small business loan and other programs,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 25 (legislative day, SEPTEMBER 22), 2000

Mr. BOND introduced the following bill; which was read twice and referred to
the Committee on Small Business

A BILL

To provide for reauthorization of small business loan and
other programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Small Business Reauthorization Act of 2000”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Extension of SBIR program.

- Sec. 104. Annual report.
- Sec. 105. Third phase assistance.
- Sec. 106. Report on programs for annual performance plan.
- Sec. 107. Output and outcome data.
- Sec. 108. National Research Council reports.
- Sec. 109. Federal agency expenditures for the SBIR program.
- Sec. 110. Policy directive modifications.
- Sec. 111. Federal and State technology partnership program.
- Sec. 112. Mentoring networks.
- Sec. 113. Simplified reporting requirements.
- Sec. 114. Rural outreach program extension.

TITLE II—BUSINESS LOAN PROGRAMS

- Sec. 201. Short title.
- Sec. 202. Levels of participation.
- Sec. 203. Loan amounts.
- Sec. 204. Interest on defaulted loans.
- Sec. 205. Prepayment of loans.
- Sec. 206. Guarantee fees.
- Sec. 207. Lease terms.
- Sec. 208. Appraisals for loans secured by real property.
- Sec. 209. Sale of guaranteed loans made for export purposes.
- Sec. 210. Microloan program.

TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

- Sec. 301. Short title.
- Sec. 302. Women-owned businesses.
- Sec. 303. Maximum debenture size.
- Sec. 304. Fees.
- Sec. 305. Premier certified lenders program.
- Sec. 306. Sale of certain defaulted loans.
- Sec. 307. Loan liquidation.

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

- Sec. 401. Short title.
- Sec. 402. Definitions.
- Sec. 403. Investment in small business investment companies.
- Sec. 404. Subsidy fees.
- Sec. 405. Distributions.
- Sec. 406. Conforming amendment.

TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

- Sec. 501. Short title.
- Sec. 502. Reauthorization of small business programs.
- Sec. 503. Additional reauthorizations.
- Sec. 504. Cosponsorship.

TITLE VI—HUBZONE PROGRAM

Subtitle A—HUBZones in Native America

- Sec. 601. Short title.
- Sec. 602. HUBZone small business concern.

- Sec. 603. Qualified HUBZone small business concern.
 Sec. 604. Other definitions.

Subtitle B—Other HUBZone Provisions

- Sec. 611. Definitions.
 Sec. 612. Eligible contracts.
 Sec. 613. HUBZone redesignated areas.
 Sec. 614. Community development.
 Sec. 615. Reference corrections.

TITLE VII—NATIONAL WOMEN’S BUSINESS COUNCIL
 REAUTHORIZATION

- Sec. 701. Short title.
 Sec. 702. Membership of the Council.
 Sec. 703. Repeal of procurement project.
 Sec. 704. Studies and other research.
 Sec. 705. Authorization of appropriations.

TITLE VIII—MISCELLANEOUS PROVISIONS

- Sec. 801. Loan application processing.
 Sec. 802. Application of ownership requirements.
 Sec. 803. Subcontracting preference for veterans.
 Sec. 804. Small Business Development Center Program funding.
 Sec. 805. Surety bonds.
 Sec. 806. Size standards.
 Sec. 807. Native Hawaiian organizations under section 8(a).
 Sec. 808. National Veterans Business Development Corporation correction.
 Sec. 809. Private sector resources for SCORE.
 Sec. 810. Contract data collection.
 Sec. 811. Procurement program for women-owned small business concerns.
 Sec. 812. Participation in government contracts by certain small businesses.

1 TITLE I—SMALL BUSINESS INNO-
2 VATION RESEARCH PROGRAM

3 SECTION 101. SHORT TITLE.

4 (a) SHORT TITLE.—This title may be cited as the
5 “Small Business Innovation Research Program Reauthor-
6 ization Act of 2000”.

7 SEC. 102. FINDINGS.

8 Congress finds that—

9 (1) the small business innovation research pro-
10 gram established under the Small Business Innova-

1 tion Development Act of 1982, and reauthorized by
2 the Small Business Research and Development En-
3 hancement Act of 1992 (in this title referred to as
4 the “SBIR program”) is highly successful in involv-
5 ing small businesses in federally funded research
6 and development;

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

11 (3) the innovative goods and services developed
12 by small businesses that participated in the SBIR
13 program have produced innovations of critical impor-
14 tance in a wide variety of high-technology fields, in-
15 cluding biology, medicine, education, and defense;

16 (4) the SBIR program is a catalyst in the pro-
17 motion of research and development, the commer-
18 cialization of innovative technology, the development
19 of new products and services, and the continued ex-
20 cellence of this Nation’s high-technology industries;
21 and

22 (5) the continuation of the SBIR program will
23 provide expanded opportunities for one of the Na-
24 tion’s vital resources, its small businesses, will foster
25 invention, research, and technology, will create jobs,

1 and will increase this Nation's competitiveness in
2 international markets.

3 **SEC. 103. EXTENSION OF SBIR PROGRAM.**

4 Section 9(m) of the Small Business Act (15 U.S.C.
5 638(m)) is amended to read as follows:

6 “(m) TERMINATION.—The authorization to carry out
7 the Small Business Innovation Research Program estab-
8 lished under this section shall terminate on September 30,
9 2008.”.

10 **SEC. 104. ANNUAL REPORT.**

11 Section 9(b)(7) of the Small Business Act (15 U.S.C.
12 638(b)(7)) is amended by striking “and the Committee on
13 Small Business of the House of Representatives” and in-
14 serting “, and to the Committee on Science and the Com-
15 mittee on Small Business of the House of Representa-
16 tives,”.

17 **SEC. 105. THIRD PHASE ASSISTANCE.**

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

21 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
22 **ANCE PLAN.**

23 Section 9(g) of the Small Business Act (15 U.S.C.
24 638(g)) is amended—

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

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

5 (3) by adding at the end the following:

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

14 **SEC. 107. OUTPUT AND OUTCOME DATA.**

15 (a) COLLECTION.—Section 9(g) of the Small Busi-
16 ness Act (15 U.S.C. 638(g)), as amended by section 106
17 of this Act, is further amended by adding at the end the
18 following:

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

24 (b) REPORT TO CONGRESS.—Section 9(b)(7) of the
25 Small Business Act (15 U.S.C. 638(b)(7)), as amended

1 by section 104 of this Act, is further amended by inserting
2 before the period at the end “, including the data on out-
3 put and outcomes collected pursuant to subsections
4 (g)(10) and (o)(9), and a description of the extent to
5 which Federal agencies are providing in a timely manner
6 information needed to maintain the database described in
7 subsection (k)”.

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

10 “(k) DATABASE.—

11 “(1) PUBLIC DATABASE.—Not later than 180
12 days after the date of enactment of the Small Busi-
13 ness Innovation Research Program Reauthorization
14 Act of 2000, the Administrator shall develop, main-
15 tain, and make available to the public a searchable,
16 up-to-date, electronic database that includes—

17 “(A) the name, size, location, and an iden-
18 tifying number assigned by the Administrator,
19 of each small business concern that has received
20 a first phase or second phase SBIR award from
21 a Federal agency;

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

1 “(i) an abstract of the project funded
2 by the award, excluding any proprietary in-
3 formation so identified by the small busi-
4 ness concern;

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

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

9 “(C) an identification of any business con-
10 cern or subsidiary established for the commer-
11 cial application of a product or service for
12 which an SBIR award is made; and

13 “(D) information regarding mentors and
14 Mentoring Networks, as required by section
15 35(d).

16 “(2) GOVERNMENT DATABASE.—Not later than
17 180 days after the date of enactment of the Small
18 Business Innovation Research Program Reauthoriza-
19 tion Act of 2000, the Administrator, in consultation
20 with Federal agencies required to have an SBIR
21 program pursuant to subsection (f)(1), shall develop
22 and maintain a database to be used solely for SBIR
23 program evaluation that—

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

1 “(i) information collected in accord-
2 ance with paragraph (3) on revenue from
3 the sale of new products or services result-
4 ing from the research conducted under the
5 award;

6 “(ii) information collected in accord-
7 ance with paragraph (3) on additional in-
8 vestment from any source, other than first
9 phase or second phase SBIR or STTR
10 awards, to further the research and devel-
11 opment conducted under the award; and

12 “(iii) any other information received
13 in connection with the award that the Ad-
14 ministrator, in conjunction with the SBIR
15 program managers of Federal agencies,
16 considers relevant and appropriate;

17 “(B) includes any narrative information
18 that a small business concern receiving a second
19 phase award voluntarily submits to further de-
20 scribe the outputs and outcomes of its awards;

21 “(C) includes for each applicant for a first
22 phase or second phase award that does not re-
23 ceive such an award—

1 “(i) the name, size, and location, and
2 an identifying number assigned by the Ad-
3 ministration;

4 “(ii) an abstract of the project; and

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

7 “(D) includes any other data collected by
8 or available to any Federal agency that such
9 agency considers may be useful for SBIR pro-
10 gram evaluation; and

11 “(E) is available for use solely for program
12 evaluation purposes by the Federal Government
13 or, in accordance with policy directives issued
14 by the Administration, by other authorized per-
15 sons who are subject to a use and nondisclosure
16 agreement with the Federal Government cov-
17 ering the use of the database.

18 “(3) UPDATING INFORMATION FOR DATA-
19 BASE.—

20 “(A) IN GENERAL.—A small business con-
21 cern applying for a second phase award under
22 this section shall be required to update informa-
23 tion in the database established under this sub-
24 section for any prior second phase award re-
25 ceived by that small business concern. In com-

1 plying with this paragraph, a small business
2 concern may apportion sales or additional in-
3 vestment information relating to more than one
4 second phase award among those awards, if it
5 notes the apportionment for each award.

6 “(B) ANNUAL UPDATES UPON TERMI-
7 NATION.—A small business concern receiving a
8 second phase award under this section shall—

9 “(i) update information in the data-
10 base concerning that award at the termi-
11 nation of the award period; and

12 “(ii) be requested to voluntarily up-
13 date such information annually thereafter
14 for a period of 5 years.

15 “(4) PROTECTION OF INFORMATION.—Informa-
16 tion provided under paragraph (2) shall be consid-
17 ered privileged and confidential and not subject to
18 disclosure pursuant to section 552 of title 5, United
19 States Code.

20 “(5) RULE OF CONSTRUCTION.—Inclusion of
21 information in the database under this subsection
22 shall not be considered to be publication for pur-
23 poses of subsection (a) or (b) of section 102 of title
24 35, United States Code.”.

1 **SEC. 108. NATIONAL RESEARCH COUNCIL REPORTS.**

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

10 (1) conduct a comprehensive study of how the
11 SBIR program has stimulated technological innova-
12 tion and used small businesses to meet Federal re-
13 search and development needs, including—

14 (A) a review of the value to the Federal re-
15 search agencies of the research projects being
16 conducted under the SBIR program, and of the
17 quality of research being conducted by small
18 businesses participating under the program, in-
19 cluding a comparison of the value of projects
20 conducted under the SBIR program to those
21 funded by other Federal research and develop-
22 ment expenditures;

23 (B) to the extent practicable, an evaluation
24 of the economic benefits achieved by the SBIR
25 program, including the economic rate of return,
26 and a comparison of the economic benefits, in-

1 including the economic rate of return, achieved by
2 the SBIR program with the economic benefits,
3 including the economic rate of return, of other
4 Federal research and development expenditures;

5 (C) an evaluation of the noneconomic bene-
6 fits achieved by the SBIR program over the life
7 of the program;

8 (D) a comparison of the allocation for fis-
9 cal year 2000 of Federal research and develop-
10 ment funds to small businesses with such allo-
11 cation for fiscal year 1983, and an analysis of
12 the factors that have contributed to such alloca-
13 tion; and

14 (E) an analysis of whether Federal agen-
15 cies, in fulfilling their procurement needs, are
16 making sufficient effort to use small businesses
17 that have completed a second phase award
18 under the SBIR program; and

19 (2) make recommendations with respect to—

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

1 (B) whether companies who can dem-
2 onstrate project feasibility, but who have not re-
3 ceived a first phase award, should be eligible for
4 second phase awards, and the potential impact
5 of such awards on the competitive selection
6 process of the program;

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

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

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

18 (b) PARTICIPATION BY SMALL BUSINESS.—

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

24 (A) in any panel established by the Na-
25 tional Research Council for the purpose of per-

1 forming the study conducted under this section;
2 and

3 (B) among those who are asked by the Na-
4 tional Research Council to peer review the
5 study.

6 (2) CONSULTATION.—To ensure that the con-
7 cerns of small business are appropriately considered
8 under this subsection, the National Research Council
9 shall consult with and consider the views of the Of-
10 fice of Technology and the Office of Advocacy of the
11 Small Business Administration and other interested
12 parties, including entities, organizations, and indi-
13 viduals actively engaged in enhancing or developing
14 the technological capabilities of small business con-
15 cerns.

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

22 (d) REPORT.—The National Research Council shall
23 transmit to the heads of agencies entering into an agree-
24 ment under this section and to the Committee on Science
25 and the Committee on Small Business of the House of

1 Representatives, and to the Committee on Small Business
2 of the Senate—

3 (1) not later than 3 years after the date of en-
4 actment of this Act, a report including the results of
5 the study conducted under subsection (a)(1) and rec-
6 ommendations made under subsection (a)(2); and

7 (2) not later than 6 years after that date of en-
8 actment, an update of such report.

9 **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**
10 **PROGRAM.**

11 Section 9(i) of the Small Business Act (15 U.S.C.
12 638(i)) is amended—

13 (1) by striking “(i) Each Federal” and insert-
14 ing the following:

15 “(i) ANNUAL REPORTING.—

16 “(1) IN GENERAL.—Each Federal”; and

17 (2) by adding at the end the following:

18 “(2) CALCULATION OF EXTRAMURAL BUDG-
19 ET.—

20 “(A) METHODOLOGY.—Not later than 4
21 months after the date of enactment of each ap-
22 propriations Act for a Federal agency required
23 by this section to have an SBIR program, the
24 Federal agency shall submit to the Adminis-
25 trator a report, which shall include a descrip-

1 tion of the methodology used for calculating the
2 amount of the extramural budget of that Fed-
3 eral agency.

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

9 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

10 Section 9(j) of the Small Business Act (15 U.S.C.
11 638(j)) is amended by adding at the end the following:

12 “(3) ADDITIONAL MODIFICATIONS.—Not later
13 than 120 days after the date of enactment of the
14 Small Business Innovation Research Program Reau-
15 thorization Act of 2000, the Administrator shall
16 modify the policy directives issued pursuant to this
17 subsection—

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

1 “(B) to provide for the requirement of a
2 succinct commercialization plan with each appli-
3 cation for a second phase award that is moving
4 toward commercialization;

5 “(C) to require agencies to report to the
6 Administration, not less frequently than annu-
7 ally, all instances in which an agency pursued
8 research, development, or production of a tech-
9 nology developed by a small business concern
10 using an award made under the SBIR program
11 of that agency, and determined that it was not
12 practicable to enter into a follow-on non-SBIR
13 program funding agreement with the small
14 business concern, which report shall include, at
15 a minimum—

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

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

23 “(iii) a description of the type of
24 funding agreement under which the re-

1 search, development, or production was ob-
2 tained; and

3 “(D) to implement subsection (v), includ-
4 ing establishing standardized procedures for the
5 provision of information pursuant to subsection
6 (k)(3).”.

7 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**
8 **SHIP PROGRAM.**

9 (a) FINDINGS.—Congress finds that—

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

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

19 (3) building stronger national, State, and local
20 support for science and technology research in these
21 disadvantaged States will expand economic opportu-
22 nities in the United States, create jobs, and increase
23 the competitiveness of the United States in the
24 world market.

1 (b) FEDERAL AND STATE TECHNOLOGY PARTNER-
2 SHIP PROGRAM.—The Small Business Act (15 U.S.C. 631
3 et seq.) is amended—

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

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

7 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**
8 **SHIP PROGRAM.**

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

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

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

22 “(3) FAST PROGRAM.—The term ‘FAST pro-
23 gram’ means the Federal and State Technology
24 Partnership Program established under this section.

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

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

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

10 “(7) SBIR PROGRAM.—The term ‘SBIR pro-
11 gram’ has the same meaning as in section 9(e)(4).

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

16 “(9) STTR PROGRAM.—The term ‘STTR pro-
17 gram’ has the same meaning as in section 9(e)(6).

18 “(b) ESTABLISHMENT OF PROGRAM.—The Adminis-
19 trator shall establish a program to be known as the Fed-
20 eral and State Technology Partnership Program, the pur-
21 pose of which shall be to strengthen the technological com-
22 petitiveness of small business concerns in the States.

23 “(c) GRANTS AND COOPERATIVE AGREEMENTS.—

24 “(1) JOINT REVIEW.—In carrying out the
25 FAST program under this section, the Adminis-

1 trator and the SBIR program managers at the Na-
2 tional Science Foundation and the Department of
3 Defense shall jointly review proposals submitted by
4 applicants and may make awards or enter into coop-
5 erative agreements under this section based on the
6 factors for consideration set forth in paragraph (2),
7 in order to enhance or develop in a State—

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

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

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

15 “(D) the technological capabilities of small
16 business concerns through the establishment or
17 operation of consortia comprised of entities, or-
18 ganizations, or individuals, including—

19 “(i) State and local development agen-
20 cies and entities;

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

23 “(iii) industries and emerging compa-
24 nies;

25 “(iv) universities; and

1 “(v) small business development cen-
2 ters; and

3 “(E) outreach, financial support, and tech-
4 nical assistance to technology-based small busi-
5 ness concerns participating in or interested in
6 participating in an SBIR program, including
7 initiatives—

8 “(i) to make grants or loans to com-
9 panies to pay a portion or all of the cost
10 of developing SBIR proposals;

11 “(ii) to establish or operate a Men-
12 toring Network within the FAST program
13 to provide business advice and counseling
14 that will assist small business concerns
15 that have been identified by FAST pro-
16 gram participants, program managers of
17 participating SBIR agencies, the Adminis-
18 tration, or other entities that are knowl-
19 edgeable about the SBIR and STTR pro-
20 grams as good candidates for the SBIR
21 and STTR programs, and that would ben-
22 efit from mentoring, in accordance with
23 section 35;

24 “(iii) to create or participate in a
25 training program for individuals providing

1 SBIR outreach and assistance at the State
2 and local levels; and

3 “(iv) to encourage the commercializa-
4 tion of technology developed through SBIR
5 program funding.

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

10 “(A) may only consider proposals by appli-
11 cants that intend to use a portion of the Fed-
12 eral assistance provided under this section to
13 provide outreach, financial support, or technical
14 assistance to technology-based small business
15 concerns participating in or interested in par-
16 ticipating in the SBIR program; and

17 “(B) shall consider, at a minimum—

18 “(i) whether the applicant has dem-
19 onstrated that the assistance to be pro-
20 vided would address unmet needs of small
21 business concerns in the community, and
22 whether it is important to use Federal
23 funding for the proposed activities;

24 “(ii) whether the applicant has dem-
25 onstrated that a need exists to increase the

1 number or success of small high-technology
2 businesses in the State, as measured by
3 the number of first phase and second
4 phase SBIR awards that have historically
5 been received by small business concerns in
6 the State;

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

9 “(iv) whether the proposal integrates
10 and coordinates the proposed activities
11 with other State and local programs assist-
12 ing small high-technology firms in the
13 State; and

14 “(v) the manner in which the appli-
15 cant will measure the results of the activi-
16 ties to be conducted.

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

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

1 “(d) COOPERATION AND COORDINATION.—In car-
2 rying out the FAST program under this section, the Ad-
3 ministrator shall cooperate and coordinate with—

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

6 “(2) entities, organizations, and individuals ac-
7 tively engaged in enhancing or developing the tech-
8 nological capabilities of small business concerns,
9 including—

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

12 “(B) State committees established under
13 the Experimental Program to Stimulate Com-
14 petitive Research of the National Science Foun-
15 dation (as established under section 113 of the
16 National Science Foundation Authorization Act
17 of 1988 (42 U.S.C. 1862g));

18 “(C) State science and technology councils;
19 and

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

22 “(e) ADMINISTRATIVE REQUIREMENTS.—

23 “(1) COMPETITIVE BASIS.—Awards and cooper-
24 ative agreements under this section shall be made or
25 entered into, as applicable, on a competitive basis.

1 “(2) MATCHING REQUIREMENTS.—

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

7 “(i) 50 cents for each Federal dollar,
8 in the case of a recipient that will serve
9 small business concerns located in one of
10 the 18 States receiving the fewest SBIR
11 first phase awards (as described in section
12 9(e)(4)(A));

13 “(ii) except as provided in subpara-
14 graph (B), 1 dollar for each Federal dollar,
15 in the case of a recipient that will serve
16 small business concerns located in one of
17 the 16 States receiving the greatest num-
18 ber of such SBIR first phase awards; and

19 “(iii) except as provided in subpara-
20 graph (B), 75 cents for each Federal dol-
21 lar, in the case of a recipient that will
22 serve small business concerns located in a
23 State that is not described in clause (i) or
24 (ii) that is receiving such SBIR first phase
25 awards.

1 “(B) LOW-INCOME AREAS.—The non-Fed-
2 eral share of the cost of the activity carried out
3 using an award or under a cooperative agree-
4 ment under this section shall be 50 cents for
5 each Federal dollar that will be directly allo-
6 cated by a recipient described in subparagraph
7 (A) to serve small business concerns located in
8 a qualified census tract, as that term is defined
9 in section 42(d)(5)(C)(ii) of the Internal Rev-
10 enue Code of 1986. Federal dollars not so allo-
11 cated by that recipient shall be subject to the
12 matching requirements of subparagraph (A).

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

21 “(D) RANKINGS.—For purposes of sub-
22 paragraph (A), the Administrator shall reeval-
23 ate the ranking of a State once every 2 fiscal
24 years, beginning with fiscal year 2001, based on

1 the most recent statistics compiled by the Ad-
2 ministrator.

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

6 “(f) REPORTS.—

7 “(1) INITIAL REPORT.—Not later than 120
8 days after the date of enactment of the Small Busi-
9 ness Innovation Research Program Reauthorization
10 Act of 2000, the Administrator shall prepare and
11 submit to the Committee on Small Business of the
12 Senate and the Committee on Science and the Com-
13 mittee on Small Business of the House of Rep-
14 resentatives a report, which shall include, with re-
15 spect to the FAST program, including Mentoring
16 Networks—

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

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

21 “(C) a description of the merit-based re-
22 view process to be used in the program.

23 “(2) ANNUAL REPORTS.—The Administrator
24 shall submit an annual report to the Committee on
25 Small Business of the Senate and the Committee on

1 Science and the Committee on Small Business of the
2 House of Representatives regarding—

3 “(A) the number and amount of awards
4 provided and cooperative agreements entered
5 into under the FAST program during the pre-
6 ceding year;

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

11 “(C) the Mentoring Networks and the
12 mentoring database, as provided for under sec-
13 tion 35, including—

14 “(i) the status of the inclusion of
15 mentoring information in the database re-
16 quired by section 9(k); and

17 “(ii) the status of the implementation
18 and description of the usage of the Men-
19 toring Networks.

20 “(g) REVIEWS BY INSPECTOR GENERAL.—

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

23 “(A) the extent to which recipients under
24 the FAST program are measuring the perform-

1 ance of the activities being conducted and the
2 results of such measurements; and

3 “(B) the overall management and effective-
4 ness of the FAST program.

5 “(2) REPORT.—During the first quarter of fis-
6 cal year 2004, the Inspector General of the Adminis-
7 tration shall submit a report to the Committee on
8 Small Business of the Senate and the Committee on
9 Science and the Committee on Small Business of the
10 House of Representatives on the review conducted
11 under paragraph (1).

12 “(h) PROGRAM LEVELS.—

13 “(1) IN GENERAL.—There is authorized to be
14 appropriated to carry out the FAST program, in-
15 cluding Mentoring Networks, under this section and
16 section 35, \$10,000,000 for each of fiscal years
17 2001 through 2005.

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

23 “(i) TERMINATION.—The authority to carry out the
24 FAST program under this section shall terminate on Sep-
25 tember 30, 2005.”.

1 (c) COORDINATION OF TECHNOLOGY DEVELOPMENT
2 PROGRAMS.—Section 9 of the Small Business Act (15
3 U.S.C. 638) is amended by adding at the end the fol-
4 lowing:

5 “(u) COORDINATION OF TECHNOLOGY DEVELOP-
6 MENT PROGRAMS.—

7 “(1) DEFINITION OF TECHNOLOGY DEVELOP-
8 MENT PROGRAM.—In this subsection, the term ‘tech-
9 nology development program’ means—

10 “(A) the Experimental Program to Stimu-
11 late Competitive Research of the National
12 Science Foundation, as established under sec-
13 tion 113 of the National Science Foundation
14 Authorization Act of 1988 (42 U.S.C. 1862g);

15 “(B) the Defense Experimental Program
16 to Stimulate Competitive Research of the De-
17 partment of Defense;

18 “(C) the Experimental Program to Stimu-
19 late Competitive Research of the Department of
20 Energy;

21 “(D) the Experimental Program to Stimu-
22 late Competitive Research of the Environmental
23 Protection Agency;

1 “(E) the Experimental Program to Stimu-
2 late Competitive Research of the National Aero-
3 nautics and Space Administration;

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

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

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

15 “(A) any proposal to provide outreach and
16 assistance to 1 or more small business concerns
17 interested in participating in the SBIR pro-
18 gram, including any proposal to make a grant
19 or loan to a company to pay a portion or all of
20 the cost of developing an SBIR proposal, from
21 an entity, organization, or individual located
22 in—

23 “(i) a State that is eligible to partici-
24 pate in that program; or

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

3 “(B) any proposal for the first phase of
4 the SBIR program, if the proposal, though mer-
5 itorious, is not funded through the SBIR pro-
6 gram for that fiscal year due to funding re-
7 straints, from a small business concern located
8 in—

9 “(i) a State that is eligible to partici-
10 pate in a technology development program;
11 or

12 “(ii) a State described in paragraph
13 (3).

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

1 **SEC. 112. MENTORING NETWORKS.**

2 The Small Business Act (15 U.S.C. 631 et seq.) is
3 amended by inserting after section 34, as added by section
4 111(b)(2) of this Act, the following:

5 **“SEC. 35. MENTORING NETWORKS.**

6 “(a) FINDINGS.—Congress finds that—

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

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

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

20 “(b) AUTHORIZATION FOR MENTORING NET-
21 WORKS.—The recipient of an award or participant in a
22 cooperative agreement under section 34 may use a reason-
23 able amount of such assistance for the establishment of
24 a Mentoring Network under this section.

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

4 “(1) provide business advice and counseling to
5 high technology small business concerns located in
6 the State or region served by the Mentoring Net-
7 work and identified under section 34(c)(1)(E)(ii) as
8 potential candidates for the SBIR or STTR pro-
9 grams;

10 “(2) identify volunteer mentors who—

11 “(A) are persons associated with a small
12 business concern that has successfully com-
13 pleted one or more SBIR or STTR funding
14 agreements; and

15 “(B) have agreed to guide small business
16 concerns through all stages of the SBIR or
17 STTR program process, including providing as-
18 sistance relating to—

19 “(i) proposal writing;

20 “(ii) marketing;

21 “(iii) Government accounting;

22 “(iv) Government audits;

23 “(v) project facilities and equipment;

24 “(vi) human resources;

25 “(vii) third phase partners;

- 1 “(viii) commercialization;
- 2 “(ix) venture capital networking; and
- 3 “(x) other matters relevant to the
- 4 SBIR and STTR programs;
- 5 “(3) have experience working with small busi-
- 6 ness concerns participating in the SBIR and STTR
- 7 programs;
- 8 “(4) contribute information to the national
- 9 database referred to in subsection (d); and
- 10 “(5) agree to reimburse volunteer mentors for
- 11 out-of-pocket expenses related to service as a mentor
- 12 under this section.
- 13 “(d) MENTORING DATABASE.—The Administrator
- 14 shall—
- 15 “(1) include in the database required by section
- 16 9(k)(1), in cooperation with the SBIR, STTR, and
- 17 FAST programs, information on Mentoring Net-
- 18 works and mentors participating under this section,
- 19 including a description of their areas of expertise;
- 20 “(2) work cooperatively with Mentoring Net-
- 21 works to maintain and update the database;
- 22 “(3) take such action as may be necessary to
- 23 aggressively promote Mentoring Networks under this
- 24 section; and

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

3 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

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

7 “(v) SIMPLIFIED REPORTING REQUIREMENTS.—The
8 Administrator shall work with the Federal agencies re-
9 quired by this section to have an SBIR program to stand-
10 ardize reporting requirements for the collection of data
11 from SBIR applicants and awardees, including data for
12 inclusion in the database under subsection (k), taking into
13 consideration the unique needs of each agency, and to the
14 extent possible, permitting the updating of previously re-
15 ported information by electronic means. Such require-
16 ments shall be designed to minimize the burden on small
17 businesses.”.

18 **SEC. 114. RURAL OUTREACH PROGRAM EXTENSION.**

19 (a) EXTENSION OF TERMINATION DATE.—Section
20 501(b)(2) of the Small Business Reauthorization Act of
21 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended
22 by striking “2001” and inserting “2005”.

23 (b) EXTENSION OF AUTHORIZATION OF APPROPRIA-
24 TIONS.—Section 9(s)(2) of the Small Business Act (15
25 U.S.C. 638(s)(2)) is amended by striking “for fiscal year

1 1998, 1999, 2000, or 2001” and inserting “for each of
2 the fiscal years 2000 through 2005,”.

3 **TITLE II—BUSINESS LOAN**
4 **PROGRAMS**

5 **SEC. 201. SHORT TITLE.**

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

8 **SEC. 202. LEVELS OF PARTICIPATION.**

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

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

13 (2) in paragraph (ii)—

14 (A) by striking “80 percent” and inserting
15 “85 percent”; and

16 (B) by striking “\$100,000” and inserting
17 “\$150,000”.

18 **SEC. 203. LOAN AMOUNTS.**

19 Section 7(a)(3)(A) of the Small Business Act (15
20 U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,”

21 and inserting, “\$1,000,000 (or if the gross loan amount
22 would exceed \$2,000,000),”.

1 **SEC. 204. INTEREST ON DEFAULTED LOANS.**

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

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

8 **SEC. 205. PREPAYMENT OF LOANS.**

9 Section 7(a)(4) of the Small Business Act (15 U.S.C.
10 636(a)(4)) is further amended—

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

14 (2) by adding at the end the following:

15 “(C) PREPAYMENT CHARGES.—

16 “(i) IN GENERAL.—A borrower who
17 prepays any loan guaranteed under this
18 subsection shall remit to the Administra-
19 tion a subsidy recoupment fee calculated in
20 accordance with clause (ii) if—

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

23 “(II) the prepayment is vol-
24 untary;

25 “(III) the amount of prepayment
26 in any calendar year is more than 25

1 percent of the outstanding balance of
2 the loan; and

3 “(IV) the prepayment is made
4 within the first 3 years after disburse-
5 ment of the loan proceeds.

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

9 “(I) 5 percent of the amount of
10 prepayment, if the borrower prepays
11 during the first year after disburse-
12 ment;

13 “(II) 3 percent of the amount of
14 prepayment, if the borrower prepays
15 during the second year after disburse-
16 ment; and

17 “(III) 1 percent of the amount of
18 prepayment, if the borrower prepays
19 during the third year after disburse-
20 ment.”.

21 **SEC. 206. GUARANTEE FEES.**

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

24 “(18) GUARANTEE FEES.—

1 “(A) IN GENERAL.—With respect to each
2 loan guaranteed under this subsection (other
3 than a loan that is repayable in 1 year or less),
4 the Administration shall collect a guarantee fee,
5 which shall be payable by the participating
6 lender, and may be charged to the borrower, as
7 follows:

8 “(i) A guarantee fee equal to 2 per-
9 cent of the deferred participation share of
10 a total loan amount that is not more than
11 \$150,000.

12 “(ii) A guarantee fee equal to 3 per-
13 cent of the deferred participation share of
14 a total loan amount that is more than
15 \$150,000, but not more than \$700,000.

16 “(iii) A guarantee fee equal to 3.5
17 percent of the deferred participation share
18 of a total loan amount that is more than
19 \$700,000.

20 “(B) RETENTION OF CERTAIN FEES.—
21 Lenders participating in the programs estab-
22 lished under this subsection may retain not
23 more than 25 percent of a fee collected under
24 subparagraph (A)(i).”.

1 **SEC. 207. LEASE TERMS.**

2 Section 7(a) of the Small Business Act (15 U.S.C.
3 636(a)) is further amended by adding at the end the fol-
4 lowing:

5 “(28) LEASING.—In addition to such other
6 lease arrangements as may be authorized by the Ad-
7 ministration, a borrower may permanently lease to
8 one or more tenants not more than 20 percent of
9 any property constructed with the proceeds of a loan
10 guaranteed under this subsection, if the borrower
11 permanently occupies and uses not less than 60 per-
12 cent of the total business space in the property.”.

13 **SEC. 208. APPRAISALS FOR LOANS SECURED BY REAL**
14 **PROPERTY.**

15 (a) SMALL BUSINESS ACT.—Section 7(a) of the
16 Small Business Act (15 U.S.C. 636(a)) is amended by
17 adding at the end the following:

18 “(29) REAL ESTATE APPRAISALS.—With re-
19 spect to a loan under this subsection that is secured
20 by commercial real property, an appraisal of such
21 property by a State licensed or certified appraiser—

22 “(A) shall be required by the Administra-
23 tion in connection with any such loan for more
24 than \$250,000; or

25 “(B) may be required by the Administra-
26 tion or the lender in connection with any such

1 loan for \$250,000 or less, if such appraisal is
2 necessary for appropriate evaluation of credit-
3 worthiness.”.

4 (b) SMALL BUSINESS INVESTMENT ACT OF 1958.—
5 Section 502(3)(E) of the Small Business Investment Act
6 of 1958 (15 U.S.C. 696(3)(E)) is amended—

7 (1) by striking “The collateral” and inserting
8 the following:

9 “(i) IN GENERAL.—The collateral”;
10 and

11 (2) by adding at the end the following:

12 “(ii) APPRAISALS.—With respect to
13 commercial real property provided by the
14 small business concern as collateral, an ap-
15 praisal of the property by a State licensed
16 or certified appraiser—

17 “(I) shall be required by the Ad-
18 ministration before disbursement of
19 the loan if the estimated value of that
20 property is more than \$250,000; or

21 “(II) may be required by the Ad-
22 ministration or the lender before dis-
23 bursement of the loan if the estimated
24 value of that property is \$250,000 or
25 less, and such appraisal is necessary

1 for appropriate evaluation of credit-
2 worthiness.”.

3 **SEC. 209. SALE OF GUARANTEED LOANS MADE FOR EX-**
4 **PORT PURPOSES.**

5 Section 5(f)(1)(C) of the Small Business Act (15
6 U.S.C. 634(f)(1)(C)) is amended to read as follows:

7 “(C) each loan, except each loan made under
8 section 7(a)(14), shall have been fully disbursed to
9 the borrower prior to any sale.”.

10 **SEC. 210. MICROLOAN PROGRAM.**

11 (a) IN GENERAL.—Section 7(m) of the Small Busi-
12 ness Act (15 U.S.C. 636(m)) is amended—

13 (1) in paragraphs (1)(B)(iii) and (3)(E), by
14 striking “\$25,000” each place it appears and insert-
15 ing “\$35,000”;

16 (2) in paragraphs (1)(A)(iii)(I), (3)(A)(ii), and
17 (4)(C)(i)(II), by striking “\$7,500” each place it ap-
18 pears and inserting “\$10,000”;

19 (3) in paragraph (3)(E), by striking “\$15,000”
20 and inserting “\$20,000”;

21 (4) in paragraph (5)(A)—

22 (A) by striking “25 grants” and inserting
23 “55 grants”; and

24 (B) by striking “\$125,000” and inserting
25 “\$200,000”;

1 (5) in paragraph (6)(B), by striking “\$10,000”
 2 and inserting “\$15,000”; and

3 (6) in paragraph (7), by striking subparagraph
 4 (A) and inserting the following:

5 “(A) NUMBER OF PARTICIPANTS.—Under
 6 the program authorized by this subsection, the
 7 Administration may fund, on a competitive
 8 basis, not more than 300 intermediaries.”.

9 (b) CONFORMING AMENDMENTS.—Section
 10 7(m)(11)(B) of the Small Business Act (15 U.S.C.
 11 636(m)(11)(B)) is amended by striking “\$25,000” and in-
 12 serting “\$35,000”.

13 **TITLE III—CERTIFIED DEVELOP-** 14 **MENT COMPANY PROGRAM**

15 **SEC. 301. SHORT TITLE.**

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

18 **SEC. 302. WOMEN-OWNED BUSINESSES.**

19 Section 501(d)(3)(C) of the Small Business Invest-
 20 ment Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended
 21 by inserting before the comma “or women-owned business
 22 development”.

23 **SEC. 303. MAXIMUM DEBENTURE SIZE.**

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

1 “(2) Loans made by the Administration under
2 this section shall be limited to \$1,000,000 for each
3 such identifiable small business concern, except
4 loans meeting the criteria specified in section
5 501(d)(3), which shall be limited to \$1,300,000 for
6 each such identifiable small business concern.”.

7 **SEC. 304. FEES.**

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

10 “(f) EFFECTIVE DATE.—The fees authorized by sub-
11 sections (b) and (d) shall apply to financings approved by
12 the Administration on or after October 1, 1996, but shall
13 not apply to financings approved by the Administration
14 on or after October 1, 2003.”.

15 **SEC. 305. PREMIER CERTIFIED LENDERS PROGRAM.**

16 Section 217(b) of the Small Business Administration
17 Reauthorization and Amendments Act of 1994 (Public
18 Law 103–403, 15 U.S.C. 697 note) (relating to section
19 508 of the Small Business Investment Act of 1958) is re-
20 pealed.

21 **SEC. 306. SALE OF CERTAIN DEFAULTED LOANS.**

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

24 (1) in subsection (a), by striking “On a pilot
25 program basis, the” and inserting “The”;

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

3 (3) in subsection (f) (as redesignated by para-
4 graph (2)), by striking “subsection (f)” and insert-
5 ing “subsection (g)”;

6 (4) in subsection (h) (as redesignated by para-
7 graph (2)), by striking “subsection (f)” and insert-
8 ing “subsection (g)”;

9 (5) by inserting after subsection (c) the fol-
10 lowing:

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

12 “(1) NOTICE.—If, upon default in repayment,
13 the Administration acquires a loan guaranteed under
14 this section and identifies such loan for inclusion in
15 a bulk asset sale of defaulted or repurchased loans
16 or other financings, it shall give prior notice thereof
17 to any certified development company which has a
18 contingent liability under this section. The notice
19 shall be given to the company as soon as possible
20 after the financing is identified, but not less than 90
21 days before the date the Administration first makes
22 any records on such financing available for examina-
23 tion by prospective purchasers prior to its offering in
24 a package of loans for bulk sale.

1 “(2) LIMITATIONS.—The Administration shall
2 not offer any loan described in paragraph (1) as
3 part of a bulk sale unless it—

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

7 “(B) provides the notice required by para-
8 graph (1).”.

9 **SEC. 307. LOAN LIQUIDATION.**

10 (a) LIQUIDATION AND FORECLOSURE.—Title V of
11 the Small Business Investment Act of 1958 (15 U.S.C.
12 695 et seq.) is amended by adding at the end the fol-
13 lowing:

14 **“SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.**

15 “(a) DELEGATION OF AUTHORITY.—In accordance
16 with this section, the Administration shall delegate to any
17 qualified State or local development company (as defined
18 in section 503(e)) that meets the eligibility requirements
19 of subsection (b)(1) the authority to foreclose and liq-
20 uidate, or to otherwise treat in accordance with this sec-
21 tion, defaulted loans in its portfolio that are funded with
22 the proceeds of debentures guaranteed by the Administra-
23 tion under section 503.

24 “(b) ELIGIBILITY FOR DELEGATION.—

1 “(1) REQUIREMENTS.—A qualified State or
2 local development company shall be eligible for a del-
3 egration of authority under subsection (a) if—

4 “(A) the company—

5 “(i) has participated in the loan liq-
6 uidation pilot program established by the
7 Small Business Programs Improvement
8 Act of 1996 (15 U.S.C. 695 note), as in
9 effect on the day before promulgation of
10 final regulations by the Administration im-
11 plementing this section;

12 “(ii) is participating in the Premier
13 Certified Lenders Program under section
14 508; or

15 “(iii) during the 3 fiscal years imme-
16 diately prior to seeking such a delegation,
17 has made an average of not less than 10
18 loans per year that are funded with the
19 proceeds of debentures guaranteed under
20 section 503; and

21 “(B) the company—

22 “(i) has one or more employees—

23 “(I) with not less than 2 years of
24 substantive, decision-making experi-
25 ence in administering the liquidation

1 and workout of problem loans secured
2 in a manner substantially similar to
3 loans funded with the proceeds of de-
4 bentures guaranteed under section
5 503; and

6 “(II) who have completed a train-
7 ing program on loan liquidation devel-
8 oped by the Administration in con-
9 junction with qualified State and local
10 development companies that meet the
11 requirements of this paragraph; or

12 “(ii) submits to the Administration
13 documentation demonstrating that the
14 company has contracted with a qualified
15 third-party to perform any liquidation ac-
16 tivities and secures the approval of the
17 contract by the Administration with re-
18 spect to the qualifications of the contractor
19 and the terms and conditions of liquidation
20 activities.

21 “(2) CONFIRMATION.—On request the Adminis-
22 tration shall examine the qualifications of any com-
23 pany described in subsection (a) to determine if such
24 company is eligible for the delegation of authority
25 under this section. If the Administration determines

1 that a company is not eligible, the Administration
2 shall provide the company with the reasons for such
3 ineligibility.

4 “(c) SCOPE OF DELEGATED AUTHORITY.—

5 “(1) IN GENERAL.—Each qualified State or
6 local development company to which the Administra-
7 tion delegates authority under section (a) may with
8 respect to any loan described in subsection (a)—

9 “(A) perform all liquidation and fore-
10 closure functions, including the purchase in ac-
11 cordance with this subsection of any other in-
12 debtedness secured by the property securing the
13 loan, in a reasonable and sound manner accord-
14 ing to commercially accepted practices, pursu-
15 ant to a liquidation plan approved in advance
16 by the Administration under paragraph (2)(A);

17 “(B) litigate any matter relating to the
18 performance of the functions described in sub-
19 paragraph (A), except that the Administration
20 may—

21 “(i) defend or bring any claim if—

22 “(I) the outcome of the litigation
23 may adversely affect the Administra-
24 tion’s management of the loan pro-

1 gram established under section 502;
2 or

3 “(II) the Administration is enti-
4 tled to legal remedies not available to
5 a qualified State or local development
6 company and such remedies will ben-
7 efit either the Administration or the
8 qualified State or local development
9 company; or

10 “(ii) oversee the conduct of any such
11 litigation; and

12 “(C) take other appropriate actions to
13 mitigate loan losses in lieu of total liquidation
14 or foreclosures, including the restructuring of a
15 loan in accordance with prudent loan servicing
16 practices and pursuant to a workout plan ap-
17 proved in advance by the Administration under
18 paragraph (2)(C).

19 “(2) ADMINISTRATION APPROVAL.—

20 “(A) LIQUIDATION PLAN.—

21 “(i) IN GENERAL.—Before carrying
22 out functions described in paragraph
23 (1)(A), a qualified State or local develop-
24 ment company shall submit to the Admin-
25 istration a proposed liquidation plan.

1 “(ii) ADMINISTRATION ACTION ON
2 PLAN.—

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

8 “(II) NOTICE OF NO DECISION.—
9 With respect to any plan that cannot
10 be approved or denied within the 15-
11 day period required by subclause (I),
12 the Administration shall within such
13 period provide in accordance with sub-
14 paragraph (E) notice to the company
15 that submitted the plan.

16 “(iii) ROUTINE ACTIONS.—In carrying
17 out functions described in paragraph
18 (1)(A), a qualified State or local develop-
19 ment company may undertake routine ac-
20 tions not addressed in a liquidation plan
21 without obtaining additional approval from
22 the Administration.

23 “(B) PURCHASE OF INDEBTEDNESS.—

24 “(i) IN GENERAL.—In carrying out
25 functions described in paragraph (1)(A), a

1 qualified State or local development com-
2 pany shall submit to the Administration a
3 request for written approval before com-
4 mitting the Administration to the purchase
5 of any other indebtedness secured by the
6 property securing a defaulted loan.

7 “(ii) ADMINISTRATION ACTION ON RE-
8 QUEST.—

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

13 “(II) NOTICE OF NO DECISION.—

14 With respect to any request that can-
15 not be approved or denied within the
16 15-day period required by subclause
17 (I), the Administration shall within
18 such period provide in accordance
19 with subparagraph (E) notice to the
20 company that submitted the request.

21 “(C) WORKOUT PLAN.—

22 “(i) IN GENERAL.—In carrying out
23 functions described in paragraph (1)(C), a
24 qualified State or local development com-

1 pany shall submit to the Administration a
2 proposed workout plan.

3 “(ii) ADMINISTRATION ACTION ON
4 PLAN.—

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

10 “(II) NOTICE OF NO DECISION.—
11 With respect to any workout plan that
12 cannot be approved or denied within
13 the 15-day period required by sub-
14 clause (I), the Administration shall
15 within such period provide in accord-
16 ance with subparagraph (E) notice to
17 the company that submitted the plan.

18 “(D) COMPROMISE OF INDEBTEDNESS.—
19 In carrying out functions described in para-
20 graph (1)(A), a qualified State or local develop-
21 ment company may—

22 “(i) consider an offer made by an obli-
23 gor to compromise the debt for less than
24 the full amount owing; and

1 “(ii) pursuant to such an offer, re-
2 lease any obligor or other party contin-
3 gently liable, if the company secures the
4 written approval of the Administration.

5 “(E) CONTENTS OF NOTICE OF NO DECI-
6 SION.—Any notice provided by the Administra-
7 tion under subparagraph (A)(ii)(II), (B)(ii)(II),
8 or (C)(ii)(II)—

9 “(i) shall be in writing;

10 “(ii) shall state the specific reason for
11 the Administration’s inability to act on a
12 plan or request;

13 “(iii) shall include an estimate of the
14 additional time required by the Adminis-
15 tration to act on the plan or request; and

16 “(iv) if the Administration cannot act
17 because insufficient information or docu-
18 mentation was provided by the company
19 submitting the plan or request, shall speci-
20 fy the nature of such additional informa-
21 tion or documentation.

22 “(3) CONFLICT OF INTEREST.—In carrying out
23 functions described in paragraph (1), a qualified
24 State or local development company shall take no ac-
25 tion that would result in an actual or apparent con-

1 flict of interest between the company (or any em-
2 ployee of the company) and any third party lender,
3 associate of a third party lender, or any other person
4 participating in a liquidation, foreclosure, or loss
5 mitigation action.

6 “(d) SUSPENSION OR REVOCATION OF AUTHOR-
7 ITY.—The Administration may revoke or suspend a dele-
8 gation of authority under this section to any qualified
9 State or local development company, if the Administration
10 determines that the company—

11 “(1) does not meet the requirements of sub-
12 section (b)(1);

13 “(2) has violated any applicable rule or regula-
14 tion of the Administration or any other applicable
15 law; or

16 “(3) fails to comply with any reporting require-
17 ment that may be established by the Administration
18 relating to carrying out of functions described in
19 paragraph (1).

20 “(e) REPORT.—

21 “(1) IN GENERAL.—Based on information pro-
22 vided by qualified State and local development com-
23 panies and the Administration, the Administration
24 shall annually submit to the Committees on Small
25 Business of the House of Representatives and of the

1 Senate a report on the results of delegation of au-
2 thority under this section.

3 “(2) CONTENTS.—Each report submitted under
4 paragraph (1) shall include the following informa-
5 tion:

6 “(A) With respect to each loan foreclosed
7 or liquidated by a qualified State or local devel-
8 opment company under this section, or for
9 which losses were otherwise mitigated by the
10 company pursuant to a workout plan under this
11 section—

12 “(i) the total cost of the project fi-
13 nanced with the loan;

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

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

19 “(iv) the total dollar losses resulting
20 from the liquidation, foreclosure, or mitiga-
21 tion of loss; and

22 “(v) the total recoveries resulting
23 from the liquidation, foreclosure, or mitiga-
24 tion of loss, both as a percentage of the

1 amount guaranteed and the total cost of
2 the project financed.

3 “(B) With respect to each qualified State
4 or local development company to which author-
5 ity is delegated under this section, the totals of
6 each of the amounts described in clauses (i)
7 through (v) of subparagraph (A).

8 “(C) With respect to all loans subject to
9 foreclosure, liquidation, or mitigation under this
10 section, the totals of each of the amounts de-
11 scribed in clauses (i) through (v) of subpara-
12 graph (A).

13 “(D) A comparison between—

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

18 “(ii) the same information with re-
19 spect to loans foreclosed and liquidated, or
20 otherwise treated, by the Administration
21 during the same period.

22 “(E) The number of times that the Admin-
23 istration has failed to approve or reject a liq-
24 uidation plan in accordance with subparagraph
25 (A)(i), a workout plan in accordance with sub-

1 paragraph (C)(i), or to approve or deny a re-
 2 quest for purchase of indebtedness under sub-
 3 paragraph (B)(i), including specific information
 4 regarding the reasons for the Administration’s
 5 failure and any delays that resulted.”.

6 (b) REGULATIONS.—

7 (1) IN GENERAL.—Not later than 150 days
 8 after the date of enactment of this Act, the Adminis-
 9 trator shall issue such regulations as may be nec-
 10 essary to carry out section 510 of the Small Busi-
 11 ness Investment Act of 1958, as added by subsection
 12 (a) of this section.

13 (2) TERMINATION OF PILOT PROGRAM.—Begin-
 14 ning on the date on which final regulations are
 15 issued under paragraph (1), section 204 of the
 16 Small Business Programs Improvement Act of 1996
 17 (15 U.S.C. 695 note) shall cease to have effect.

18 **TITLE IV—CORRECTIONS TO**
 19 **THE SMALL BUSINESS IN-**
 20 **VESTMENT ACT OF 1958**

21 **SEC. 401. SHORT TITLE.**

22 This title may be cited as the “Small Business Invest-
 23 ment Corrections Act of 2000”.

1 **SEC. 402. DEFINITIONS.**

2 (a) SMALL BUSINESS CONCERN.—Section
 3 103(5)(A)(i) of the Small Business Investment Act of
 4 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting
 5 before the semicolon at the end the following: “regardless
 6 of the allocation of control during the investment period
 7 under any investment agreement between the business
 8 concern and the entity making the investment”.

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

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

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

15 (3) by adding at the end the following:

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

20 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**
 21 **COMPANIES.**

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

24 (1) by striking “(b) Notwithstanding” and in-
 25 serting the following:

26 “(b) FINANCIAL INSTITUTION INVESTMENTS.—

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

3 “(2) CERTAIN SAVINGS ASSOCIATIONS.—Not-
4 withstanding any other provision of law, any Federal
5 savings association may invest in any 1 or more
6 small business investment companies, or in any enti-
7 ty established to invest solely in small business in-
8 vestment companies, except that in no event may the
9 total amount of such investments by any such Fed-
10 eral savings association exceed 5 percent of the cap-
11 ital and surplus of the Federal savings association.”.

12 **SEC. 404. SUBSIDY FEES.**

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

1 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)
2 of the Small Business Investment Act of 1958 (15 U.S.C.
3 683(g)(2)) is amended by striking “plus an additional
4 charge of 1 percent per annum which shall be paid to and
5 retained by the Administration” and inserting “plus, for
6 participating securities obligated after September 30,
7 2000, an additional charge, in an amount established an-
8 nually by the Administration, of not more than 1 percent
9 per year as necessary to reduce to zero the cost (as defined
10 in section 502 of the Federal Credit Reform Act of 1990
11 (2 U.S.C. 661a)) to the Administration of purchasing and
12 guaranteeing participating securities under this Act, which
13 shall be paid to and retained by the Administration”.

14 **SEC. 405. DISTRIBUTIONS.**

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

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

19 (2) by striking “the end of any calendar quarter
20 based on a quarterly” and inserting “any time dur-
21 ing any calendar quarter based on an”; and

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

1 **SEC. 406. CONFORMING AMENDMENT.**

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

5 **TITLE V—REAUTHORIZATION OF**
6 **SMALL BUSINESS PROGRAMS**

7 **SEC. 501. SHORT TITLE.**

8 This title may be cited as the “Small Business Pro-
9 grams Reauthorization Act of 2000”.

10 **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**
11 **GRAMS.**

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

14 “(g) FISCAL YEAR 2001.—

15 “(1) PROGRAM LEVELS.—The following pro-
16 gram levels are authorized for fiscal year 2001:

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

20 “(i) \$45,000,000 in technical assist-
21 ance grants as provided in section 7(m);
22 and

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

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

1 \$19,050,000,000 in deferred participation loans
2 and other financings. Of such sum, the Admin-
3 istration is authorized to make—

4 “(i) \$14,500,000,000 in general busi-
5 ness loans as provided in section 7(a);

6 “(ii) \$4,000,000,000 in financings as
7 provided in section 7(a)(13) of this Act
8 and section 504 of the Small Business In-
9 vestment Act of 1958;

10 “(iii) \$500,000,000 in loans as pro-
11 vided in section 7(a)(21); and

12 “(iv) \$50,000,000 in loans as pro-
13 vided in section 7(m).

14 “(C) For the programs authorized by title
15 III of the Small Business Investment Act of
16 1958, the Administration is authorized to
17 make—

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

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

22 “(D) For the programs authorized by part
23 B of title IV of the Small Business Investment
24 Act of 1958, the Administration is authorized
25 to enter into guarantees not to exceed

1 \$4,000,000,000 of which not more than 50 per-
2 cent may be in bonds approved pursuant to sec-
3 tion 411(a)(3) of that Act.

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

9 “(2) ADDITIONAL AUTHORIZATIONS.—

10 “(A) There are authorized to be appro-
11 priated to the Administration for fiscal year
12 2001 such sums as may be necessary to carry
13 out the provisions of this Act not elsewhere pro-
14 vided for, including administrative expenses and
15 necessary loan capital for disaster loans pursu-
16 ant to section 7(b), and to carry out title IV of
17 the Small Business Investment Act of 1958, in-
18 cluding salaries and expenses of the Adminis-
19 tration.

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

22 “(i) no funds are authorized to be
23 used as loan capital for the loan program
24 authorized by section 7(a)(21) except by
25 transfer from another Federal department

1 or agency to the Administration, unless the
2 program level authorized for general busi-
3 ness loans under paragraph (1)(B)(i) is
4 fully funded; and

5 “(ii) the Administration may not ap-
6 prove loans on its own behalf or on behalf
7 of any other Federal department or agen-
8 cy, by contract or otherwise, under terms
9 and conditions other than those specifically
10 authorized under this Act or the Small
11 Business Investment Act of 1958, except
12 that it may approve loans under section
13 7(a)(21) of this Act in gross amounts of
14 not more than \$1,250,000.

15 “(h) FISCAL YEAR 2002.—

16 “(1) PROGRAM LEVELS.—The following pro-
17 gram levels are authorized for fiscal year 2002:

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

21 “(i) \$60,000,000 in technical assist-
22 ance grants as provided in section 7(m);
23 and

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

1 “(B) For the programs authorized by this
2 Act, the Administration is authorized to make
3 \$20,050,000,000 in deferred participation loans
4 and other financings. Of such sum, the Admin-
5 istration is authorized to make—

6 “(i) \$15,000,000,000 in general busi-
7 ness loans as provided in section 7(a);

8 “(ii) \$4,500,000,000 in financings as
9 provided in section 7(a)(13) of this Act
10 and section 504 of the Small Business In-
11 vestment Act of 1958;

12 “(iii) \$500,000,000 in loans as pro-
13 vided in section 7(a)(21); and

14 “(iv) \$50,000,000 in loans as pro-
15 vided in section 7(m).

16 “(C) For the programs authorized by title
17 III of the Small Business Investment Act of
18 1958, the Administration is authorized to
19 make—

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

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

24 “(D) For the programs authorized by part
25 B of title IV of the Small Business Investment

1 Act of 1958, the Administration is authorized
2 to enter into guarantees not to exceed
3 \$5,000,000,000 of which not more than 50 per-
4 cent may be in bonds approved pursuant to sec-
5 tion 411(a)(3) of that Act.

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

11 “(2) ADDITIONAL AUTHORIZATIONS.—

12 “(A) There are authorized to be appro-
13 priated to the Administration for fiscal year
14 2002 such sums as may be necessary to carry
15 out the provisions of this Act not elsewhere pro-
16 vided for, including administrative expenses and
17 necessary loan capital for disaster loans pursu-
18 ant to section 7(b), and to carry out title IV of
19 the Small Business Investment Act of 1958, in-
20 cluding salaries and expenses of the Adminis-
21 tration.

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

24 “(i) no funds are authorized to be
25 used as loan capital for the loan program

1 authorized by section 7(a)(21) except by
2 transfer from another Federal department
3 or agency to the Administration, unless the
4 program level authorized for general busi-
5 ness loans under paragraph (1)(B)(i) is
6 fully funded; and

7 “(ii) the Administration may not ap-
8 prove loans on its own behalf or on behalf
9 of any other Federal department or agen-
10 cy, by contract or otherwise, under terms
11 and conditions other than those specifically
12 authorized under this Act or the Small
13 Business Investment Act of 1958, except
14 that it may approve loans under section
15 7(a)(21) of this Act in gross amounts of
16 not more than \$1,250,000.

17 “(i) FISCAL YEAR 2003.—

18 “(1) PROGRAM LEVELS.—The following pro-
19 gram levels are authorized for fiscal year 2003:

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

23 “(i) \$70,000,000 in technical assist-
24 ance grants as provided in section 7(m);
25 and

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

3 “(B) For the programs authorized by this
4 Act, the Administration is authorized to make
5 \$21,550,000,000 in deferred participation loans
6 and other financings. Of such sum, the Admin-
7 istration is authorized to make—

8 “(i) \$16,000,000,000 in general busi-
9 ness loans as provided in section 7(a);

10 “(ii) \$5,000,000,000 in financings as
11 provided in section 7(a)(13) of this Act
12 and section 504 of the Small Business In-
13 vestment Act of 1958;

14 “(iii) \$500,000,000 in loans as pro-
15 vided in section 7(a)(21); and

16 “(iv) \$50,000,000 in loans as pro-
17 vided in section 7(m).

18 “(C) For the programs authorized by title
19 III of the Small Business Investment Act of
20 1958, the Administration is authorized to
21 make—

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

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

1 “(D) For the programs authorized by part
2 B of title IV of the Small Business Investment
3 Act of 1958, the Administration is authorized
4 to enter into guarantees not to exceed
5 \$6,000,000,000 of which not more than 50 per-
6 cent may be in bonds approved pursuant to sec-
7 tion 411(a)(3) of that Act.

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

13 “(2) ADDITIONAL AUTHORIZATIONS.—

14 “(A) There are authorized to be appro-
15 priated to the Administration for fiscal year
16 2003 such sums as may be necessary to carry
17 out the provisions of this Act not elsewhere pro-
18 vided for, including administrative expenses and
19 necessary loan capital for disaster loans pursu-
20 ant to section 7(b), and to carry out title IV of
21 the Small Business Investment Act of 1958, in-
22 cluding salaries and expenses of the Adminis-
23 tration.

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

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

9 “(ii) the Administration may not ap-
10 prove loans on its own behalf or on behalf
11 of any other Federal department or agen-
12 cy, by contract or otherwise, under terms
13 and conditions other than those specifically
14 authorized under this Act or the Small
15 Business Investment Act of 1958, except
16 that it may approve loans under section
17 7(a)(21) of this Act in gross amounts of
18 not more than \$1,250,000.”.

19 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

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

22 (1) in the section heading, by striking “**DRUG-**
23 **FREE WORKPLACE DEMONSTRATION PRO-**
24 **GRAM**” and inserting “**PAUL D. COVERDELL**
25 **DRUG-FREE WORKPLACE PROGRAM**”; and

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

5 (b) HUBZONE PROGRAM.—Section 31 of the Small
6 Business Act (15 U.S.C. 657a) is amended by adding at
7 the end the following:

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

12 (c) VERY SMALL BUSINESS CONCERNS PROGRAM.—
13 Section 304(i) of the Small Business Administration Re-
14 authorization and Amendments Act of 1994 (Public Law
15 103–403; 15 U.S.C. 644 note) is amended by striking
16 “September 30, 2000” and inserting “September 30,
17 2003”.

18 (d) SOCIALLY AND ECONOMICALLY DISADVANTAGED
19 BUSINESSES PROGRAM.—Section 7102(c) of the Federal
20 Acquisition Streamlining Act of 1994 (Public Law 103–
21 355; 15 U.S.C. 644 note) is amended by striking “Sep-
22 tember 30, 2000” and inserting “September 30, 2003”.

23 (e) SBDC SERVICES.—Section 21(c)(3)(T) of the
24 Small Business Act (15 U.S.C. 648(c)(3)(T)) is amended
25 by striking “2000” and inserting “2003”.

1 **SEC. 504. COSPONSORSHIP.**

2 (a) IN GENERAL.—Section 8(b)(1)(A) of the Small
3 Business Act (15 U.S.C. 637(b)(1)(A)) is amended to read
4 as follows:

5 “(1)(A) to provide—

6 “(i) technical, managerial, and informa-
7 tional aids to small business concerns—

8 “(I) by advising and counseling on
9 matters in connection with Government
10 procurement and policies, principles, and
11 practices of good management;

12 “(II) by cooperating and advising
13 with—

14 “(aa) voluntary business, profes-
15 sional, educational, and other non-
16 profit organizations, associations, and
17 institutions (except that the Adminis-
18 tration shall take such actions as it
19 determines necessary to ensure that
20 such cooperation does not constitute
21 or imply an endorsement by the Ad-
22 ministration of the organization or its
23 products or services, and shall ensure
24 that it receives appropriate recogni-
25 tion in all printed materials); and

1 “(bb) other Federal and State
2 agencies;

3 “(III) by maintaining a clearinghouse
4 for information on managing, financing,
5 and operating small business enterprises;
6 and

7 “(IV) by disseminating such informa-
8 tion, including through recognition events,
9 and by other activities that the Adminis-
10 tration determines to be appropriate; and

11 “(ii) through cooperation with a profit-
12 making concern (referred to in this paragraph
13 as a ‘cosponsor’), training, information, and
14 education to small business concerns, except
15 that the Administration shall—

16 “(I) take such actions as it deter-
17 mines to be appropriate to ensure that—

18 “(aa) the Administration receives
19 appropriate recognition and publicity;

20 “(bb) the cooperation does not
21 constitute or imply an endorsement by
22 the Administration of any product or
23 service of the cosponsor;

1 “(cc) unnecessary promotion of
2 the products or services of the cospon-
3 sor is avoided; and

4 “(dd) utilization of any 1 cospon-
5 sor in a marketing area is minimized;
6 and

7 “(II) develop an agreement, executed
8 on behalf of the Administration by an em-
9 ployee of the Administration in Wash-
10 ington, the District of Columbia, that pro-
11 vides, at a minimum, that—

12 “(aa) any printed material to an-
13 nounce the cosponsorship or to be dis-
14 tributed at the cosponsored activity,
15 shall be approved in advance by the
16 Administration;

17 “(bb) the terms and conditions of
18 the cooperation shall be specified;

19 “(cc) only minimal charges may
20 be imposed on any small business con-
21 cern to cover the direct costs of pro-
22 viding the assistance;

23 “(dd) the Administration may
24 provide to the cosponsorship mailing
25 labels, but not lists of names and ad-

1 dresses of small business concerns
2 compiled by the Administration;

3 “(ee) all printed materials con-
4 taining the names of both the Admin-
5 istration and the cosponsor shall in-
6 clude a prominent disclaimer that the
7 cooperation does not constitute or
8 imply an endorsement by the Adminis-
9 tration of any product or service of
10 the cosponsor; and

11 “(ff) the Administration shall en-
12 sure that it receives appropriate rec-
13 ognition in all cosponsorship printed
14 materials.”.

15 (b) EXTENSION OF COSPONSORSHIP AUTHORITY.—
16 Section 401(a)(2) of the Small Business Administration
17 Reauthorization and Amendments Act of 1994 (15 U.S.C.
18 637 note) is amended by striking “September 30, 2000”
19 and inserting “September 30, 2003”.

20 **TITLE VI—HUBZONE PROGRAM**
21 **Subtitle A—HUBZones in Native**
22 **America**

23 **SEC. 601. SHORT TITLE.**

24 This subtitle may be cited as the “HUBZones in Na-
25 tive America Act of 2000”.

1 **SEC. 602. HUBZONE SMALL BUSINESS CONCERN.**

2 Section 3(p)(3) of the Small Business Act (15 U.S.C.
3 632(p)(3)) is amended to read as follows:

4 “(3) HUBZONE SMALL BUSINESS CONCERN.—

5 The term ‘HUBZone small business concern’
6 means—

7 “(A) a small business concern that is
8 owned and controlled by 1 or more persons,
9 each of whom is a United States citizen;

10 “(B) a small business concern that is—

11 “(i) an Alaska Native Corporation
12 owned and controlled by Natives (as deter-
13 mined pursuant to section 29(e)(1) of the
14 Alaska Native Claims Settlement Act (43
15 U.S.C. 1626(e)(1))); or

16 “(ii) a direct or indirect subsidiary
17 corporation, joint venture, or partnership
18 of an Alaska Native Corporation qualifying
19 pursuant to section 29(e)(1) of the Alaska
20 Native Claims Settlement Act (43 U.S.C.
21 1626(e)(1)), if that subsidiary, joint ven-
22 ture, or partnership is owned and con-
23 trolled by Natives (as determined pursuant
24 to section 29(e)(2)) of the Alaska Native
25 Claims Settlement Act (43 U.S.C.
26 1626(e)(2))); or

1 “(C) a small business concern—

2 “(i) that is wholly owned by 1 or more
3 Indian tribal governments, or by a corpora-
4 tion that is wholly owned by 1 or more In-
5 dian tribal governments; or

6 “(ii) that is owned in part by 1 or
7 more Indian tribal governments, or by a
8 corporation that is wholly owned by 1 or
9 more Indian tribal governments, if all
10 other owners are either United States citi-
11 zens or small business concerns.”.

12 **SEC. 603. QUALIFIED HUBZONE SMALL BUSINESS CON-**
13 **CERN.**

14 (a) IN GENERAL.—Section 3(p)(5)(A)(i) of the Small
15 Business Act (15 U.S.C. 632(p)(5)(A)(i)) is amended by
16 striking subclauses (I) and (II) and inserting the fol-
17 lowing:

18 “(I) it is a HUBZone small busi-
19 ness concern—

20 “(aa) pursuant to subpara-
21 graph (A) or (B) of paragraph
22 (3), and that its principal office
23 is located in a HUBZone and not
24 fewer than 35 percent of its em-
25 ployees reside in a HUBZone; or

1 “(bb) pursuant to paragraph
2 (3)(C), and not fewer than 35
3 percent of its employees engaged
4 in performing a contract awarded
5 to the small business concern on
6 the basis of a preference provided
7 under section 31(b) reside within
8 any Indian reservation governed
9 by 1 or more of the tribal govern-
10 ment owners, or reside within
11 any HUBZone adjoining any
12 such Indian reservation;

13 “(II) the small business concern
14 will attempt to maintain the applica-
15 ble employment percentage under sub-
16 clause (I) during the performance of
17 any contract awarded to the small
18 business concern on the basis of a
19 preference provided under section
20 31(b); and”.

21 (b) CLARIFYING AMENDMENT.—Section
22 3(p)(5)(D)(i) of the Small Business Act (15 U.S.C.
23 632(p)(5)(D)(i)) is amended by inserting “once the Ad-
24 ministrators has made the certification required by sub-
25 paragraph (A)(i) regarding a qualified HUBZone small

1 business concern and has determined that subparagraph
2 (A)(ii) does not apply to that concern,” before “include”.

3 **SEC. 604. OTHER DEFINITIONS.**

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

6 “(6) NATIVE AMERICAN SMALL BUSINESS CON-
7 CERNS.—

8 “(A) ALASKA NATIVE CORPORATION.—The
9 term ‘Alaska Native Corporation’ has the same
10 meaning as the term ‘Native Corporation’ in
11 section 3 of the Alaska Native Claims Settle-
12 ment Act (43 U.S.C. 1602).

13 “(B) ALASKA NATIVE VILLAGE.—The term
14 ‘Alaska Native Village’ has the same meaning
15 as the term ‘Native village’ in section 3 of the
16 Alaska Native Claims Settlement Act (43
17 U.S.C. 1602).

18 “(C) INDIAN RESERVATION.—The term
19 ‘Indian reservation’—

20 “(i) has the same meaning as the
21 term ‘Indian country’ in section 1151 of
22 title 18, United States Code, except that
23 such term does not include—

24 “(I) any lands that are located
25 within a State in which a tribe did not

1 exercise governmental jurisdiction on
2 the date of enactment of this para-
3 graph, unless that tribe is recognized
4 after that date of enactment by either
5 an Act of Congress or pursuant to
6 regulations of the Secretary of the In-
7 terior for the administrative recogni-
8 tion that an Indian group exists as an
9 Indian tribe (part 83 of title 25, Code
10 of Federal Regulations); and

11 “(II) lands taken into trust or
12 acquired by an Indian tribe after the
13 date of enactment of this paragraph if
14 such lands are not located within the
15 external boundaries of an Indian res-
16 ervation or former reservation or are
17 not contiguous to the lands held in
18 trust or restricted status on that date
19 of enactment; and

20 “(ii) in the State of Oklahoma, means
21 lands that—

22 “(I) are within the jurisdictional
23 areas of an Oklahoma Indian tribe (as
24 determined by the Secretary of the In-
25 terior); and

1 “(II) are recognized by the Sec-
 2 retary of the Interior as eligible for
 3 trust land status under part 151 of
 4 title 25, Code of Federal Regulations
 5 (as in effect on the date of enactment
 6 of this paragraph).”.

7 **Subtitle B—Other HUBZone** 8 **Provisions**

9 **SEC. 611. DEFINITIONS.**

10 (a) **QUALIFIED CENSUS TRACT.**—Section 3(p)(4)(A)
 11 of the Small Business Act (15 U.S.C. 632(p)(4)(A)) is
 12 amended by striking “(I)”.

13 (b) **QUALIFIED NONMETROPOLITAN COUNTY.**—Sec-
 14 tion 3(p)(4) of the Small Business Act (15 U.S.C.
 15 632(p)(4)) is amended by striking subparagraph (B) and
 16 inserting the following:

17 “(B) **QUALIFIED NONMETROPOLITAN**
 18 **COUNTY.**—The term ‘qualified nonmetropolitan
 19 county’ means any county—

20 “(i) that was not located in a metro-
 21 politan statistical area (as defined in sec-
 22 tion 143(k)(2)(B) of the Internal Revenue
 23 Code of 1986) at the time of the most re-
 24 cent census taken for purposes of selecting
 25 qualified census tracts under section

1 42(d)(5)(C)(ii) of the Internal Revenue
2 Code of 1986; and

3 “(ii) in which—

4 “(I) the median household in-
5 come is less than 80 percent of the
6 nonmetropolitan State median house-
7 hold income, based on the most recent
8 data available from the Bureau of the
9 Census of the Department of Com-
10 merce; or

11 “(II) the unemployment rate is
12 not less than 140 percent of the
13 Statewide average unemployment rate
14 for the State in which the county is
15 located, based on the most recent data
16 available from the Secretary of
17 Labor.”.

18 **SEC. 612. ELIGIBLE CONTRACTS.**

19 (a) **COMMODITIES CONTRACTS.**—Section 31(b) of the
20 Small Business Act (15 U.S.C. 657a(b)) is amended—

21 (1) in paragraph (3)—

22 (A) by striking “In any” and inserting the
23 following:

24 “(A) **IN GENERAL.**—Subject to subpara-
25 graph (B), in any”; and

1 (B) by adding at the end the following:

2 “(B) PROCUREMENT OF COMMODITIES.—

3 For purchases by the Secretary of Agriculture
4 of agricultural commodities, the price evaluation
5 preference shall be—

6 “(i) 10 percent, for the portion of a
7 contract to be awarded that is not greater
8 than 25 percent of the total volume being
9 procured for each commodity in a single
10 invitation;

11 “(ii) 5 percent, for the portion of a
12 contract to be awarded that is greater than
13 25 percent, but not greater than 40 per-
14 cent, of the total volume being procured
15 for each commodity in a single invitation;
16 and

17 “(iii) zero, for the portion of a con-
18 tract to be awarded that is greater than 40
19 percent of the total volume being procured
20 for each commodity in a single invitation.

21 “(C) TREATMENT OF PREFERENCE.—A
22 contract awarded to a HUBZone small business
23 concern under a preference described in sub-
24 paragraph (B) shall not be counted toward the
25 fulfillment of any requirement partially set

1 aside for competition restricted to small busi-
2 ness concerns.”;

3 (2) in paragraph (4), by striking “paragraph
4 (2) or (3)” and inserting “this subsection”; and

5 (3) by adding at the end the following:

6 “(5) PREFERENCE FOR CERTAIN SMALL BUSI-
7 NESSES.—

8 “(A) IN GENERAL.—Except as provided in
9 paragraph (4), a contracting officer shall give
10 preference in awarding contracts under sub-
11 paragraph (A) or (B) of paragraph (2) to quali-
12 fied HUBZone small business concerns that are
13 also eligible to be awarded contracts under sec-
14 tion 8(a).

15 “(B) REGULATORY LIMITATION.—No rule,
16 regulation, or order of the Administration or
17 the Federal Acquisition Regulatory Council may
18 require a contracting officer, in awarding
19 contracts—

20 “(i) to give preferential treatment to a
21 qualified HUBZone small business concern
22 relative to a small business concern that is
23 eligible to be awarded a contract under
24 section 8(a); or

1 “(ii) to give preferential treatment to
2 a small business concern that is eligible to
3 be awarded a contract under section 8(a)
4 relative to a qualified HUBZone small
5 business concern.”.

6 (b) DEFINITIONS.—Section 3(p) of the Small Busi-
7 ness Act (15 U.S.C. 632(p)), as amended by this Act, is
8 amended—

9 (1) in paragraph (5)(A)(i)(III)—

10 (A) in item (aa), by striking “and” at the
11 end; and

12 (B) by adding at the end the following:

13 “(cc) in the case of a con-
14 tract for the procurement by the
15 Secretary of Agriculture of agri-
16 cultural commodities, none of the
17 commodity being procured will be
18 obtained by the prime contractor
19 through a subcontract for the
20 purchase of the commodity in
21 substantially the final form in
22 which it is to be supplied to the
23 Government; and”;

24 (2) by adding at the end the following:

1 “(7) AGRICULTURAL COMMODITY.—The term
2 ‘agricultural commodity’ has the same meaning as in
3 section 102 of the Agricultural Trade Act of 1978
4 (7 U.S.C. 5602).”.

5 **SEC. 613. HUBZONE REDESIGNATED AREAS.**

6 Section 3(p) of the Small Business Act (15 U.S.C.
7 632(p)) is amended—

8 (1) in paragraph (1)—

9 (A) in subparagraph (B), by striking “or”
10 at the end;

11 (B) in subparagraph (C), by striking the
12 period at the end and inserting “; or”; and

13 (C) by adding at the end the following:

14 “(D) redesignated areas.”; and

15 (2) in paragraph (4), by adding at the end the
16 following:

17 “(C) REDESIGNATED AREA.—The term
18 ‘redesignated area’ means any census tract that
19 ceases to be qualified under subparagraph (A)
20 and any nonmetropolitan county that ceases to
21 be qualified under subparagraph (B), except
22 that a census tract or a nonmetropolitan county
23 may be a ‘redesignated area’ only for the 3-year
24 period following the date on which the census

1 tract or nonmetropolitan county ceased to be so
2 qualified.”.

3 **SEC. 614. COMMUNITY DEVELOPMENT.**

4 Section 3(p) of the Small Business Act (15 U.S.C.
5 632(p)), as amended by this Act, is amended—

6 (1) in paragraph (3)—

7 (A) in subparagraph (B), by striking “or”
8 at the end;

9 (B) in subparagraph (C), by striking the
10 period at the end and inserting “; or”; and

11 (C) by adding at the end the following:

12 “(D) a small business concern that is—

13 “(i) wholly owned by a community de-
14 velopment corporation that has received fi-
15 nancial assistance under Part 1 of Sub-
16 chapter A of the Community Economic De-
17 velopment Act of 1981 (42 U.S.C. 9805 et
18 seq.); or

19 “(ii) owned in part by 1 or more com-
20 munity development corporations, if all
21 other owners are either United States citi-
22 zens or small business concerns.”; and

23 (2) in paragraph (5)(A)(i)(I)(aa), by striking
24 “subparagraph (A) or (B)” and inserting “subpara-
25 graph (A), (B), or (D)”.

1 **SEC. 615. REFERENCE CORRECTIONS.**

2 (a) SECTION 3.—Section 3(p)(5)(C) of the Small
3 Business Act (15 U.S.C. 632(p)(5)(C)) is amended by
4 striking “subclause (IV) and (V) of subparagraph (A)(i)”
5 and inserting “items (aa) and (bb) of subparagraph
6 (A)(i)(III)”.

7 (b) SECTION 8.—Section 8(d)(4)(D) of the Small
8 Business Act (15 U.S.C. 637(d)(4)(D)) is amended by in-
9 serting “qualified HUBZone small business concerns,”
10 after “small business concerns,”.

11 **TITLE VII—NATIONAL WOMEN’S**
12 **BUSINESS COUNCIL REAU-**
13 **THORIZATION**

14 **SEC. 701. SHORT TITLE.**

15 This title may be cited as the “National Women’s
16 Business Council Reauthorization Act of 2000”.

17 **SEC. 702. MEMBERSHIP OF THE COUNCIL.**

18 Section 407 of the Women’s Business Ownership Act
19 of 1988 (15 U.S.C. 631 note) is amended—

20 (1) in subsection (a), by striking “Not later”
21 and all that follows through “the President” and in-
22 serting “The President”;

23 (2) in subsection (b)—

24 (A) by striking “Not later” and all that
25 follows through “the Administrator” and insert-
26 ing “The Administrator”; and

1 (B) by striking “the Assistant Adminis-
2 trator of the Office of Women’s Business Own-
3 ership and”;

4 (3) in subsection (d), by striking “, except
5 that” and all that follows through the end of the
6 subsection and inserting a period; and

7 (4) in subsection (h), by striking “Not later”
8 and all that follows through “the Administrator”
9 and inserting “The Administrator”.

10 **SEC. 703. REPEAL OF PROCUREMENT PROJECT.**

11 Section 409 of the Women’s Business Ownership Act
12 of 1988 (15 U.S.C. 631 note) is repealed.

13 **SEC. 704. STUDIES AND OTHER RESEARCH.**

14 Section 410 of the Women’s Business Ownership Act
15 of 1988 (15 U.S.C. 631 note) is amended to read as fol-
16 lows:

17 **“SEC. 409. STUDIES AND OTHER RESEARCH.**

18 “(a) IN GENERAL.—The Council may conduct such
19 studies and other research relating to the award of Fed-
20 eral prime contracts and subcontracts to women-owned
21 businesses, to access to credit and investment capital by
22 women entrepreneurs, or to other issues relating to
23 women-owned businesses, as the Council determines to be
24 appropriate.

1 made under the Small Business Act (15 U.S.C. 631 et
2 seq.).

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

7 **SEC. 802. APPLICATION OF OWNERSHIP REQUIREMENTS.**

8 (a) SMALL BUSINESS ACT.—Section 7(a) of the
9 Small Business Act (15 U.S.C. 636(a)) is amended by
10 adding at the end the following:

11 “(30) OWNERSHIP REQUIREMENTS.—Owner-
12 ship requirements to determine the eligibility of a
13 small business concern that applies for assistance
14 under any credit program under this Act shall be de-
15 termined without regard to any ownership interest of
16 a spouse arising solely from the application of the
17 community property laws of a State for purposes of
18 determining marital interests.”.

19 (b) SMALL BUSINESS INVESTMENT ACT OF 1958.—
20 Section 502 of the Small Business Investment Act of 1958
21 (15 U.S.C. 696) is amended by adding at the end the fol-
22 lowing:

23 “(6) OWNERSHIP REQUIREMENTS.—Ownership
24 requirements to determine the eligibility of a small
25 business concern that applies for assistance under

1 any credit program under this title shall be deter-
2 mined without regard to any ownership interest of a
3 spouse arising solely from the application of the
4 community property laws of a State for purposes of
5 determining marital interests.”.

6 **SEC. 803. SUBCONTRACTING PREFERENCE FOR VETERANS.**

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

9 (1) in paragraph (1), by inserting “small busi-
10 ness concerns owned and controlled by veterans,”
11 after “small business concerns,” the first place that
12 term appears in each of the first and second sen-
13 tences;

14 (2) in paragraph (3)—

15 (A) in subparagraph (A), by inserting
16 “small business concerns owned and controlled
17 by service-disabled veterans,” after “small busi-
18 ness concerns owned and controlled by vet-
19 erans,” in each of the first and second sen-
20 tences; and

21 (B) in subparagraph (F), by inserting
22 “small business concern owned and controlled
23 by service-disabled veterans,” after “small busi-
24 ness concern owned and controlled by vet-
25 erans,”; and

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

3 “(D) to pay the expenses of the association re-
4 ferred to in section 21(a)(3)(A) for conducting the
5 certification program, as provided in section
6 21(k)(2); and

7 “(E) to pay the expenses of the Administration,
8 including salaries of examiners, for conducting ex-
9 aminations as part of the certification program con-
10 ducted by the association referred to in section
11 21(a)(3)(A).”.

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

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

20 “(C) FUNDING FORMULA.—

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

1 “(I) The annual amount made avail-
2 able under section 20(a) for the Small
3 Business Development Center Program,
4 less any reductions made for expenses au-
5 thorized by clause (v) of this subpara-
6 graph, shall be divided on a pro rata basis,
7 based on the percentage of the population
8 of each State, as compared to the popu-
9 lation of the United States.

10 “(II) If the pro rata amount cal-
11 culated under subclause (I) for any State
12 is less than the minimum funding level
13 under clause (iii), the Administration shall
14 determine the aggregate amount necessary
15 to achieve that minimum funding level for
16 each such State.

17 “(III) The aggregate amount cal-
18 culated under subclause (II) shall be de-
19 ducted from the amount calculated under
20 subclause (I) for States eligible to receive
21 more than the minimum funding level. The
22 deductions shall be made on a pro rata
23 basis, based on the population of each such
24 State, as compared to the total population
25 of all such States.

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

10 “(ii) GRANT DETERMINATION.—The
11 amount of a grant that a State is eligible to
12 apply for under this subparagraph shall be the
13 amount determined under clause (i), subject to
14 any modifications required under clause (iii),
15 and shall be based on the amount available for
16 the fiscal year in which performance of the
17 grant commences, but not including amounts
18 distributed in accordance with clause (iv). The
19 amount of a grant received by a State under
20 any provision of this subparagraph shall not ex-
21 ceed the amount of matching funds from
22 sources other than the Federal Government, as
23 required under subparagraph (A).

24 “(iii) MINIMUM FUNDING LEVEL.—The
25 amount of the minimum funding level for each

1 State shall be determined for each fiscal year
2 based on the amount made available for that
3 fiscal year to carry out this section, as follows:

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

8 “(II) If the amount made available is
9 less than \$81,500,000, the minimum fund-
10 ing level shall be the remainder of
11 \$500,000 minus a percentage of \$500,000
12 equal to the percentage amount by which
13 the amount made available is less than
14 \$81,500,000.

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

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

1 “(I) If the grant to any State is less
2 than the amount received by that State in
3 fiscal year 2000, the Administration shall
4 distribute such remaining funds, on a pro
5 rata basis, based on the percentage of
6 shortage of each such State, as compared
7 to the total amount of such remaining
8 funds available, to the extent necessary in
9 order to increase the amount of the grant
10 to the amount received by that State in fis-
11 cal year 2000, or until such funds are ex-
12 hausted, whichever first occurs.

13 “(II) If any funds remain after the
14 application of subclause (I), the remaining
15 amount may be distributed as supple-
16 mental grants to any State, as the Admin-
17 istration determines, in its discretion, to be
18 appropriate, after consultation with the as-
19 sociation referred to in subsection
20 (a)(3)(A).

21 “(v) USE OF AMOUNTS.—

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

1 “(aa) not more than \$500,000
2 may be used by the Administration to
3 pay expenses enumerated in subpara-
4 graphs (B) through (D) of section
5 20(a)(1); and

6 “(bb) not more than \$500,000
7 may be used by the Administration to
8 pay the examination expenses enumer-
9 ated in section 20(a)(1)(E).

10 “(II) LIMITATION.—No funds de-
11 scribed in subclause (I) may be used for
12 examination expenses under section
13 20(a)(1)(E) if the usage would reduce the
14 amount of grants made available under
15 clause (i)(I) of this subparagraph to less
16 than \$85,000,000 (after excluding any
17 amounts provided in appropriations Acts
18 for specific institutions or for purposes
19 other than the general small business de-
20 velopment center program) or would fur-
21 ther reduce the amount of such grants
22 below such amount.

23 “(vi) EXCLUSIONS.—Grants provided to a
24 State by the Administration or another Federal
25 agency to carry out subsection (a)(6) or

1 (c)(3)(G), or for supplemental grants set forth
 2 in clause (iv)(II) of this subparagraph, shall not
 3 be included in the calculation of maximum
 4 funding for a State under clause (ii) of this
 5 subparagraph.

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

10 “(viii) STATE DEFINED.—In this subpara-
 11 graph, the term ‘State’ means each of the sev-
 12 eral States, the District of Columbia, the Com-
 13 monwealth of Puerto Rico, the Virgin Islands,
 14 Guam, and American Samoa.”.

15 **SEC. 805. SURETY BONDS.**

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

19 (1) in subsection (a)(1), by striking
 20 “\$1,250,000” and inserting “\$2,000,000”; and

21 (2) in subsection (e)(2), by striking
 22 “\$1,250,000” and inserting “\$2,000,000”.

23 (b) EXTENSION OF CERTAIN AUTHORITY.—Section
 24 207 of the Small Business Administration Reauthorization

1 and Amendment Act of 1988 (15 U.S.C. 694b note) is
2 amended by striking “2000” and inserting “2003”.

3 **SEC. 806. SIZE STANDARDS.**

4 (a) **INDUSTRY CLASSIFICATIONS.**—Section 15(a) of
5 the Small Business Act (15 U.S.C. 644(a)) is amended
6 in the eighth sentence, by striking “four-digit standard”
7 and all that follows through “published” and inserting
8 “definition of a ‘United States industry’ under the North
9 American Industry Classification System, as established”.

10 (b) **ANNUAL RECEIPTS.**—Section 3(a)(1) of the
11 Small Business Act (15 U.S.C. 632(a)(1)) is amended by
12 striking “\$500,000” and inserting “\$750,000”.

13 **SEC. 807. NATIVE HAWAIIAN ORGANIZATIONS UNDER SEC-**
14 **TION 8(a).**

15 Section 8(a)(15)(A) of the Small Business Act (15
16 U.S.C. 637(a)(15)(A)) is amended to read as follows:

17 “(A) is a nonprofit corporation that has filed
18 articles of incorporation with the director (or the
19 designee thereof) of the Hawaii Department of Com-
20 merce and Consumer Affairs, or any successor agen-
21 cy,”.

22 **SEC. 808. NATIONAL VETERANS BUSINESS DEVELOPMENT**
23 **CORPORATION CORRECTION.**

24 Section 33(k) of the Small Business Act (15 U.S.C.
25 657c(k)) is amended—

1 (1) by striking paragraph (1) and inserting the
2 following:

3 “(1) IN GENERAL.—Subject to paragraph (2),
4 there are authorized to be appropriated to the Cor-
5 poration to carry out this section—

6 “(A) \$4,000,000 for fiscal year 2001;

7 “(B) \$4,000,000 for fiscal year 2002;

8 “(C) \$2,000,000 for fiscal year 2003; and

9 “(D) \$2,000,000 for fiscal year 2004.”;

10 (2) in paragraph (2)(A), by striking “2001”
11 each place it appears and inserting “2002”; and

12 (3) in paragraph (2)(B), by striking “2002 or
13 2003” and inserting “2003 or 2004”.

14 **SEC. 809. PRIVATE SECTOR RESOURCES FOR SCORE.**

15 Section 8(b)(1)(B) of the Small Business Act (15
16 U.S.C. 637(b)(1)(B)) is amended by adding at the end
17 the following: “Notwithstanding any other provision of
18 law, SCORE may solicit cash and in-kind contributions
19 from the private sector to be used to carry out its func-
20 tions under this Act, and may use payments made by the
21 Administration pursuant to this subparagraph for such so-
22 licitation.”.

1 **SEC. 810. CONTRACT DATA COLLECTION.**

2 (a) REPORTING OF BUNDLED CONTRACT OPPORTU-
3 NITIES.—Section 3(o)(1) of the Small Business Act (15
4 U.S.C. 632(o)(1)) is amended to read as follows:

5 “(1) BUNDLED CONTRACT.—The term ‘bundled
6 contract’ means a contract, or a modification of an
7 existing contract, that is entered into to meet—

8 “(A) requirements that are consolidated in
9 a bundling of contract requirements regardless
10 of whether the contracting agency has con-
11 ducted a study of the effects of the solicitation
12 for the contract on civilian or military personnel
13 of the United States; or

14 “(B) any procurement requirement that
15 permits the consolidation of 2 or more procure-
16 ment requirements.”.

17 (b) ANALYSIS REQUIRED WITH RESPECT TO BUN-
18 DLED CONTRACTS.—Section 15(e)(2)(A) of the Small
19 Business Act (15 U.S.C. 644(e)(2)(A)) is amended—

20 (1) by striking “(A) IN GENERAL.—” and in-
21 serting the following:

22 “(A) DETERMINATION OF NECESSITY.—

23 “(i) IN GENERAL.—”; and

24 (2) by adding at the end the following:

25 “(ii) IDENTIFICATION OF DISPLACED
26 PRIME CONTRACTORS.—The market re-

1 search required by clause (i) shall also
2 identify each small business concern that
3 will be displaced as a prime contractor as
4 a result of the award of such contract, and
5 the Administrator shall maintain such data
6 for a period of not less than 10 years.

7 “(iii) NOTIFICATION TO ADMINIS-
8 TRATOR.—Before proceeding with an ac-
9 quisition strategy to recompile a pre-
10 viously bundled contract as a contract that
11 continues to contain the bundling of con-
12 tract requirements of the original bundled
13 contract, the head of the agency shall no-
14 tify the Administrator and shall conduct
15 market research, as set forth in this sub-
16 paragraph.

17 “(iv) REVIEW AND DETERMINA-
18 TION.—The Administrator shall, not later
19 than 30 days after notification under
20 clause (iii), review and determine—

21 “(I) the amount of savings and
22 benefits (in accordance with this sub-
23 section) achieved under the bundling
24 of contract requirements; and

1 “(II) whether such savings and
2 benefits will continue to be realized if
3 the contract remains bundled and
4 whether such benefits would be great-
5 er if the procurement requirements
6 were divided into separate solicitations
7 suitable for award to small business
8 concerns.

9 “(v) APPEAL.—If the determination
10 of the Administrator under clause (iv)
11 reaches a different conclusion with respect
12 to the savings and benefits of the recom-
13 peted bundle than that found by the head
14 of the contracting agency, as required by
15 clause (iii), the Administrator shall appeal
16 the decision to the Office of Federal Pro-
17 curement Policy. The Administrator and
18 the head of the contracting agency shall
19 submit the reports required by this sub-
20 section to the Office of Federal Procure-
21 ment Policy, not later than 5 calendar
22 days after the Administrator’s report is
23 completed. Not later than 7 calendar days
24 after submission of such reports, the Ad-
25 ministrator of the Office of Federal Pro-

1 curement Policy shall determine whether
2 the subject contract shall be recompeted as
3 bundled contract.”.

4 (c) ANNUAL REPORT ON CONTRACT BUNDLING.—
5 Section 15 of the Small Business Act (15 U.S.C. 644) is
6 amended by adding at the end the following:

7 “(p) ANNUAL REPORT ON CONTRACT BUNDLING.—

8 “(1) IN GENERAL.—Not later than 1 year after
9 the date of enactment of this subsection, and annu-
10 ally in March thereafter, the Administration shall
11 transmit a report on contract bundling to the Com-
12 mittees on Small Business of the House of Rep-
13 resentatives and the Senate.

14 “(2) CONTENTS.—Each report transmitted
15 under paragraph (1) shall include—

16 “(A) data on the number, arranged by in-
17 dustrial classification, of small business con-
18 cerns displaced as prime contractors as a result
19 of the award of bundled contracts by Federal
20 agencies; and

21 “(B) a description of the activities with re-
22 spect to previously bundled contracts of each
23 Federal agency during the preceding year,
24 including—

1 “(i) data on the number and total dol-
2 lar amount of all contract requirements
3 that were bundled; and

4 “(ii) with respect to each bundled con-
5 tract, data or information on—

6 “(I) the justification for the bun-
7 dling of contract requirements;

8 “(II) the cost savings realized by
9 bundling the contract requirements
10 over the life of the contract;

11 “(III) the extent to which main-
12 taining the bundled status of contract
13 requirements is projected to result in
14 continued cost savings;

15 “(IV) the extent to which the
16 bundling of contract requirements
17 complied with the contracting agen-
18 cy’s small business subcontracting
19 plan, including the total dollar value
20 awarded to small business concerns as
21 subcontractors and the total dollar
22 value previously awarded to small
23 business concerns as prime contrac-
24 tors; and

1 “(V) the impact of the bundling
 2 of contract requirements on small
 3 business concerns unable to compete
 4 as prime contractors for the consoli-
 5 dated requirements and on the indus-
 6 tries of such small business concerns,
 7 including a description of any changes
 8 to the proportion of any such industry
 9 that is composed of small business
 10 concerns.”.

11 (d) REPORTING OF BUNDLED CONTRACT OPPORTU-
 12 NITIES.—Section 414(a) of the Small Business Reauthor-
 13 ization Act of 1997 (41 U.S.C. 405 note) is amended—

14 (1) by striking “\$5,000,000” and inserting
 15 “\$25,000”; and

16 (2) by striking “bundling of contract require-
 17 ments” and inserting “bundled contract”.

18 **SEC. 811. PROCUREMENT PROGRAM FOR WOMEN-OWNED**
 19 **SMALL BUSINESS CONCERNS.**

20 Section 8 of the Small Business Act (15 U.S.C. 637)
 21 is amended by adding at the end the following new sub-
 22 section:

23 “(m) PROCUREMENT PROGRAM FOR WOMEN-OWNED
 24 SMALL BUSINESS CONCERNS.—

1 “(1) DEFINITIONS.—In this subsection, the fol-
2 lowing definitions apply:

3 “(A) CONTRACTING OFFICER.—The term
4 ‘contracting officer’ has the meaning given such
5 term in section 27(f)(5) of the Office of Federal
6 Procurement Policy Act (41 U.S.C. 423(f)(5)).

7 “(B) SMALL BUSINESS CONCERN OWNED
8 AND CONTROLLED BY WOMEN.—The term
9 ‘small business concern owned and controlled by
10 women’ has the meaning given such term in
11 section 3(n), except that ownership shall be de-
12 termined without regard to any community
13 property law.

14 “(2) AUTHORITY TO RESTRICT COMPETITION.—
15 In accordance with this subsection, a contracting of-
16 ficer may restrict competition for any contract for
17 the procurement of goods or services by the Federal
18 Government to small business concerns owned and
19 controlled by women, if—

20 “(A) each of the concerns is not less than
21 51 percent owned by 1 or more women who are
22 economically disadvantaged (and such owner-
23 ship is determined without regard to any com-
24 munity property law);

1 “(B) the contracting officer has a reason-
2 able expectation that 2 or more small business
3 concerns owned and controlled by women will
4 submit offers for the contract;

5 “(C) the contract is for the procurement of
6 goods or services with respect to an industry
7 identified by the Administrator pursuant to
8 paragraph (3);

9 “(D) the anticipated award price of the
10 contract (including options) does not exceed—

11 “(i) \$5,000,000, in the case of a con-
12 tract assigned a standard industrial classi-
13 fication code for manufacturing; or

14 “(ii) \$3,000,000, in the case of all
15 other contracts;

16 “(E) in the estimation of the contracting
17 officer, the contract award can be made at a
18 fair and reasonable price; and

19 “(F) each of the concerns—

20 “(i) is certified by a Federal agency,
21 a State government, or a national certi-
22 fying entity approved by the Adminis-
23 trator, as a small business concern owned
24 and controlled by women; or

1 “(ii) certifies to the contracting officer
2 that it is a small business concern owned
3 and controlled by women and provides ade-
4 quate documentation, in accordance with
5 standards established by the Administra-
6 tion, to support such certification.

7 “(3) WAIVER.—With respect to a small busi-
8 ness concern owned and controlled by women, the
9 Administrator may waive subparagraph (2)(A) if the
10 Administrator determines that the concern is in an
11 industry in which small business concerns owned
12 and controlled by women are substantially underrep-
13 resented.

14 “(4) IDENTIFICATION OF INDUSTRIES.—The
15 Administrator shall conduct a study to identify in-
16 dustries in which small business concerns owned and
17 controlled by women are underrepresented with re-
18 spect to Federal procurement contracting.

19 “(5) ENFORCEMENT; PENALTIES.—

20 “(A) VERIFICATION OF ELIGIBILITY.—In
21 carrying out this subsection, the Administrator
22 shall establish procedures relating to—

23 “(i) the filing, investigation, and dis-
24 position by the Administration of any chal-
25 lenge to the eligibility of a small business

1 concern to receive assistance under this
2 subsection (including a challenge, filed by
3 an interested party, relating to the veracity
4 of a certification made or information pro-
5 vided to the Administration by a small
6 business concern under paragraph (2)(F));
7 and

8 “(ii) verification by the Administrator
9 of the accuracy of any certification made
10 or information provided to the Administra-
11 tion by a small business concern under
12 paragraph (2)(F).

13 “(B) EXAMINATIONS.—The procedures es-
14 tablished under subparagraph (A) may provide
15 for program examinations (including random
16 program examinations) by the Administrator of
17 any small business concern making a certifi-
18 cation or providing information to the Adminis-
19 trator under paragraph (2)(F).

20 “(C) PENALTIES.—In addition to the pen-
21 alties described in section 16(d), any small busi-
22 ness concern that is determined by the Admin-
23 istrator to have misrepresented the status of
24 that concern as a small business concern owned

1 and controlled by women for purposes of this
2 subsection, shall be subject to—

3 “(i) section 1001 of title 18, United
4 States Code; and

5 “(ii) sections 3729 through 3733 of
6 title 31, United States Code.

7 “(6) PROVISION OF DATA.—Upon the request
8 of the Administrator, the head of any executive
9 agency shall promptly provide to the Administrator
10 such information as the Administrator determines to
11 be necessary to carry out this subsection.”.

12 **SEC. 812. PARTICIPATION IN GOVERNMENT CONTRACTS BY**
13 **CERTAIN SMALL BUSINESSES.**

14 (a) IN GENERAL.—Section 8(a)(1)(D)(i)(II) of the
15 Small Business Act (15 U.S.C. 637(a)(1)(D)(i)(II) is
16 amended to read as follows:

17 “(II) the anticipated award price of the
18 contract (including options) will exceed—

19 “(aa) \$6,500,000, in the case of a
20 contract opportunity assigned a North
21 American Industrial Classification code for
22 manufacturing; and

23 “(bb) \$4,000,000, in the case of all
24 other contract opportunities, except that
25 the Administration may increase these

1 thresholds due to inflation, as deemed nec-
2 essary.”.

3 (b) HUBZONE SMALL BUSINESS CONCERNS.—Sec-
4 tion 31(b)(2)(A)(ii) of the Small Business Act (15 U.S.C.
5 657a(b)(2)(A)(ii)) is amended to read as follows:

6 “(ii) the anticipated award price of
7 the contract (including options) will not
8 exceed—

9 “(I) \$6,500,000, in the case of a
10 contract opportunity assigned a North
11 American Industrial Classification
12 code for manufacturing; or

13 “(II) \$4,000,000, in the case of
14 all other contract opportunities; and”.

○